THE RELATIONSHIPS BETWEEN HUMAN RESOURCE MANAGEMENT PRACTICES, EMPLOYEE ENGAGEMENT AND INTENTION TO STAY AMONG MANUFACTURING TECHNICIANS

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Employee turnover is crucial to be investigated since it diminishes organization effectiveness and impedes the capacity to meet its goals. The purpose of this study was to examine the relationships between human resource management practices namely training and development, career development, compensation and benefits, performance appraisal and achievement, and employee engagement dimensions of job engagement and organization engagement as independent variables, with intention to stay as direct variable among the manufacturing technicians in a manufacturing group X, of company Y.

Survey questionnaires were distributed to the manufacturing technicians of manufacturing group X, company Y (n=184). The study utilized the reliability analysis, descriptive statistics, correlation and regression analysis to examine relationships between human resource management practices, employee engagement and intention to stay. The results showed that all four dimensions of human resource management practices have significant positive relationship with intention to stay. However, compensation and benefits have the highest correlation to intention to stay. The result of the study also found the manufacturing technicians are more engaged to the organization. Intention to stay does not indicate relationship with job engagement. Meanwhile, HRM practices are found to relate more to intention to stay than employee engagement. Multiple regression results of human resource practices dimension on intention to stay revealed that 15.8% of the variance of intention to stay was explained by the four dimensions of the human resource management practices. On the other hand, 13.3% of the variance in the dependent variable intention to stay were explained by the two independent variables of employee engagement. Multiple regression results also revealed that only 12.5% of the variance in intention to stay were explained by the combined independent variables of HRM practices and employee engagement. The HRM practices is the most significant independent variable, with beta value of .295 and stronger predictor of intention to stay than the employee engagement.

In summary, all four dimensions of human resource practices were statistically, positively and significantly related to intention to stay with compensation and benefits being the most significant. Organizational engagement is a stronger predictor of job engagement hence the more profound reason for manufacturing technicians’ intention of stay. The findings suggest management in the organization to be more sensitive in considering additional benefits in light of the ongoing discussion at national level to implement minimum pay in private sector. It is more prudent to allow a number of the recently introduced benefit programs to stabilize. Future research needs to include more diversified samples and broaden the scope of current research by examining other human resource practices’ dimensions.
ABSTRAK

Penggantian pekerja penting untuk diteliti kerana ia mengurangkan keberkesanan organisasi dan menghalang keupayaan memenuhi matlamat organisasi. Tujuan kajian ini adalah untuk melihat hubungan antara amalan pengurusan sumber manusia iaitu latihan dan pembangunan, pembangunan kerjaya, pampasan dan faedah, penilaian prestasi dan pencapaian, dan dua dimensi keterlibatan pekerja iaitu keterlibatan kerja dan keterlibatan organisasi sebagai pembolehubah tidak bersandar, dengan hasrat untuk kekal di organisasi sebagai pembolehubah bersandar di kalangan pekerja pembuatan di kumpulan pembuatan X, syarikat Y.


Secara keseluruhannya, kesemua empat dimensi amalan sumber manusia secara statistik, positif dan signifikan ada berkaitan dengan hasrat untuk kekal dengan pampasan dan faedah merupakan pembolehubah yang paling ketara. Keterlibatan organisasi merupakan peramal lebih kuat untuk keterlibatan pekerja menjadikannya alasan lebih mendalam bagi hasrat untuk kekal. Penemuan ini menganjurkan pihak pengurusan untuk lebih sensitif dalam pertimbangan untuk menambah program pampasan dan manfaat di masa perbincangan sedang berlangsung di peringkat nasional untuk perlaksanaan gaji minima dalam sektor swasta. Adalah lebih bijak untuk membolehkan beberapa program manfaat yang baru diperkenalkan untuk stabil. Kajian di masa hadapan perlu menyertakan lebih banyak sampel menyeluruh dan memperluaskan ruang lingkup kajian dengan mengkaji dimensi amalan pengurusan sumber manusia yang lain.
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Finally, may Allah bless and reward all of us who had made this work a success and may it be accepted as our Act of Obedience to Him.
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1.1 Introduction to the Study

A typical organization's base rests on its management's philosophy, values, vision and goals. This in turn drives the organizational culture which comprised of the formal organization, informal organization, and the social environment. The culture determines the type of leadership, communication, and group dynamics within the organization. The workers perceive this as the quality of work life which directs their degree of motivation. The final outcomes are performance, individual satisfaction, and personal growth and development.

Workforce is a very important component of any organization and its employees are always considered as the greatest asset of an organization. Without the employees, organizations will not be able to produce business results, achieve organization goals or meet its financial objectives. Most organizations placed the core value of People are our Greatest Asset to recognize the essential importance of people to the success of their businesses. A profit-making company may possess the strongest edge, in terms of technology, depth in funding, market location etc, but without its strong workforce to carry out their respective roles and responsibilities, the company won't be able to progress to meet any of its business or organizational goals.
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REFERENCES


