HR PRACTICES ON RETAINING WORKFORCE IN SMALL AND MEDIUM ENTERPRISES (SMEs) IN PUTRAJAYA, MALAYSIA

By

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ABSTRACT

Retaining workforce in small and medium enterprises (SMEs) is based on the determinations of HR practices. The aim of this study is to determine the relationship between HR practices of training and development, performance management, rewards, benefit package and employee engagement on retaining workforce in small and medium enterprises (SMEs). This cross sectional study was conducted among 101 small and medium enterprises (SMEs) from W.P Putrajaya. Random sampling technique was the sampling technique used in this study. Five adapted questionnaire from the journal “The Impact of Human Resource Management Practices on Marketing Executive Turnover of Leasing Companies in Sri Lanka” by Ruwan Abeysekera (2007) were used to measure the HR practices on retaining workforce in small and medium enterprises (SMEs). Regression analysis was applied to test the hypotheses. The result showed that training and development is the influencing HR practice of the respondents in retaining workforce in small and medium enterprises (SMEs). Finally discussion, implication of the study, limitation of the study, recommendation and conclusion also were discussed in order to create platform for future researcher to enhance this study. In the nut shell, it was proven that the HR practice namely training and development contributed in retaining workforce in small and medium enterprises (SMEs).

Keywords: HR Practices, Training and Development, Performance Management, Rewards, Benefit Package, Employee Engagement, Retaining Workforce and Small and Medium Enterprises.

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CHAPTER 1

INTRODUCTION

1.0 Background of the Study

The globalization arena has changed the business environment and therefore the world flattering more competitive in economic sector. The countries are competing with each other to become global economic players. Every government completely persuade for the emergence of numerous new business and industry. Eventually, due to the existence of multitude organizations in same industry as well as different industry tend to opponent each other towards lead the economic. Every organization acquires several methods to ensure their continuous growth and sustainability in the market. In the conjunction with these circumstances, the organizations make responding for distinction on organizational culture, principle, business direction and last but not least HRM.

However, as per agreed on a national scale the Human Resource Management is the foremost vital part for an organization. This is because; employees are company’s primary asset that lead and direct the company’s other investment. According to Goold and Quinn (1990), Human Resource Management (HRM) is reckoned as the primary apparatus whereby Managers assimilate the contribution and efforts of employees to ensure those actions are fitting to the organizations goal. Fundamentally, it is extent to which “how an organization manage the employees towards achieve its goal”. The overall Human Resource Management in an organization comprised with three major elements such attract, motivate and retain the employees in their organization. Based on Singh (2003), the tradition function of HR is attraction, retention; motivation and development of human resource align with current and future requirements.
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