

# The Impact of HRM Practices on Organisational Commitment and Employees' Intention to Stay: A Comprehensive Analysis

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## ABSTRACT

*Human Resource Management (HRM) practices are one of the crucial issues in today's dynamic business environment that help organisations develop their productivity. This study looks into the effects of some HRM practices, namely, compensation, work-life balance, job security, and supervisor support, on employees' intention to stay with their organisations. Employee retention is an important concern for businesses, as it directly impacts any organisation's performance, growth, and overall success. The research targets employees with at least two years of experience in Bangladesh's business and financial industries. Data were collected from 313 respondents, with a high response rate of 89.71%, using a standardised questionnaire on a five-point Likert scale. The data analysis in this study, such as Principal Component Analysis (PCA) and regression analysis, was done using SPSS 20. Some key results show that HRM practices and employees' intention to stay with an organisation are positively correlated. Compensation, work-life balance, and supervisor support emerged as strong factors in retaining employees. Organisational Commitment (OC) is also a significant outcome that can ensure a good work environment. Reliability and validity tests like Cronbach's alpha, KMO, and Bartlett's Test of Sphericity have verified that the data is robust. The study infers that HRM practices significantly influence employees' commitment and intention to stay with their employer. This calls for businesses to strategically invest in HRM practices to enhance employee satisfaction and reduce turnover. The overall findings from the study add to the broader understanding of how HRM practices contribute to employee retention within Bangladesh's business environment.*

**Keywords:** Employees' Intention to Stay, HRM Practices, Organisational Commitment, Work Experience

## 1. INTRODUCTION

The multidimensionality of Human Resource Management (HRM) practice helps organisations achieve corporate and personal goals, so HRM plays a crucial role in company success. Organisations must create a long-term edge or dominance to gain a competitive advantage (Noe et al., 2007). The effective implementation of HRM practices is becoming increasingly critical in Bangladesh, a rapidly developing economy, to enhance Organisational Commitment (OC) and reduce turnover, particularly in the service sector. The significance of strategic HRM in promoting organisational performance and employee retention in emerging markets has been underscored by recent research (Saks, 2019; Jackson & Schuler, 2021).

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HRM practices that cultivate robust psychological and emotional bonds between employees and their organisations significantly impact employee retention in Bangladesh. OC measures employees' emotional attachment to their workplace, and research indicates that HRM practices significantly influence this attachment (Meyer & Allen, 2020). Furthermore, employees' OC closely correlates with their intention to remain with the organisation.

HRM practices are essential for effective employee training, motivating them with compelling rewards, and ensuring enrollment and determination. Organisations have adopted HRM practices due to global competition. According to Yousef (2017), HRM improves firm performance and OC. Previous research has confirmed the link between HRM practices and firm performance and developed a framework for assessing it (Ali et al., 2017). An organisation's HRM practices must focus on recruiting, developing, and retaining skilled and productive employees who contribute to the company's growth. The relationship between workers and organisations is greatly affected by such practices (Koster, 2011; Lambooi et al., 2006). The intention to stay is also closely related to employees' commitment to any organisation. Intention to stay refers to the tendency of employees to stay with an organisation over a long period; this has often been considered a significant factor in minimising turnover and ensuring workforce stability. Previous studies have shown that HRM practices affect employees' intention to stay by fostering strong OC levels (Bamberger & Meshoulam, 2017).

OC measures whether human resource practices can foster mental connections between firms and employee goals (Sendogdu et al., 2013). Strategic HRM aligns HRM practices with organisational strategies (Tang et al., 2015). Today, technology and the Internet of Things affect businesses' ability to secure value. The growth of the service sector in emerging markets is a major concern, and most service companies try to gain and maintain competitive edges by assessing quality management processes. Studies by Wahyuni and Syamsir (2020) have shown that efficient HRM practices can improve customer satisfaction, customer loyalty, employee satisfaction, and employee loyalty, resulting in higher service quality. Developing nations need committed and satisfied employees to grow their service industries. High employee OC is a sign of good HRM practices in any workplace that foster organisational and employee goals. Intangible HRM outcomes like OC help retain employees and maximise their potential (Ahmad & Schroeder, 2003).

This study aims to investigate the correlation between employees' intention to stay and OC, with a particular emphasis on the service industry in Bangladesh. This research contributes to the literature on employee behaviour in emerging economies by examining the impact of HRM practices on OC and retention. The study specifically investigates the role of job satisfaction as a mediator in the relationship between HRM practices and OC, emphasising its influence on employees' intention to stay. The theoretical framework, research methodology, key findings, and practical implications for both academics and practitioners in Bangladesh will be presented in the subsequent sections of the paper.

## **2. LITERATURE REVIEW**

HRM practices are a collection of activities, functions, and processes that are distinct yet interconnected to attract, develop, and retain employees to achieve organisational objectives (Boselie, 2014; Kooij et al., 2018). These procedures are intended to effectively manage an organisation's human capital, guaranteeing that employees are motivated, committed, and capable of contributing to the organisation's success. HRM practices in numerous organisations primarily focus on operations, systems, and matters related to compensation, individual development, and recruitment. When HRM practices assume a strategic role, they concentrate on achieving high performance in the short term. Investments in HRM practices implemented by organisations will

foster the development of unique human capital that is challenging to replicate, enhance employees' knowledge, skills, and abilities, decrease turnover rates, and elevate work motivation.

Moreover, HRM practices designed to enhance employees' skills, provide opportunities, foster motivation, and achieve a work-life balance are regarded as effective. Both employees and organisations broadly endorse them. This investigation will concentrate on five key HRM practices: OC, supervisor support, job security, work-life balance, and compensation. These practices were selected for the study because of their strong correlation with employees' intention to stay, which is the dependent variable. Job security fosters a sense of stability and long-term commitment, while compensation and work-life balance are essential for employee motivation and satisfaction. Supervisor support is essential for developing positive employee relations and OC, influencing employees' remaining intentions. This study endeavours to offer valuable insights into how HRM practices can enhance retention in Bangladesh's expanding service industry by analysing the influence of these independent variables on employees' intention to stay. It is commonly asserted that these dimensions can incentivise employees and mitigate turnover by providing a sense of security, autonomy, stability, and the potential for career fulfillment. HRM is the planning, organising, directing, and supervising of hiring, training, compensation, integration, maintenance, and termination of employees to accomplish corporate organisational goals comprehensively. HRM, conversely, is the process of hiring, training, evaluating, and compensating staff members while considering their work relationships, health, safety, and justice concerns (Dessler, 2004). Additionally, HRM can be understood as the science and art that governs the relationship and role of the workforce to be influential and efficient in using human capabilities to achieve goals in each company.

## 2.1 Compensation

According to Dessler (2004), compensation is a payment or wage that an employee receives as part of their employment. Different people may have other ideas about what compensation means. The employee must receive basic pay to maintain a suitable lifestyle. Compensation, however, also offers a concrete indicator of a person's worth to the company. One strategic human resource function that greatly influences other human resource functions is compensation payment. Compensation types described by Dessler (2004) refer to initial direct financial payment in the form of a commission, bonus, wage incentives, or salary. Second, indirect compensation for business expenses includes benefits like insurance and entertainment. Third, non-monetary benefits that are difficult to measure, such as a demanding workplace, flexible scheduling, and a prestigious office. Wages or salaries, incentives, and allowances are examples of direct compensation types. Employees receive compensation for their contributions to the company, whether monetary or non-monetary. Appropriate remuneration will encourage employees to remain with the company and, unconsciously, will increase their sense of loyalty to the company. According to Ahmad and Schroeder (2003), turnover intention is influenced by OC, with low OC being the most significant factor. Studies investigate how OC is impacted by pay and job satisfaction.

Companies must pay their workers, support high-achieving workers, and retain productive and quality workers so that they will stay with the company to boost productivity and motivate staff. Several compensation goals should be considered: 1. Honouring job performance, 2. Ensuring justice, 3. Retain workers, 4. Attainment of superior personnel, 5. Search for costs, 6. The law of compliance. Businesses should provide workers' compensation in a timely, fair, and productive manner. Pay is what employees receive for their labor. A distinct compensation plan is offered to an organisation based on its vision, mission, and objectives.

## 2.2 Work-Life Balance

Work-life balance and employee engagement are pivotal elements that can facilitate a company's sustained growth. Consequently, an imbalance between professional and personal life induces elevated stress levels, potentially resulting in increased employee turnover. Consequently, employees' capacity to attain work-life balance with organisational support should increase job engagement, commitment, and enhanced job performance. Work-life balance is founded on an employee's necessity to achieve a harmonious equilibrium between the aspiration to engage comprehensively in the workforce and the commitment to familial obligations—essentially, the interplay between professional and personal responsibilities. Work-life balance is a satisfactory degree of engagement in the various roles within an individual's life. Previous research indicated that work-life balance correlates with increased job satisfaction, life satisfaction, and improved mental health. Increased employee autonomy correlates with an enhanced ability to balance and commit to professional and familial responsibilities.

In recent years, organisations have become increasingly cognisant of adopting the work-life balance concept, which is crucial for attracting and retaining talent. A lack of attentiveness and insufficient job engagement will result in employee turnover over time. Intention to stay is the term that denotes willingness and commitment toward the organisation for an extended period. It is an essential retention indicator because it reflects employees' satisfaction with their job environment, organisational culture, and HRM practices. Higher engagement, loyalty, and OC levels are suggested when employees reveal a strong intention to stay. On the other hand, the turnover intention is often manifested by the contemplation of resignation and searching for available jobs outside the organisation. This is often a serious concern for organisations operating in highly competitive industries that rely on retaining qualified employees to maintain an edge over their competitors.

When the turnover intention is finally realised through actual turnover, costs to the organisation may become very high. These costs include the possible loss of expertise, productivity, and morale within the team and expenses related to recruitment, induction, training, and development of new employees. According to Ahmad and Schroeder (2003), the frequent intention of employees to leave a position frequently leads to disengagement, which may result in diminished productivity, decreased morale, and a bad impact on organisational culture. On the other hand, when employees are committed to staying with the organisation, they may be more productive, focused, and motivated, contributing to the organisation's bigger success.

## 2.3 Supervisor Support

A systematic literature examination reveals that supportive organisational practices significantly impact employee turnover (Singh & Kassa, 2016). The discourse regarding the impact of software engineering on employee intentions and behaviours remains under examination. Shoaib et al. (2021) assert that individuals within an organisation experience positive support and encouragement in a Supportive Work Environment (SWE). SWE augments employees' engagement in their roles, elevating their performance (Ma Prieto & Pilar, 2014). Various scholars attribute factors that may affect an individual's intention to remain with the organisation. Many studies have identified supervisor and peer support as primary predictors of employee retention. One study indicates that supervisory support in the workplace may reduce stress and enhance job satisfaction (van Dierendonck et al., 2002) and employee retention intentions. Research indicates that a positive rapport between supervisors and subordinates is established through sharing feedback and information, performance appraisals, expressions of appreciation, mutual exchanges, reliability, and assistance, all of which contribute to enhanced retention (Ghosh & Sahney, 2011). Employees'

confidence in their supervisors cultivates OC, which cannot be attained without an affirmative supervisory role. The supervisory role is deemed crucial for organisational performance, with numerous studies empirically demonstrating that a positive superior-subordinate relationship enhances employee job satisfaction, consequently fostering increased OC. A supportive and innovative culture positively correlates with commitment. Consequently, an organisation should seek methods to cultivate a healthier work environment to maintain enhanced employee relationships.

## **2.4 Job Security**

Job security is crucial to employees' dedication to their organisation (Shoss, 2017). Job security is regarded as a distinct job-related concern, while the intention to remain is viewed as a broader reaction to an organisation. Job security is a more dynamic concern than OC. Both variables are critically important in determining the employee's mindset towards the organisation. Numerous research studies indicate that job satisfaction positively affects OC in non-academic settings, including telephone call centers, small and medium-sized enterprises, manufacturing firms (Shoss, 2017), civil aviation, IT, and insurance companies. Job security influences employees' intention to stay through its impact on OC and job satisfaction. By enhancing job security, organisations can foster greater OC and job satisfaction, thereby improving retention. However, these relationships' strength may vary across organisational contexts and cultural settings. Ahmad and Schroeder (2003) contend that positive job security can augment teachers' OC. Job insecurity signifies a peril to the continuity and stability of current employment. Job insecurity has garnered heightened scholarly and public interest due to technological, economic, and political transformations in recent decades, leaving many apprehensive about their employment prospects. A conducive and efficient university atmosphere fosters employees' job security, enhancing their OC and increasing university productivity.

## **2.5 Organisational Commitment (OC)**

Organisational Commitment (OC) can be defined as an employee's dedication to the organisation in which they are employed. An individual's commitment is key to ensuring the organisation's continuity (Uraon, 2018). Jackson and Schuler (2021) delineated three elements of organisational commitment (OC): Affective commitment, which refers to emotional attachment and affection toward the organisation; continuance commitment, which involves an individual's evaluation of the costs and risks associated with leaving the organisation; and normative commitment, which is based on a sense of obligation and moral duty to remain with the organisation.

OC has recently received significant attention from scholars in business management and organisational behaviour. The primary objective of numerous studies has been to identify methods to enhance employee perceptions of their roles, thereby increasing their commitment to their organisations. OC affects job variables, including employee performance outcomes, retention intentions, and organisational effectiveness. The origins of studies related to OC can be traced to the 1960s. This has emerged as a significant research domain in management and organisational behaviour over the past fifty years. Over the past thirty years, numerous studies have investigated the influence of HRM practices on OC and the effect of OC on employee turnover intention (Naz et al., 2020) while also considering other antecedents and factors impacting employee commitment (Paul & Anantharaman, 2004).

Affective commitment is a crucial element of OC, surpassing continuance and normative commitments, due to its influence on employee turnover intentions and performance. This scale

gained prominence and is extensively utilised by scholars in HRM and organisational behaviour. The three components of the OC scale encompass three dimensions of commitment, each exerting unique influences on employee and organisational effectiveness. Affective commitment strengthens when employees experience improved work quality, feel competent in their roles, and perceive greater autonomy. Continuance commitment develops as individuals weigh the costs and benefits of staying with or leaving the organisation, with potential monetary, professional, or social losses. Normative commitment emerges when employees feel a moral obligation or sense of duty to remain with their employer.

This commitment is critical in shaping employees' intentions to stay with the organisation. When employees feel that the organisation shares their values and is committed to practices they care about, they are more likely to develop a sense of emotional connection with the company. This sense of fit can greatly influence employees' intent to stay because they feel their values are supported and reflected in the organisation's actions. Moreover, employee commitment is fostered by implementing innovative practices to improve organisational performance. These initiatives enhance employee competencies, reduce operational expenses, and increase engagement (Wahyuni & Syamsir, 2020). Additionally, such HRM strategies support flexible work arrangements, such as telecommuting and online training, which can reduce employees' carbon footprints and improve work-life balance (Ali & Anwar, 2021).

OC can be defined as a connection or affiliation with the organisation (Rahman & Salim, 2013). Organisations should develop incentive schemes and motivational initiatives to bolster employee commitment (Jawaad et al., 2019). Employee commitment is illustrated by their attitudes, behaviours, and organisational outcomes, including job satisfaction, affective commitment, and retention rates (Rubel et al., 2018). Furthermore, organisational commitment encompasses employee identification, engagement, and allegiance to the company (Yousef, 2017).

## **2.6 Employees' Intention to Stay**

The notion of 'turnover intention' or 'intention to leave' is defined as the subsequent logical progression following experienced dissatisfaction in the withdrawal process (Tett & Meyer, 1993). Employees' turnover intention refers to an employee's propensity to resign, categorised into voluntary and involuntary types, alongside the dysfunctions in the job that prompt resignation. Each turnover category impacts the organisation differently (Shoss, 2017). This intention arises when individuals perceive their job as failing to fulfill their aspirations and expectations (Zeffane & Bani Melhem, 2017).

## **2.7 Research Gap**

Employee intentions to stay are critically significant for an organisation due to the expenses incurred from talent loss, severance compensation, recruitment, training, and replacement, in addition to the performance disparity between departing employees and new hires (Aburumman et al., 2020). The competencies employed by personnel constitute a significant aspect of corporate capital. The capital diminishes due to turnover, leading to a decline in organisational knowledge (Jaharuddin, & Zainol, 2019). Employee turnover intentions and actual turnover rates are significant issues that organisations must address (Aburumman et al., 2020). A high employee turnover rate hinders individuals from remaining in the industry and acquiring long-term experience. Jackson and Schuler (2021) observed that the sector frequently depends on the contributions of youthful and inexperienced labor to occupy vacancies as more skilled and seasoned employees secure positions in other industries. New staff members require time to attain the requisite knowledge and skills to

perform their duties competently. This turnover results in novice employees needing to secure customer satisfaction more adequately. Due to the hospitality industry's inherent nature, employees must consistently engage with customers, necessitating an optimistic, positive demeanour and maintaining social and interpersonal skills (Ashraf, 2020). Consequently, employee turnover poses a significant risk to service quality (Alkhateri et al., 2018).

Recent shifts have shown how likely employees are to stay focused on a few key factors. Flexibility and work-life balance are becoming more important, and remote and hybrid work models are becoming more popular. Mental health and well-being programs are getting more attention, as are career development opportunities and clear paths to advancement. Companies that care about diversity, fairness, and inclusion are more likely to hire people who share those values. A strong workplace culture, competitive pay and benefits, and understanding generational differences are also very important for keeping employees. Overall, creating an environment that is supportive and interesting is important for keeping employees at a company. Even though there is a lot of research on HRM practices and how they affect employee commitment to an organisation, there is still a big hole in our knowledge of the demographic and contextual factors that may affect employees' decisions to stay. Most studies do not look at how things like job security, pay, supervisor support, and work-life balance can have an effect. Also, more research needs to be done on the long-term impacts of these practices on keeping employees in workplaces that are changing quickly. Getting these gaps filled could give us more information on how to make HRM strategies work better to increase employee commitment and decrease plans to leave the company.

### **3. RESEARCH FRAMEWORK**

The research framework of this study is intended to investigate the influence of various HRM practices on employees' intention to stay. The framework incorporates critical variables identified in prior research as having a significant impact on employee retention, particularly in Bangladesh's service sector. The dependent variable in this study is employees' intention to stay. In contrast, the independent variables are compensation, work-life balance, job security, and supervisor support. The literature has extensively discussed compensation as one of the most critical HRM practices that affect employee retention. Koster (2011) and Noe et al. (2007) have conducted research indicating that competitive compensation packages directly contribute to increased job satisfaction, enhancing OC, and growing employees' intention to stay loyal. This study selects compensation as a critical variable to evaluate its impact on retention in Bangladesh, where competitive salary structures are frequently a crucial factor in retaining skilled employees.

Modern employees are increasingly attempting to integrate their personal and professional lives, which has resulted in the increasing significance of work-life balance in employee satisfaction and retention. According to prior research (e.g., Kooij et al., 2018; Guzeller, & Celiker, 2020), organisations prioritising a healthy work-life balance are more likely to retain their employees, associated with increased commitment, reduced stress, and job satisfaction. In Bangladesh's expanding service industry, where work-life balance can be a substantial obstacle, this variable is essential for comprehending its influence on employees' intention to stay. Another critical HRM practice that impacts employee loyalty and retention is job security. Jyoti and Khanna (2021) and Ali et al. (2017) discovered that employees are more inclined to feel loyal to the organisation and are less inclined to pursue alternative employment when they perceive their position as secure. Job security is a critical factor in determining the intention of employees to remain in a given industry, particularly those with high turnover rates, due to the economic volatility in Bangladesh and the increasing competition within the service sector.

Supervisor support has significantly influenced employee motivation, job satisfaction, and retention (Wahyuni & Syamsir, 2020). Employees who perceive their supervisors as supportive are considerably more engaged and dedicated to their organisation, which augments their intention to remain. Understanding the influence of this variable on employee retention and OC is especially important in Bangladesh, where leadership styles can differ significantly among organisations. OC is a critical mediator between HRM practices and employees' intention to stay. Jyoti and Khanna (2021) assert that highly committed employees are more likely to stay in their roles as their values and objectives align with the organisation. The literature has extensively explored this concept, essential for comprehending employee retention (Silaban, & Syah, 2018; Koster, 2011).

In Bangladesh's service industry, OC is likely influenced by how HRM practices facilitate employees' professional development and well-being. The dependent variable in this study is the intention to stay, which denotes the employee's decision or willingness to remain with the organisation for an extended period. Previous research (e.g., Bamberger & Meshoulam, 2017) has underscored the significance of intention to remain a critical determinant of employee retention. Investigating this variable is essential for comprehending turnover dynamics, particularly in the service sector of Bangladesh, as employees who demonstrate a high level of OC are less inclined to depart the organisation.

The selection of these variables is predicated on their strong correlation with OC and employee retention, which are critical factors in Bangladesh's service industry. Like numerous other emerging economies, Bangladesh encounters obstacles such as high turnover rates, particularly in the service sector, where there is fierce competition for skilled employees. This study examines how specific organisational actions and policies affect employees' remaining decisions by concentrating on these HRM practices. The literature has demonstrated that these HRM practices impact the psychological contract between employees and the organisation, affecting their commitment and retention. In Bangladesh, where HRM practices are evolving, organisations must comprehend the influence of compensation, work-life balance, job security, and supervisor support on employees' intention to stay to decrease turnover and improve long-term employee retention.

#### Hypotheses Development:

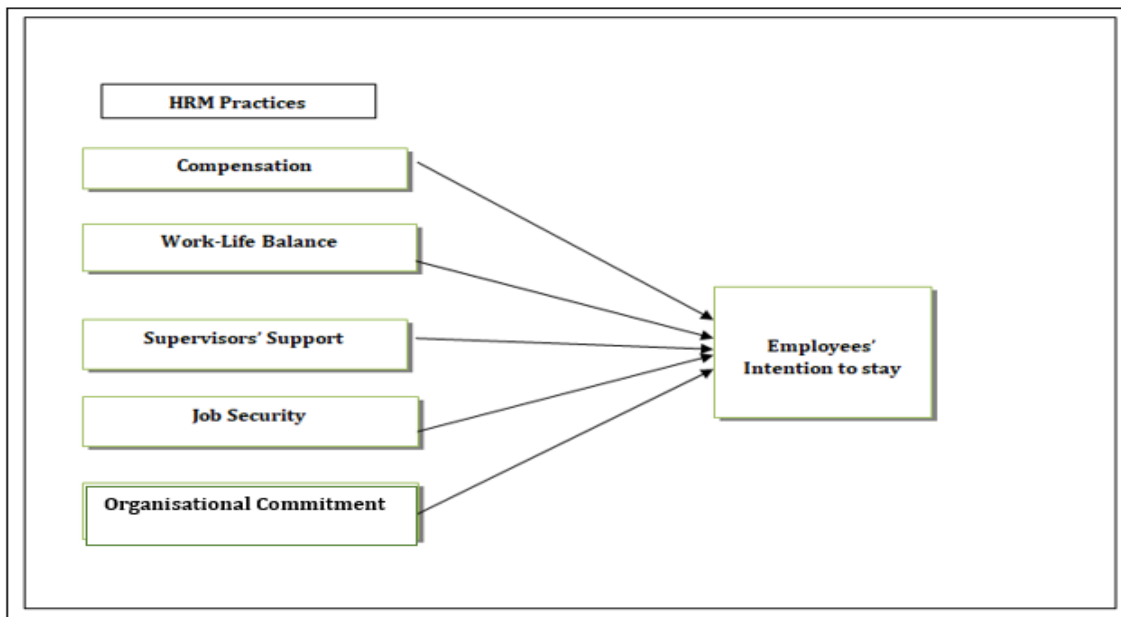
Hypothesis 1: Compensation positively correlates with employees' intention to stay.

Hypothesis 2: Work-life balance positively correlates with employees' intention to stay.

Hypothesis 3: Supervisors' support positively correlates with employees' intention to stay.

Hypothesis 4: Job security positively correlates with employees' intention to stay.

Hypothesis 5: OC positively correlates with employees' intention to stay.



**Figure 1.** The Research Framework

#### 4. METHODOLOGY

The respondents selected for this study were professionals with at least two years of job experience in the concerned departments of Bangladesh's business and financial sectors. These sectors were selected due to their high contribution to the national economy and relatively higher employee turnover rate, making them appropriate for studying employee retention and turnover intentions. The rationale for selecting individuals with at least two years of experience ensures that the data reflects informed opinions based on current and relevant working experiences.

Most of the respondents possess professional or academic qualifications in economics, business, or finance, which is significant because such individuals are more likely to be interested in and understand organisational dynamics, HR practices, and decision-making processes—matters that are central in determining their intention to stay or leave their organisations.

Since the study aims to explore employees' intention to stay in organisations that undertake business in Bangladesh's business and financial sectors, the theoretical population is all employees who work within these sectors around the country. On practical grounds, however, the sampling frame was limited to employees working within Dhaka city, which happens to be Bangladesh's economic and financial hub.

A five-point Likert scale [Strongly Disagree (1) to Strongly Agree (5)] based non-comparative structured questionnaire was drawn up for the collection of primary data. The questionnaire was distributed among a random sample of 350 employees with a business or financial background. Business or financial backgrounds were operationalized as having relevant academic qualifications or holding professional roles within the targeted industries. 313 questionnaires were returned and usable for data analysis, indicating a high response rate of 89.71%, well above the average response rate (10–20%) typical in surveys of working professionals or senior managers (Menon et al., 1996).

To ensure the sample was representative, stratified random sampling was used. The method allowed for the representation of the employees across various departments and job functions, thus considering the diversity of the business and financial sectors. Stratification will allow for reasonable generalisation of the findings to the wider population of employees in the two sectors. In the data analysis, SPSS Version 20 was used to run the statistical analysis.

## 5. FINDINGS AND DATA ANALYSIS

The demographic pattern of the survey respondents reveals a level distribution across several key variables. Regarding gender, 53.35% of the respondents were male and 46.65% were female, reflecting a relatively balanced gender distribution. In age, the majority of respondents (42.2%) were between 30–40 years, followed by 31.6% aged between 41–50 years, reflecting a working population of mature years with large professional backgrounds.

The department-wise distribution indicated that 44.7% of the respondents belonged to HRM, 22.7% to Finance, and 15.3% to Production, with the remaining from Marketing and other functional departments. Based on professional tenure, 40% of the respondents had 5–7 years of work experience, followed by 38.3% having 2–4 years. This ensured that the sample was based on individuals with a reliable and relevant span of organisational exposure.

Interestingly, most respondents were from an economic and business background, either through their higher education certificate (for example, Business Administration, Economics, or Finance) or through occupation in business-oriented roles. This is relevant because these backgrounds naturally influence their perception of organisational strategy, worker value, and decision-making methods. Respondents with these professional and educational qualifications are likely to provide knowledgeable comments on the determinants of employee commitment and intention to stay, which are key themes in this study. The demographic information is presented in Table 1.

**Table 1** Demographic Information

Factor	Segmentation	Number of Respondent	Percentage (%)
Gender	Male	167	53.35
	Female	146	46.65
Age	Under 30	49	15.7
	30-40	132	42.2
	41-50	99	31.6
	Above 50	33	10.5
	Finance	71	22.7
Department	HRM	140	44.7
	Marketing	34	10.9
	Production	48	15.3
	Others	20	6.4
	2-4 years	120	38.3
Work Experience	5-7 years	125	40
	8-10 years	68	21.7

To test the accuracy of the data, Principal Component Analysis (PCA) was used, and the following results were found. PCA is a statistical method used to reduce data and identify the underlying patterns in a dataset. PCA reduces a collection of potentially correlated variables to a smaller number of uncorrelated variables, referred to as Principal Components (PCs). These components capture the

original dataset's maximum variance. PCA aims to reduce the dimensionality of the data while preserving as much variability as possible, thereby simplifying it.

PCA can be implemented in this investigation to identify the critical factors or components influencing employees' intention to stay, as determined by HRM practices, including compensation, work-life balance, job security, and supervisor support. The outcomes of PCA can assist in verifying whether these practices are consistent with the latent factors, which could be classified into broader constructs such as employees' intention to stay. PCA enables us to concentrate on the most significant variables that have the strongest influence on employees' intention to stay, which are essential for testing the hypotheses regarding the relationships between HRM practices and employees' intention to stay by reducing the complexity of the dataset.

**Table 2 PCA Analysis**

Variable	Items	Factor Loading	KMO Test of Adequacy	Bartlett's Test of Sphericity	Sig.	Cronbach Alpha	Hypothesis Supported
Compensation	Q1	.732	.729	163.169	.000	.665	Accepted
	Q2	.707					
	Q3	.690					
	Q4	.696					
Work-life Balance	Q5	.749	.647	109.865	.000	.629	Accepted
	Q6	.775					
	Q7	.749					
Job Security	Q8	.763	.640	143.337	.000	.668	Accepted
	Q9	.826					
	Q10	.735					
Supervisor Support	Q11	.676	.748	280.091	.000	.726	Accepted
	Q12	.718					
	Q13	.670					
	Q14	.701					
	Q15	.689					
Organisational Commitment	Q16	.645	.795	344.560	.000	.763	Accepted
	Q17	.763					
	Q18	.742					
	Q19	.738					
	Q20	.692					
Employees' Intention to Stay	Q21	.663	.753	256.633	.000	.711	Accepted
	Q22	.710					
	Q23	.693					
	Q24	.690					
	Q25	.649					

*Extraction Method: PCA*

The Kaiser-Meyer-Olkin (KMO) test of adequacy for individual variance is 0.500 or higher in each case, indicating a sufficient correlation between the items of each variable and certifying the data set's suitability for further analysis. Bartlett's sphericity test confirms the correlation matrices' significance, with  $\alpha$  close to zero. Reliability testing is critical in scientific research to determine the consistency of measurements. In this study, Cronbach's alpha values for all constructs are above 0.600, indicating good internal consistency.

Table 3 F-test

Independent Variable	Dependent Variable	R	F	Sig.	t-test	Sig.	D	Beta
Compensation	Employees' Intention to stay	.899 <sup>a</sup>	259.163	.00	3.635	.00	1.883	.475
Work-life Balance					8.709	.00		.266
Supervisor Support					6.158	.00		.258
Job Security					6.037	.00		.124
Organisational Commitment					2.527	.012		.124

The result of the F-test (Table 3) shows that all independent variables have a joint significant positive impact on OC. The level of significance is also near zero. The D test indicates that no autocorrelation problem exists in this analysis. The standard deviations are also reasonable, which means the data is more concentrated. Hypothesis testing was done by generating t-statistics for significance testing. The significance level for the two-tailed t-test was 5%, and the path coefficient will be significant if the T-statistic is larger than 1.96. All five hypotheses have a significant individual impact on employees' intention to stay.

#### Hypothesis 1: Compensation and Employees' Intention to Stay

The t-test result of 3.635 with a p-value of .000, less than .05, indicates that the compensation variable is positive and significantly related to an employee's intention to continue with the organisation. The implication is that higher magnitudes of compensation are positive in relation to employees' intention to stay with an organisation. Its Beta value is .475; this indicates a strong positive effect, meaning that when compensation increases by one unit, the intention to stay of the employees increases by .475 units.

#### Hypothesis 2: Work-life Balance and Employees' Intention to Stay

The WLB variable also shows a significant positive relationship with employees' intention to stay. The t-test result of 8.709 (p-value = .000) confirms the statistical significance of the relationship. The Beta value of .266 indicates that work-life balance has a moderate positive impact on employees' intention to stay. A one-unit increase in work-life balance results in a .266 increase in employees' intention to stay, suggesting that employees who perceive a better work-life balance are more likely to stay with the organisation.

#### Hypothesis 3: Supervisor Support and Employees' Intention to Stay

The relationship between the intention to stay and supervisor support is also significant, with  $t = 6.158$  and  $p = .000$ . This result means that the level of support employees get from their supervisors affects their decision to stay within the organisation. A Beta value of .258 reflects that supervisor support has a moderate positive impact on employees' intentions to stay.

#### Hypothesis 4: Job Security and Employees' Intention to Stay

The intention for employees to stay also significantly correlates with job security,  $t = 6.037$ ,  $p = .000$ . This result infers that the more an employee perceives his or her job as secure, the more he or she is

willing to stay in the organisation. The Beta value of .124 shows that job security has a weaker but still significantly positive impact on employees' intention to stay compared to other factors such as compensation and supervisor support.

#### Hypothesis 5: OC and Employees' Intention to Stay

OC significantly and positively relates to employees' intention to stay, with  $t = 2.527$  and  $p = .012$ . Since the p-value of the t-test is less than .05, OC is a significant predictor of employees' intention to stay. It explains that the Beta value of .124 is positive and relatively weak, which points to the fact that as OC increases, one's likelihood to stay becomes correspondingly higher, though in much softer focuses, compared to other variables, such as compensation and support from the supervisor.

The strong association level is reflected by the R of .899, indicating that compensation is very strongly associated with employees' intention to stay. Of all the independent variables, compensation, work-life balance, supervisor support, job security, and OC are significantly related to employees' intention to stay. It supports the hypothesis that HRM practices, OC, and job-related factors significantly influence employee retention. Compensation is the strongest variable, followed by work-life balance and supervisor support. Job security and OC are also significant antecedents, although their impact on the intention to stay is somewhat weaker.

The data confirm that improving HRM practices such as competitive compensation, work-life balance, supervisor support, job security, and OC is necessary for enhancing employee retention.

## 6. CONCLUSION

This study aimed to examine the effect of HRM practices on employees' intention to stay with their current organisation. The analysis demonstrates that these HRM practices, compensation, work-life balance, job security, supervisor support, and OC that influence this decision significantly influence employees' decisions to stay with their organisations.

This study's results demonstrate that compensation, work-life balance, and supervisor support significantly influence employees' intention to stay with the organisation. Compensation was identified as the most significant predictor, with employees who perceive it as fair and competitive demonstrating a higher likelihood of remaining with the organisation. The findings indicate that a positive work-life balance and supportive supervisors significantly enhance employees' commitment and satisfaction, promoting greater retention.

Although significant, job security and OC exhibited a lesser impact on the intention to stay than other HRM practices. Although job security and OC are important, compensation and direct supervisory support exert a more immediate and quantifiable influence on retention decisions.

This study emphasises that effective HRM practices, especially in compensation, work-life balance, and supervisor support, are critical strategies for employee retention. Organisations that emphasise these factors will likely achieve increased employee satisfaction and decreased turnover rates. Organisations must customise their HRM strategies to enhance these critical areas, cultivating a more committed, satisfied, and loyal workforce. Employees are an organisation's most valuable asset, and the accomplishments, growth, and success of the organisation depend on the performance of its employees.

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