

Promoting Employee Intention to Stay: Do Human Resource Management Practices Matter?

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ABSTRACT

The main objective of this study is to assess the predicting role of human resource management (HRM) practices on employee intention to stay. Four dimensions of HRM practices examined in this study are training and development, career development, compensation and benefits, and performance appraisal. A survey was conducted among employees in manufacturing companies in the Northern Region of Peninsular Malaysia. A total of 184 questionnaires were returned and used for data analysis. Based on the statistical tests conducted, the findings reported that only compensation and benefits had a positive impact on respondents' intention to stay. Discussions elaborated on the importance of compensation and benefits in promoting intention to stay among respondents. Finally, recommendations and conclusion were also highlighted.

Keywords: Human resource management practices, intention to stay

INTRODUCTION

Workforce is a heavyweight component of any organization and therefore employees are always considered as the greatest asset of an organization. Without employees, organizations will not be able to produce business results, achieve organization goals, or meet its financial objectives. Most organizations recognize the importance of human resources in realizing 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 execute their respective roles and responsibilities, the company would not be able to progress to meet any of its business or organizational goals (Mobley, 1982; Taylor, 2002).

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Any remaining errors or omissions rest solely with the author(s) of this paper.

Unwanted employee turnover is one of the biggest and most costly business problems companies may face (Taylor, 2002). Besides losing the costly knowledge base when employee leaves, the organization will have to re-organize its resources so that business plans and goals will continue to stay the course. For any team or organization, which is tightly or thinly staffed, losing a member of the team or member of the staff would cause major agony, increase work pressure, drop in employee morale and in extreme cases, failure in achieving desired results (Mobley, 1982). To hire or get a replacement employee will normally take some time. Furthermore, the works that need to be put in before hiring or getting a replacement employees require a great deal of effort and involve substantial amount of efforts. Besides effort and time, these activities would also require substantial costs (Mobley, 1982).

In the local context, there is a steady increase in the percentage of turnover. It has been reported that the voluntary turnover rate in Malaysia has risen from 10.1 percent in 2009 to 13 percent in 2010 (Federation of Malaysian Manufacturers, 2009-2010). According to the Federation of Malaysian Manufacturers (FMM), the manufacturing industry in the nation has recorded an average yearly turnover rate of 18.84 per cent for the time period of July 2010 to June 2011. In a parallel fashion, Hewitt Associates' (2007) Total Compensation Management Survey reported that the average employee turnover rate in Malaysia is 18 percent. FMM report also showed the average turnover rate is 1.97 percent for non-executive and 1.35 percent for executive level employees. This trend is worrying because whether leaving is involuntary, such as termination initiated by the employer, or voluntary, such as resignations, turnover is potentially costly and may have negative organizational implications. Adverse impacts of turnover to organizations includes high costs of recruiting, hiring, training and acquiring new employees, productivity loss during replacement search and retraining, loss of high performers, and disruption of social and communication structures (Mobley, 1982). Having noted the escalating turnover rate and problems related to it in the Malaysian context, there is a need to carry out a study to examine factors related to this trend and ways to redress this issue.

It has been suggested that employees will leave organizations if they are not happy with various factors related to the company. According to Branham (2005), there are seven main reasons why employees leave, which are lack of recognition, low pay, unfulfilling jobs, limited career advancement, poor management practices, untrustworthy leadership, and dysfunctional work cultures. All the factors are closely related to HRM practices and therefore, a good understanding of the relationship between HRM practices and employee intention to stay will help organizations make the correct decisions in achieving business results while maintaining an economical or optimum level of resources. This is crucial to ensure scarce resources

are spent correctly and wisely and a safe and harmonious workplace is sustained to encourage employees stay employed in the organizations. All these efforts will contribute towards enabling the organization to maximize their business profits and continue to provide jobs and career advancement opportunities to all employees. As noted earlier, HRM practices are considered important in predicting employee intention to stay in an organization. Therefore, the main objective of this study is to examine the relationships between HRM practices and employee intention to stay. Specifically, HRM practices consist of training and development, career development, compensation and benefits, and performance appraisal.

INTENTION TO STAY

Intention to stay is defined as employees' intention to stay in the present employment relationship with their current employer on long term basis. This is an inverse concept of turnover intention or intention to quit. Vandenberg and Nelson (1999) defined employees' intention to quit as an individual's estimated probability that they are permanently leaving their organization at some point in the near future. Undesirable, unwanted, and voluntary attrition that companies experience when highly valued employees quit to take another job elsewhere is a much bigger problem than the frequency of corporate layoffs reported (Mobley, 1982). This aspect is increasing in importance as the competition for talent is high and continuously growing.

People need to feel that their contributions to the organization are valued (Taylor, 2002). To keep employees in the company, they need to feel part of the organization. To enlighten the problem about employees leaving, several pertinent measures need to be taken as organizations are now competing for talent (Mitchell et al., 2001). The solutions to improve retention within employees; competitive salaries, comprehensive benefits, incentive programs, and similar initiatives are important to be executed (Taylor, 2002). Besides, pay and financial incentives also work to increase employees' commitment, and satisfaction.

HUMAN RESOURCE MANAGEMENT PRACTICES

HRM practices is a set of planned strategies and policies implemented by an organization to ensure organization's human capital efficiently and effectively contributes to the achievement of organizational objectives (Anthony et al., 2002; Mondy and Noe, 2005). At the organization level, HRM practices have been identified as a source of business revenue (Mathis and Jackson, 2004). This is because HRM practices such as compensation (offer of attractive rewards to

attract and retain skilled manpower), performance appraisal (determine employees' strengths and weaknesses), and training and development (train potential employees to undertake higher-level tasks) have been considered as the foundation strategies to ensure organization has a group of talented employees that help to increase the organizational productivity and enhance organization's innovativeness.

HRM practices play a key role in attracting, motivating, rewarding and retaining employees (Noe, 2008). HRM practices concerns about management activities relating to investment in staffing, performance management, training and development, compensation and benefits, employee relation, and safety and health (Noe, 2008). Wright and Nishii (2005) contended three distinctions within human resource practices exist. Firstly, they suggested that there is human resource practices designed on a strategic level. Second, there are actual human resource practices that have been implemented, most often by supervision. Finally, they suggest a third level of human resource practices, those perceived by the employees.

Storey (1998) distinguished between hard and soft forms of human resource management, typified by the Michigan and Harvard models respectively. 'Hard' human resource management focuses on the resource side of human resources. It emphasizes costs in the form of 'headcounts' and places control firmly in the hands of management. Their role is to manage numbers effectively, keeping the workforce closely matched with requirements in terms of both bodies and behaviour. 'Soft' human resource management, on the other hand, stresses the 'human' aspects of human resource management. Its concerns are with communication and motivation. People are led rather than managed. They are involved in determining and realizing strategic objectives. The soft model of human resource management, suggests a relationship exists between the use of "appropriate" human resource management practices and positive employee attitudes, and while theoretically these relationships remain poorly developed (Guest, 1997; Guest and Pecci, 2001), a number of attitudes are nonetheless widely considered to be an outcome of soft human resource management. For example, levels of job satisfaction, which is the affective perception that results from the achievement of desired outcomes are found to be related to levels of HRM practices (Guest, 1997).

High levels of employee commitment have also been found to be related to the use of "appropriate" HRM practices (Guest, 1997). For example, the provision of opportunities for training and skill development benefits the employee by equipping them with the necessary knowledge, skills and attitudes to function autonomously and responsibly (Guest, 1997). Through this provision also, employees may perceived that organization is very concern in supporting their development needs and thus they may feel satisfied, committed and more willing to stay with the organization. Importantly, HRM practices can improve retention among employees.

In the Malaysian context, studies on the predicting role of HRM practices have been done extensively. However, in most instances, these studies (e.g. Sanjeevkumar, 2012; Juhdi et al., 2011; Shamsudin et al., 2011; Subramaniam et al., 2011) focused on various other dimensions of HRM practices, such as job security, information sharing, work-life balance. According to Robbins and Coulter (2002) and Comm and Mathaisel (2003), HRM practices dimensions, particularly training and development, career development, compensation and benefits, and performance appraisal very important in enhancing employees' motivation, commitment and satisfaction, which will inadvertently impact their intention to stay. The reason being that compensation does not only influences individual's intention to work for a particular organization but it can also be a powerful tool in motivating an individual's to work harder for getting promotion and achieve career success. On a similar note, performance appraisal can help employees to determine their strengths and weaknesses and take necessary action to improve and enhance their competency at work. Further, training and development programs are necessary for employees to develop their knowledge, skills, and abilities for undertaking higher level tasks which may be the requirement for future career positions. Accordingly, Uen and Chien (2004), Armstrong-Stassen and Cameron (2005), Shipley and Kleiner (2005), and Minbaeva (2008) studies also revealed that compensation, performance appraisal, and training and development are the most important source for an organization to generate a pool of motivated, competence and high performing employees who can significantly contribute towards organizational competitive advantage.

In other words, these dimensions of HRM were found to have a stronger predicting role in unveiling various employees' attitudinal as well as behavioral outcomes. Having said that, this study attempts to examine the influence of four dimensions of HRM practices namely training and development, career development, compensation and benefits, and performance appraisal on intention to stay among employees in the manufacturing companies.

Training and Development

Training and development are the formal activities undertaken by an organization to help employees acquire the skills and experience needed to perform current or future jobs (Mondy and Noe, 2005). In general, training and development activities are designed to help employees continue to make positive contributions in the form of good performance by obtaining new knowledge, skills and abilities (Ivancevich, 2001; Berge et al., 2002). Training and development has also been defined as the process by which individuals change their skills, knowledge, attitudes, and/or

behavior while development refers to those learning opportunities designed to help employees grow and it is not primarily skill-oriented (Robbins, 1998). It provides general knowledge and attitudes which will be helpful to employees in higher position. In a similar vein, Dowling and Welch (2004) indicated that training aims to improve current work skills and behavior, whereas development aims to increase abilities in relation to future position or job.

Training is related to the skills deemed necessary by the organization in order to achieve and improve the organization goals. From training, organization is expected to have a positive impact on employee intention to stay. This can be supported by a statement from Rowden and Conine (2005) that employees who perceive their training being beneficial will be more satisfied and willing to stay with the organization than those who get no training or get an unvalued training. Similarly, Sparrow (1998) defines training as an integrative system which requires among others a high level of collaboration among various human resource management practices activities. In human resources practices, training is the systematic development of the attitude, knowledge and skills pattern that required by a person to perform a given task or job adequately (Barton and Delbridge, 2001). According to Sparrow (1998), the ability, understanding and awareness in training and development are necessary in an organization in order to develop workers to undertake higher grade tasks, provide the conventional training of new and young workers, raise efficiency and standards of performance, meet legislative requirements and inform people (e.g. induction training, pre-retirement courses, etc.).

Past researchers (e.g. Bassi et al., 1996; Bassi and Van Buren, 1997; Oakland and Oakland, 2001; Jones et al., 2004; Vorhies and Harke, 2000) have found evidence on the impact of training and development in improving the rate of employees' intention to stay. This infers that training can reduce the turnover of the organization. This is plausibly due to the fact that from the employee's point of view, training is a symbol of the employer's commitment to their staff (Storey and Sisson, 1993). If the training involves the development of skills specific to the organization, it is likely to result in greater productivity for the firm, which in turn may raise the wages above what the employee will obtain elsewhere thus providing an incentive to stay (Frazis et al., 1998). Nankruis, Compton and Mc Carty (1999) indicated that effective training would not only equip employee with most of the knowledge and skills needed to accomplish jobs but it would also help to achieve overall organization objectives by contributing to the satisfaction and productivity of employee. Learning new skills may trigger renewed interest in many aspect of

the job. These experiences are bound to make employee connect better with their mates and foster higher engagement. As such, it is hypothesized that:

H1: There is a significant and positive influence of training and development on employee intention to stay.

Career Development

Ginzberg et al. (1951) defined the career development process by a model based on continually assessing, exploring, setting goals, and acting. It is a long term process that begins in early childhood and progresses through adulthood. Zheng and Kleiner (2001) conceptualized career development as a lifelong process of becoming aware of, exploring and experiencing factors that influence various aspects of a person's life. The knowledge, skills and attitudes that evolve through this path of discovery enable planning and decision-making, not only about work exploration and related employment and vocational choices but also about personal management and life/work skills. Career development is part of lifelong learning, in that personal and vocational skills constantly change and expand during a lifetime in response to career changes and emerging opportunities. According to Zheng and Kleiner (2001), career development is a formal approach taken by an organization to ensure that people with the proper qualifications and experience are available when needed.

Career development helps organizations avoid the dangers of an obsolescent, unacceptable workforce. Zheng and Kleiner (2001) also asserted that career development provides a future orientation to human resource development activities. As the employees of an organization grow and change, the kinds of work they may want to do may also change as well. If employers can assist their employees in making decisions about future work, they can better prepare employees to be effective when they take on new positions. When employers understand how their employees make decisions about future work, they can do a better job of planning for their human resource needs (Zheng and Kleiner, 2001).

Miller and Wheeler (1992) found that employees' intention to stay is significantly affected by the presence of meaningful work and opportunities for promotion. Other than opportunities for promotion, the evaluation criteria used in the promotion and reward system also had significant effects on employees' turnover intentions (Quarles, 1994). Employees who feel that they are contributing to the organization will be more engaged with their job, and thus, will be less likely to leave the organization. Likewise, employees who feel that they have higher chances

of promotion are more likely to stay with the organization, rather than leave the organization. Importantly, promotion opportunities not only give the employees a sense of appreciation and gratitude, but also will influence their decision on retention or resignation. Hence, this study purports that:

H2: There is a significant and positive impact of career development on employee intention to stay.

Compensation and Benefits

Compensation is defined as the cumulative financial and non-financial rewards payable to employees in return for their services (Mondy and Noe, 2005). The financial and non-financial rewards are usually based on the value of job, level of personal contributions, efforts and performance (Milkovich and Newman, 2005). At the organizational level, compensation is critical in attracting, retaining and motivating the employees to continue contributing towards organization's success (Philips and Fox, 2003). The reason being is that compensation is important to influence individuals' choice to work with an organization. Many organizations not only use the compensation system to reward and recognize employees' efforts and contributions, but also as a motivation tool (Chiu, Luk and Tang, 2002) to improve employees' productivity through improving job performance, impeding the intention to leave and increasing career satisfaction.

Compensation systems have traditionally been designed to attract and retain employees and to motivate them to increase their effort and outputs toward the achievement of organizational goals (Bergmann and Scarpello, 2001). Compensation is also considered as one of the most significant costs to operating a business. Most importantly, compensation does not only influence hiring and retention decisions but it is also an important tool to align employees' interest with organizational goals by designing and providing rewards for meeting specific goals assigned to them.

The outcome of compensation has been widely studied and reported in the literature, for instance Trevor, Barry, and Boudreau (1997) found that salary growth and other non-salary benefits provided to employees have a significant influence on their intention to quit. Miller and Wheeler (1992) found that employees' intention to stay is significantly affected by the total compensation package. Several studies on productivity emphasize that high talent individuals often seek for high pay. Thus, if organization able to offer an attractive compensation package for them, they might retain with the current organization (Shepherd and Mathews, 2000; Jardine and Amig, 2001). On the contrary, failure by organizations to provide equitable

compensation would result in employees' negative attitudes toward the organization such as unwilling to retain with the current organization. As such, it is proposed that:

H3: There is a significant and positive influence of compensation and benefits on employee intention to stay.

Performance Appraisal

Performance appraisal is a process used to identify, measure, evaluate, improve, encourage and reward employees for their performance (Mondy and Noe, 2005). Specifically, performance appraisal is a formal system used by an organization to periodically review and evaluate employees' performance (Abdul Aziz, 2001). In other words, performance appraisal is the process of evaluating how well employees perform their tasks compared with a set of standards or organization's expectations. Performance appraisal is not only a useful tool to evaluate employees' job performance, but it can also be used to develop and motivate employees (Anthony et al., 2002). Through performance appraisal processes, employees may get aware of their performance level and realize their weaknesses through valuable feedback or guidance from top management to take necessary steps for improving their performance. Therefore, performance appraisal needs to be done periodically for the purpose of human capital development. The results of performance appraisal may facilitate top management to decide about compensation allocations, promotions, terminations, transfers, recognition awards, and training opportunities that can influence employees' satisfaction and opportunities for career advancement. Most of the organizations believe that performance appraisal is a useful tool that can help the organization to determine the potential in employees and also to evaluate employees' performance, which is vital towards organization's success (Lau, Wong and Eggleton, 2008).

The rationale behind any form of appraisal is to improve the utilization of human resources in organization. The result from performance appraisal can be used in other functions in HRM such as planning, recruitment, compensation, promotion, training and development, and layoff. Schulan and Jackson (1987) distinguish two major orientations for appraisal process based on behaviour or results. The behaviour view insist on personnel's conduct in workplace, the result oriented approach suggest that the behaviour of personnel is of little importance and appraisal should be based on outcomes. The annual performance evaluation of the employees should form part of his or her permanent record. Performance appraisal represents in part, a formalized process of worker monitoring and is

intended to be management tool to improve the performance and productivity of employees (Brown and Heywood, 2005). Employee commitment, productivity, and intention to stay can be improved with performance appraisal system. Brown and Heywood (2005) also stated that possibility of performance appraisal is enhanced by complementary human resource management practices like formal training and incentive pay and performance appraisal leads to greater influence of employees' intention to stay.

Erdogan (2002) revealed that employees are likely to perceive the appraisal process as fair, if they are accurately rated against the performance standards and fair actions are taken in accordance with the evidences of appraisal. Therefore, employees' work behavior such as intention to stay can reflect in their perception of performance appraisal. Dailey and Kirk (1992) found that effective performance appraisal and planning systems contributed to employees' perceptions of fairness and they were more likely to consider staying at the organization. Employees who feel that they are being treated fairly by their employers are more like to keep their job, compared to those who feel that they have been unfairly treated by their employers. Based on the aforesaid findings, it can be theorized that performance appraisal and achievement have impact on employee performance as well as retention in an organization. Hence, this study hypothesizes that:

H4: There is a significant and positive impact of performance appraisal on employee intention to stay.

Research Framework

The research framework in this study is built upon the literature review. It is therefore theorized that each dimension in HRM practices has an influence on intention to stay. Figure 1 depicts the research framework of this study.

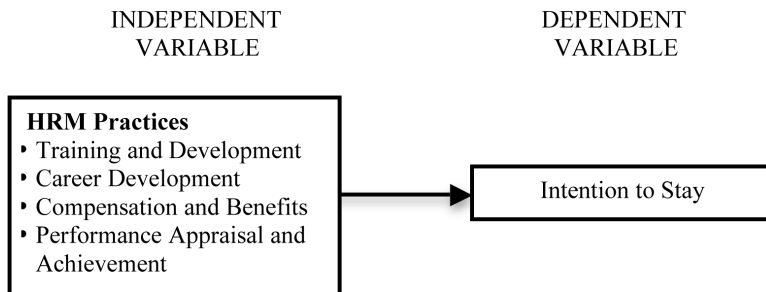


Figure 1 Research framework

METHODOLOGY

Research Design and Sampling

This study used a quantitative approach to measure the relationship between HRM practices and intention to stay. This study focused on the manufacturing sector in Malaysia, given the fact that this sector is one of the main contributors to the nation's GDP. Specifically, the manufacturing sector accounted for one third or 31.4 per cent to the GDP (Economic Planning Unit, 2010). Importantly, the manufacturing industry in the nation has recorded an average yearly turnover rate of 18.84 per cent for time period of July 2010 to June 2011 (Federation of Malaysian Manufacturers, 2011). This indicated that there is a need to examine the predicting role of HRM practices on the intention to stay among manufacturing employees in this study. A total of 500 questionnaires were distributed to employees in manufacturing companies in the Northern Region of Peninsular Malaysia. Only 184 questionnaires were returned and used for data analysis, indicating that the response rate of 36.8 per cent.

Instrumentation and Sample Items

A total of 31 items with five-point Likert scale of 1-strongly disagree to 5-strongly agree were used to measure all variables in the study. Specifically, intention to stay was measured using five items developed by Mowday, Koberg, and McArthur (1984). Sample items are *"I do not intend to quit my job"*, *"It is unlikely that I will actively look for a different organization to work for in the next year"*, and *"I am not thinking about quitting my job at the present time."*

The four dimensions of HRM practices were measured using 26 items developed by Delery and Doty (1996). Training and development was measured by five items such as *"I am given opportunities to upgrade my knowledge and skills and to improve my performance through continuous training"*, *"I received necessary training to perform my job well"*, and *"I am given the opportunity to be involved in activities that promote my professional development"*. Career development was measured by six items and sample items for this dimension are *"My immediate supervisor and I discussed my career development opportunities"*, *"I am given ample opportunities for advancement on my job"*, and *"I am satisfied with the way promotions are given out in the company"*.

Compensation and benefits dimension was also assessed by six items including *"I received the amount of pay that commensurate the work I do"*, *"My pay is generally equal to the pay of my colleagues of the same level/position"*, and *"My pay is generally equally to the pay of similar job in other companies of the same"*

industry". The final HRM practices dimension is performance appraisal, which was gauged by nine items. Sample items are "I am evaluated fairly based on my performance", "Performance appraisal is based on individual performance", "Individual contributions are encouraged and recognized", "My immediate supervisor supports and encourages me by providing regular feedback on my performance", and "I get a feeling of accomplishment from the job I do".

Data Analysis Technique

Statistical Package for Social Science (SPSS) software version 17.0 was used for data analysis. A reliability test was done by observing the Cronbach's Alpha value with the cutoff point of 0.60. A regression analysis was conducted to examine the influence of HRM practices, which are training and development, compensation and benefits, performance appraisal, and career development on intention to stay among employees in the manufacturing companies.

FINDINGS

Profile of Respondents

Based on the demographic profiles, the majority of respondents (67.9%) were female while their male counterparts constituted of only 32.1 percent. Almost one third (31.5%) of the respondents were in the group of 30 to 34 years old while about 25.5 percent of them were in aged group between 35 to 39 years old. The majority of respondents (43%) were below 30 years old. Most respondents (70.1%) were SPM or secondary school diploma holders and a vast majority of them (89.2%) had worked in their respective companies for more than six years.

Reliability Analysis

Cronbach's coefficient alphas were computed for each dimension to determine the internal consistency reliability of the instruments used in the study. Table 1 illustrates the Cronbach's Alpha values for the variables. According to Nunnally and Bernstein (1994), the value of 0.60 is considered as in the lower limit of acceptability for Cronbach's alpha. As depicted in Table 1, all variables in this study had the alpha values of 0.835 to 0.939, which were all above 0.60.

Descriptive Analysis

Descriptive statistic of means and standard deviations were obtained from the independent and dependent variables. The summary of the descriptive statistics is

Table 1 Summary of reliability analysis

Variables	Items	Cronbach's alpha
Training and Development	5	0.869
Career Development	6	0.869
Compensation and Benefits	6	0.871
Performance Appraisal	9	0.856
Intention to Stay	5	0.835

shown in Table 2. All variables were measured on a 5-point Likert scale (1= strongly disagree to 5= strongly agree). The mean values for training and development and performance appraisal were 3.77 and 3.59 respectively. The other variables showed a relatively low mean values compared to training and development, and performance appraisal. Table 2 illustrates the mean and standard deviation values for all variables.

Table 2 Overall descriptive statistics of the variables

Variables	Mean	Std. Deviation
Training and Development	3.77	.60
Career Development	3.31	.70
Compensation and Benefits	3.22	.77
Performance Appraisal Achievement	3.59	.51
Intention to Stay	3.52	.88

Regression Analysis

As depicted in Table 3, the regression results revealed the R square value of 0.158. This indicates that the dimensions of HRM practices collectively explained 15.8 percent of the variance in employee intention to stay. Further, of four dimensions in HRM practices, only compensation and benefits are the significant predictors of intention to stay ($\beta = 0.360$, $p < 0.001$). Therefore, only H3 is accepted.

DISCUSSIONS

The primary objective of this study was to examine the influence of HRM practices (i.e. training and development, career development, compensation and benefits, and performance appraisal) on employee intention to stay.

The results of this study indicated that training and development had no impact on intention to stay. The findings are incongruent to the results of some past

Table 3 Regression results of HRM practices on intention to stay

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	β		
(Constant)	2.150	.476		4.517	.000
Training Development	.053	.134	.036	.393	.695
Career Development	.156	.145	.124	1.077	.283
Compensation and Benefits	.410	.112	.360*	3.671	.000
Performance Appraisal	-.186	.178	-.109	-1.041	.299

R² = 0.158 F = 8.396, *p < 0.001

researches. For instance, Pratten (2003) and Smith (2003) found the training and development influence staff retention. As noted in the demographic profile of the respondents, the vast majority of the respondents were SPM holders and in the age group of below 30 years old. This type of employees is normally belonged to the support group whereby they only need basic knowledge and skills in performing their jobs. Further, most of the respondents were millennial, who were known as hit-and-run job holders. Even though the mean value of training and development is high (M = 3.77), indicating that respondents in the study had been given adequate training opportunities for them to upgrade skills and knowledge, this factor had not impact their decision to remain employed in the present job. A plausible explanation for this is that respondents in this study placed less value on training and development programs offered in their organizations. A study conducted by Forbes “Multiple Generations at Work” Survey (2012) indicated that millennial believe that training and development opportunities are available through the experience that they gained from each of the companies that they have worked (Meister, 2012). As such, they are positive that by job hopping, they can get as much training and development opportunities as possible offered by various employers. Therefore, they do not see the importance of training and development given out by the present employers and this factor had no bearing on their intention to stay.

The results also failed to substantiate the empirical link between career development and intention to stay among employees in the study. This signifies that intention to stay among the respondents is not attributable to the presence of meaningful work, opportunities to upgrade their capability as well as promotion opportunities. This result was dissimilar to findings in past studies, for instance Miller and Wheeler (1992) and Quarles (1994) who reported that there is a significant predicting role of career advancement opportunities on employee intention to stay based on the fact that such practice provides job security, which guarantees long-

term employment relationship. Even though the mean value of career development was generally high ($M = 3.31$), reflecting that the career development opportunities were in practice, this aspect had no impact on respondents' intention to continue working in their current organization. The result is plausibly attributable to the age factor, whereby the majority of respondents (43%) were below 30 years old. Employees in this age group are also known as millennial, who are more likely to leave for a greener pastures if they are given the opportunity to do so. On a similar ground, the majority of respondents were of Generation-Y, where they are more likely to job hop because they are more adaptable at work and they always thrive on flexibility (Bernardin and Russell, 2013).

Compensations and benefits were found to have a significant association with intention to stay among manufacturing employees in the present study. This is consistent to Chew and Chan's (2008), Parker and Wright's (2000), and Shepherd and Mathews's (2000) findings that employees' perception toward the benefits they received has a strong predicting role on employee intention to stay. In other words, money can influence employees' behavior and ensures long-term employment. As noted earlier, the majority of respondents were below 30 years old. It has been suggested in the literature (e.g. Bernardin and Russell) that younger employees are more life-style centered and they are also more demanding at work. Moreover, as compared to training and development or career development, compensation and benefits were perceived as more important in fulfilling their basic and instant needs. As such, they placed higher value on reward-related matters, particularly compensation and benefits, in ensuring their stay in the present employment. This explanation most likely justified the significant impact of compensation and benefits on employees' intention to stay.

This study reported a non-significant influence of performance appraisal on intention to stay among the respondents. According to a study by Dailey and Kirk (1992), successful performance appraisal and planning systems help improve employees' perception toward justice and fairness at workplace. In essence, employees who feel that they are being treated fairly through effective performance appraisal system would be more likely to retain in their jobs, compared to those who perceived otherwise. On the contrary, this assertion did not hold true for respondents in this particular study. Even though effective performance appraisal was in place, this factor failed to bring about positive impact on respondents' intention to stay. One plausible explanation for this is employees did not see the importance of performance appraisal in relation to their current employment. They perhaps had no intention whatsoever to remain in the present employment. As mentioned earlier, the majority of employees in this study were below 30 years old. According to Bernardin and Russell (2013), employees of this age group are in the

stage of exploring opportunities and challenges offered to them at work. Having acknowledged these traits, it is evident that respondents in this study did not see themselves to be in the same employment for a longer period of time. Instead, they would leave for better employment opportunities if they have the chance to do so. Furthermore, performance appraisal, which in most cases was conducted annually, did not provide immediate results to them. Hence, this might explain why this performance appraisal factor had no influence on employees' intention to stay in their respective companies.

CONCLUSION, IMPLICATIONS, AND RECOMMENDATIONS FOR FUTURE RESEARCH

Theoretically, this study has provided some empirical evidence on the relationship between HRM practices and employee intention to stay. The result of this study has also added to the literature on HRM practices and employee intention to stay. In terms of practical contribution, the research results validated the notion that compensation and benefits are of utmost importance in enhancing intention to stay among employees. Practically put, in assessing the strategic role of all HRM functions, the aforesaid factor deserves a higher level of scrutiny in organizations. Importantly, the role of human resource as a strategic partner should also be given serious attention as this is important to ensure intention to stay is inculcated with employees.

This study has paved several directions for future studies. Specifically, future research should replicate the framework of this study in other settings, such as service industries. The different nature of service sector, particularly in terms of HRM practices, would perhaps elicit different results in relation to intention to stay. A comparative study between the manufacturing and service sectors would be very insightful in understanding factors related to intention to stay of employees in different work environments. Future studies should consider incorporating other predictors of intention to stay. This is because intention to stay is attributed to many factors, not limited to HRM practices only. There may be other situational as well as personal predictors of intention to stay that should be scrutinized in future studies.

As a conclusion, the research results have provided support for the key propositions. Most importantly, this study has succeeded in answering all of the research objectives, which aimed at analyzing the empirical link between HRM practices (i.e. training and development, career development, compensation and benefits, and performance appraisal) and employee intention to stay.

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