

# The effect of human resource practices on employee retention in food manufacturing industry in the Philippines: The moderating role of the work environment

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## ***Abstract***

This study investigates the effect of human resource practices on employee retention in food manufacturers in the Philippines and whether the work environment moderates this relationship. The human resource practices examined are training and development, employee participation in decision-making, compensation, job security, and performance appraisal. The theoretical framework for this research is based on the Social Exchange Theory. The study uses a quantitative research design and collects data through online and offline survey from employees working in food manufacturing companies. A sample of 206 employees was used for data analysis through JAMOS software. The findings reveal that employee participation in decision-making, compensation, job security, and performance appraisal positively influences employee retention, but training and development don't influence employee retention. Additionally, the work environment moderates the relationship between human resource management practices except training and development, and employee retention. These findings suggest that organizations need to create a conducive work environment to maximize the benefits of human resource management practices and retain employees in the food manufacturing industry in the Philippines.

**Keywords:** human resource practices, training and development, employee participation in decision making, compensation, performance appraisal, job security, work environment, employee retention

## **The effect of human resource practices on employee retention in food manufacturing industry in the Philippines: The moderating role of the work environment**

### **1. Introduction**

The food manufacturing industry in the Philippines has been growing steadily. This sector is vital to the country's economy as it contributes significantly to employment and revenue generation. According to report of PSA Philippines, 2019, the food manufacturing sector contributed almost 7.3 percent of the Philippine GDP as of the third quarter of 2018. Additionally, in 2022, the Philippines' manufacturing sector's gross value added amounted to almost 3.7 trillion Philippine pesos. The manufacturing of food goods, one of the industries that make up this sector, contributed the most to the gross value added, which totaled almost 1.8 trillion Philippine Pesos. This represents a marginal increase from the value added of almost 1.7 trillion Philippine pesos the prior year (PSA Philippines, 2023). The food manufacturing industry in the Philippines produces a wide range of products, including processed fruits, meats, dairy products, canned goods, snack foods, beverages and so on. Small and medium-sized businesses dominate this sector; however, a few huge organizations are also present. In 2020, Nestlé Philippines, Inc. was the top-earning food and beverage processing business in the Philippines. The business generated sales of about 2.83 billion dollars. San Miguel Brewery and Universal Robina Corporation are two further notable businesses (USDA Foreign Agricultural Service, 2022).

Employee retention has become a significant challenge for organizations (Ivana,2020), especially in the food manufacturing industry in the Philippines. This industry is known for its high turnover rate due to various factors such as low salary, limited career opportunities, and poor work environment (Stefanie,2021). Retention is defined as “a voluntary move by the firm to create an environment which engages employees for the long term” (Chaminade, 2006, p. 1). The practice of retaining employees on board with the company for the long haul is known as employee retention (Aman-Ullah et al.,2022). According to academics, managing employee retention is a planned and integrated process that starts by looking at why employees join a company in the first place (Brown, 2009). Preventing capable employee from leaving the organization is the primary goal of employee retention (Rombaut & Marie-Anne, 2020). There are a variety of factors that point to the significance of employee retention, such as turnover costs or information loss, because when an employee leaves the company, he or she gives the new employer important information about the company, customers, ongoing projects, and the past performance of rivals (Ivana,2020). Employees' relationships with an organization are influenced by its strategies for luring, hiring, and motivating them. (Umrani et al., 2019). Normally, talent attraction and retention are typically seen as being essential to an organization's performance and long-term success. Therefore, it is important for organizations to implement effective human resource practices that can improve employee retention (Dechawatanapaisal, 2018).

Human resource practices (HR practices) have been found to have a significant impact on employee retention (Islam et al.,2022; Fahim 2019). HR practices can be defined as “all activities associated with the management of people in firms” (Boxall and Purcell, 2008, p. 1). According to this definition, HR practices are the strategy used by organizations to mold employees to see, think, and conduct in a desirable way in order to accomplish organizational goals (Kehoe and Wright, 2013). In addition, HR practices are described as a collection of unique but connected activities, functions, and procedures designed to attract, develop, and sustain the human resources of the firms (Tangthong et al., 2014).

Some of HR practices, such as training and development, employee participation in decision making, compensation, performance appraisal, and job security, have been identified as important factors that can influence employee retention (Islam et al.,2022; Fahim 2019). Firstly, organization should offer opportunity employee for career training and development (Rombaut & Marie-Anne, 2020). This can be accomplished through internal or external training (Samuel and Chipunza, 2009), as well as by providing advice and

counseling on potential career pathways (Curtis and Wright, 2001; Yang et al., 2012). Training and development have been hailed as a crucial organizational approach to impact employee retention and the growth of human capital (Chen, 2014). According to Aleem & Zulfiqar (2020), It is simple to raise the value of human capital with the aid of training and development because the investment in people is huge help enterprises succeed in the current era of fierce competition Improve employee retention. Secondly, employee participation in decision making refers to employees' perceived engagement and influence in decision-making in an organization that has an effect on their jobs both directly and indirectly (Lunjew, 1994). This can include soliciting employees' opinions, ideas, and feedback, as well as involving employees in the design and implementation of organizational policies and procedures.

Research has shown that involving employees in decision making can increase their commitment to the organization and their sense of ownership and responsibility for their work, which can increase their work performance and likelihood of staying with the organization (Cohen, Chang & Ledford, 1997). Regard to the type of employee participation in decision making, Locke and Schweiger (1997) classified into formal-informal, direct-indirect, and amount of influence. Contrarily, Cotton et al. (1988) divided participation into employee ownership, consultative participation, short-term engagement, informal participation, and participation in work decisions. Thirdly, the best strategy to keep staff is through rewards and remuneration (Rombaut & Marie-Anne, 2020). Compensation refers to the salary, pension, insurance, bonuses, extra vacation days and other forms of remuneration that employees receive in exchange for their work (Bansal, 2014). Employees are more likely to stay with an organization if they perceive that they are being paid fairly and equitably for their work (Neog,2015). Fourthly, job security is a formal agreement between an employee and an employer that guarantees their continued employment (Hur 2019). Job security refers to an employee's capacity to maintain their position in order to prevent being laid off. (Lucky et al., 2013).

According to the faculty survey of Conklin et al. (2007), Job security has been identified as one of the key considerations for faculty members to decide whether they would stay or go. Research has shown that providing employees with job security can increase their commitment to the organization and their likelihood of staying with the organization (Aman-Ullah et al.,2022). Job security can aid organizations in retaining current employer and lowering hiring costs (Senol, 2011). Fifthly, the practice of assessing an employee's performance and offering comments on their areas of strength and development is known as performance evaluation, according to Fahim (2019). Performance appraisal can also be utilized as a channel of communication between employers and employees (Sepahvand & Khodashahri,2021), which can help companies to increase retention rates and help employers to improve their performance in weak area (Mehta et al.,2014).

However, the effectiveness of HR practices on employee retention influenced by the work environment (Bibi et al.,2016; Islam et al.,2022). The physical, social, and psychological elements of the workplace that have an impact on employees' productivity and well-being are referred to as the work environment. Frimayasa (2021) divided the working environment into physical working environment (lighting, air circulation, cleanliness, security, etc.) and non-physical working environment (task structure, job design, organizational culture, etc). According to Mangi et al. (2011), good working environment encourage individual employees to execute their tasks successfully and are anticipated to have a favorable effect on employees' retention and dedication. Therefore, it is important to examine the moderating role of the work environment in the relationship between human resource practices and employee retention.

### *1.1 Statement of the Problem*

Despite the importance of HR practices in retaining employees, little research has been conducted on the impact of these practices on employee retention in the food manufacturing industry in the Philippines. Moreover, there is limited research on the moderating effect of the work environment on the relationship between HR practices and employee retention. Additionally, Islam et al. (2022) discovered that participation in decision-making has a negative impact on employee retention in the tourism sector in Bangladesh and that the

work environment has no moderating influence on the relationship between compensation and employee retention or the relationship between performance appraisal and employee retention. As a result, it is imperative to research the impact of HR practices on employee retention in the food manufacturing sector in the Philippines, specifically with the moderation role of the work environment.

### *1.2 Research Questions and Objectives*

This study aims to answer the following research questions:

- What is the effect of HR practices composed of training and development, employee participation in decision making, compensation, performance appraisal, and job security on employee retention in the food manufacturing industry in the Philippines?
- What is the moderating role of the work environment in the relationship between HR practices and employee retention in the food manufacturing industry in the Philippines?

The primary objective of this study is to investigate the effect of HR practices on employee retention in the food manufacturing industry in the Philippines and the moderating role of the work environment. The specific objectives are: (1) To examine the effect of HR practices composed of training and development, employee participation in decision-making, compensation, performance appraisal, and job security on employee retention in the food manufacturing industry in the Philippines. (2) To investigate the moderating effect of the work environment on the relationship between HR practices and employee retention in the food manufacturing industry in the Philippines.

### *1.3 Significance of the Study*

This study is significant in several ways. First, it can provide insights into the HR practices that are most effective in retaining employees in the food manufacturing industry in the Philippines. Second, it can help organizations in the food manufacturing industry in the Philippines to design and implement HR practices that can enhance employee retention. Third, it can contribute to the existing literature on HR practices and employee retention by examining the moderating effect of the work environment on this relationship. Finally, the study can have significant implications for policymakers in the Philippines who are interested in promoting a healthy and sustainable labor market in the country.

### *1.4 Scope and Limitations of the Study*

The scope of this study is limited to the food manufacturing industry in the Philippines. The study focuses on the effect of five HR practices, namely training and development, employee participation in decision making, compensation, performance appraisal, and job security, on employee retention and the moderating role of the work environment. The study aims to gather data from a sample of employees working in food manufacturing companies in the Philippines. There are several limitations to this study. First, the study is limited by its cross-sectional design, which means that causality cannot be inferred. Second, the study is limited by its sample size and selection, which may affect the generalizability of the findings. Third, the study may be limited by the cultural and contextual factors unique to the Philippines, which may not be applicable to other countries or industries. Finally, the study does not explore other potential factors that may affect employee retention, such as organizational culture and leadership style.

### *1.5 Theoretical Foundation – Social Exchange Theory*

Social Exchange Theory (SET) is a theoretical foundation for this study on the relationship between HR practices and employee retention in food manufacturing industry in the Philippines. According to Homan (1961), social exchange refers to any action that at least two people engage in, whether it is physical or intangible, rewarding or expensive. Regard to social exchange theory, positive or negative perceptions of organizational support affect how employees feel about the workplace and whether they are willing to stay in the organization

or seek positions outside the organization that better match their expectations (Arasanmi, 2020). In the context of this study, SET can be applied to explain the relationship between human resource practices and employee retention (Aman-Ullah et al.,2022). Employees are considered as social actors who engage in an exchange relationship with their employers. Employees expect to receive certain rewards, such as fair compensation, job security, performance feedback, opportunities for training and development, and participation in decision making. In return, employers expect employees to provide high-quality work, loyalty, and retention to the organization. Additionally, SET can also help explain how the work environment may moderate the relationship between HR practices and employee retention, as employees' perceptions of their social exchange relationship with their employers may be influenced by their work environment.

### 1.6 Conceptual Framework

The conceptual framework for this study adopted the research framework of Islam et al.,2022 and considers the impact of HR practices on employee retention in food manufacturing companies in the Philippines. The independent variables in this study are the HR practices of training and development, employee participation in decision making, compensation, performance appraisal, and job security, the dependent variable is employee retention, and the moderating variable in this study is the work environment.

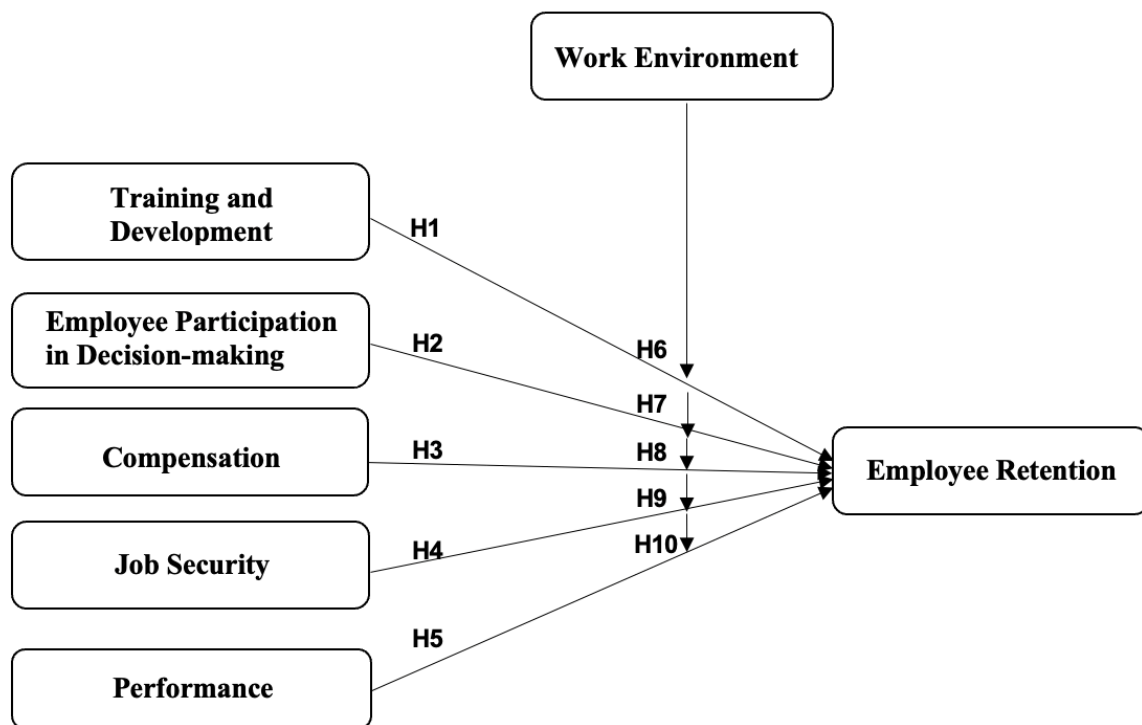


Figure 1. Conceptual Framework (Adopted the Research Framework of Islam et al.,2022)

### 1.7 Research Hypotheses

HR practices can have a significant impact on employee retention. Several studies have identified training and development, employee participation in decision making, compensation, performance appraisal, and job security as key HR practices that can influence employee retention.

**Hypothesis 1. Training and development positively influence employee retention.** Several authors (Chew and Chan, 2008; Hong et al., 2012; Yang et al., 2012; Aleem & Zulfiqar,2020; Sepahvand & Khodashahri,2021; Islam et al. (2022) have shown that training & developments does indeed have a significant

positive effect on the employee retention. However, Murtiningsih (2020) verified training & development, do not have a positive effect on employee retention.

**Hypothesis 2. Employee participation in decision-making positively influence employee retention.** Employee participation influence employee retention positively in food and beverage industry (Khalid & Nawab, 2018; Islam et al. (2022).

**Hypothesis 3. Compensation positively influences employee retention.** Compensation and benefits is positively related to employee retention (Sepahvand & Khodashahri,2021; Bibl et al.,2016; Murtiningsih 2020; Islam et al. 2022).

**Hypothesis 4. Job security positively influence employee retention.** Job security is one of the main HR practices to retain employees and enhance employees' performance (Chang & Chen, 2002; Hussain and Rehman, 2013). Some authors found found that there is a strong relation between job security and employee retention (Samuel and Chipunza, 2009; Aman-Ullah et al.,2022; Bibl et al. 2016; Islam et al. (2022).

**Hypothesis 5. Performance appraisal positively influences employee retention.** Performance appraisal is positively related to employee retention (Sepahvand & Khodashahri,2021; Islam et al. (2022).

Furthermore, it is hypothesize that:

**Hypothesis 6.** Work environment greatly moderates the relationship between training & development and employee retention.

**Hypothesis 7.** Work environment greatly moderates the relationship between employee participation in decision-making and employee retention.

**Hypothesis 8.** Work environment greatly moderates the relationship between compensation and employee retention.

**Hypothesis 9.** Work environment greatly moderates the relationship between job security and employee retention.

**Hypothesis 10.** Work environment greatly moderates the relationship between performance appraisal and employee retention.

Islam et al. (2022) verified that work environment moderates the relationship between HR practices composed of training and development, employee participation in decision making, compensation, performance appraisal, and job security on employee retention in hospitality and tourism industry in Bangladesh. In addition, Bibl et al. (2016) also revealed that work environment in public universities in Pakistan positive moderates the relationship between compensation and employee retention, as well as job security and employee retention.

## **2. Methodology**

**Research Design** - The research design would be a quantitative study using a cross-sectional survey approach by online and offline form filling method. In this study, a causal research design was used. The goal of this design is to ascertain the relationship between HR procedures and employee retention in Philippine food producers as well as the moderating effect of the workplace. Additionally, this study used a non-probability and practical method of collecting responders called the snowball sampling design.

**Population and Sampling** - The population of interest for this study is the employees who work in the food manufacturing industry. There were 198,989 employees worked in food manufactories in 2019 (Philippines Statistics Authority,2019 ASPBI), so the sampling should be 399 based on the Slovin's Formula. Due to time limited, this study only gathered 206 participants from food manufactories.

**Data Collection Procedure** - Data were collected using the structured questionnaire of five-point Likert scale (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree), which adapted from the study of Islam et al., 2022. The questionnaire was composed of four sections: (1) demographic information including participants' age, gender, educational level, and marital status, (2) HR practices, (3) work environment, and (4) employee retention. The researcher collected data by two ways, online questionnaire using google form and offline questionnaire using printed hard copy. The volunteers who responded to the survey were suggested by the survey's respondents. The respondents came from different food manufactories and completed the questionnaire voluntarily. Finally, total 206 respondents answered the survey effectively. Before data analysis, the collected data must undergo reliability and validity testing to make sure the measures were at least somewhat accurate (Sekaran & Bougie, 2016). Therefore, Jamovi was used to test the reliability of the questionnaire before and after the test. The Cronbach's  $\alpha$  of pretest and posttest are 0.904 and 0.915 which mean that the scale of the questionnaire has a very high reliable. Since all items are adopted from the existing instrument of Islam et al.2022, there is no need test by validity.

**Data Analysis** - The collected data was analyzed using Jamovi software. Descriptive statistics would be used to describe the characteristics of the sample, while inferential statistics such as regression analysis and moderating analysis for testing the hypotheses.

### 3. Results and Discussion

**Table 1**

*Frequencies of Demographic Characteristics (n=206)*

Category	Counts	% Of Total
Gender		
Male	94	45.6%
Female	112	54.4%
Age		
18-25	69	33.5%
26-35	77	37.4%
36-45	46	22.3%
46-55	14	6.8%
Educational Level		
Primary School	2	1.0%
Middle School	2	1.0%
High School	166	82.5%
College	36	17.5%
Marital Status		
Married	58	28.2%
Unmarried	148	71.8%

Table 1 displays the frequencies of gender, age, educational level, and marital status. A total of 206 participants from jelly and beverage manufacturing companies in the Philippines were included in the study. Females (54.4%) are slightly more than males (45.6%). The age of the respondents is the most between 26 and 35 years old (37.4%), and the least between 46-55 years old (6.8%). In addition, majority of respondent graduated from high school (82.5%) and didn't marry (71.8%).

**Table 2**

*Descriptive Analysis of Key Variables(n=206)*

	TD	EPDM	COM	PA	JS	WE	ER
Mean	4.23	4.36	4.37	4.32	4.34	4.29	4.32
Median	4.50	4.50	4.60	4.40	4.56	4.40	4.50
Standard deviation	0.593	0.734	0.770	0.748	0.746	0.806	0.768

In addition, table 2 showed the mean of all key variables over 4, the median of those scores ranging from 4.40 to 4.60, and standard division of those were between 0.593 and 0.806.

**Table 3**

*Correlation Matrix*

	TD	EPDM	COM	PA	JS	WE	ER
TD	—						
EPDM	0.187 **	—					
COM	0.080	0.840 ***	—				
PA	0.068	0.754 ***	0.821 ***	—			
JS	0.096	0.795 ***	0.845 ***	0.787 ***	—		
WE	0.033	0.745 ***	0.760 ***	0.691 ***	0.825 ***	—	
ER	0.104	0.745 ***	0.815 ***	0.726 ***	0.777 ***	0.684 ***	—

Note. \*  $p < .05$ , \*\*  $p < .01$ , \*\*\*  $p < .001$

Karl Pearson's coefficient of correlation ( $r$ ) is a numerical indicator of how closely two variables are related (Jana, 2014). It encompasses all values between -1 and +1, and a value approaching 1 denotes a linear relationship between the variables that is direct or positive (Lind et al., 2017). Based on the coefficient of the correlation in Table 3, except for the very weak positive correlation between training and development (TD) and other variables, the relationship between other variables is a strong positive or super strong linear relationship, especially job security (JS) has the highest correlation with compensation (COM).

**Table 4**

*Collinearity Statistics*

	VIF	Tolerance
TD	1.06	0.943
EPDM	3.97	0.252
COM	5.58	0.179
PA	3.45	0.290
JS	4.10	0.244



The study employed simple regression analysis and moderation analysis to test the hypotheses and answer research questions. All independent variables have a low degree of correlation with one another, as indicated by the VIF of all independent variables (table 4) being less than 10 and tolerance of those being greater than 0.1.

**Table 5**

*Durbin–Watson Test for Autocorrelation & Normality Test*

	DW Statistic	Shapiro - Wilk
H1: Training and development --- Employee retention	1.85	< 0.01
H2: Employee participant in decision-making --- Employee retention	2.08	< 0.01
H3: Compensation --- Employee retention	2.14	< 0.01
H4: Job security --- Employee retention	1.98	< 0.01
H5: Performance appraisal --- Employee retention	2.13	< 0.01

The Durbin-Watson test results for autocorrelation (Table 5) are in the range of 1.5 d 2.5, which indicates that there is no first order autocorrelation in all of the data. Shapiro-Wilk p values are less than 0.05, indicating a normal distribution. As a result, every test for assumption checks has been passed.

**Table 6**

*Simple Linear Regression Analysis*

Hypothesis	R <sup>2</sup>	Estimate	P value	Result
H1: Training and development positively influence employee retention.	0.011	0.134	0.138	Not supported
H2: Employee participant in decision-making positively influence employee retention.	0.555	0.780	< 0.01	Supported
H3: Compensation positively influence employee retention.	0.664	0.813	< 0.01	Supported
H4: Job security positively influence employee retention.	0.604	0.800	< 0.01	Supported
H5: Performance appraisal positively influence employee retention.	0.527	0.745	< 0.01	Supported

Based on the result of linear regression in table 6, the R square 1.1% of hypothesis 1 is lower than 50%, which means the model is not fit. And P value 0.138 of hypothesis 1 is more than 5% level of significant. Therefore, hypothesis 1 which training and development positively influence employee retention is **not supported**. At the same time, the R square of hypothesis 2/3/4/5 are more than 50%, which indicate good fit model. Also, P value of hypothesis 2/3/4/5 are less than 5% level of significant. Therefore, hypothesis 2/3/4/5 are **supported**.

**Table 7**  
*Moderation Analysis*

Hypothesis	P value	Result
H6: Work environment greatly moderates the relationship between training & development and employee retention.	0.167	Not supported
H7: Work environment greatly moderates the relationship between employee participant in decision-making and employee retention.	< 0.01	Supported
H8: Work environment greatly moderates the relationship between compensation and employee retention.	0.002	Supported
H9: Work environment greatly moderates the relationship between job security and employee retention.	0.035	Supported
H10: Work environment greatly moderates the relationship between performance appraisal and employee retention.	< 0.01	Supported

Based on the result of moderation analysis in table 7, the P-value 0.167 of hypothesis 6 is more than 5%, level of significant, which means work environment doesn't moderate the relationship between training & development and employee retention. Therefore, hypothesis 6 is **not supported**. However, the P-value of hypothesis 7/8/9/10 are less than 5% level of significant, which means the work environment plays a moderating role. Therefore, hypothesis 7/8/9/10 are **supported**.

#### 4. Conclusion and Recommendation

According to the above results, there are three key findings. Firstly, training & development doesn't influence employee retention in food manufactory industry, but this result didn't not align with the previous research (Abba, 2018; Aleem & Zulfiqar2020; Islam et al.,2022). However, employee participant in decision-making, compensation, job security and performance appraisal positively effect employee retention, these results matched with the research of Aman-Ullah et al. (2022) in health-care industry in Pakistan, Bibi et al. (2016) in public universities in Pakistan, and Islam et al. (2022) in tourism in Bangladesh, Especially, the estimate value (0.813) of compensation on employee retention are higher than other variables. Secondly, work environment doesn't moderate the relationship between training & development and employ retention, but it greatly moderates the relationship between employee participant in decision-making, compensation, job security, performance appraisal and employee retention. Thirdly, based on the result of correlation matrix, training & development has very weak positive correlation with other variables. On the contrary, compensation has the highest positive correlation with other variables.

Theoretical implications of this study suggest that training and development of HR practices cannot be assumed to be universally effective in retaining employees and need to be tailored to specific industries and contexts. Moreover, the study highlights the importance of considering the moderating role of the work environment in the effectiveness of these practices and prioritizing compensation as a crucial factor in retaining employees.

Practical implications of this study suggest that organizations in the food manufacturing industry in the Philippines should focus on implementing effective human resource practices, especially compensation as a key factor in their human resource strategy. By doing so, they can enhance employee retention and ultimately improve their bottom line. At the same time, organizations need to reevaluate the effectiveness of their training and development programs to determines whether they are contributing to employee retention or not. In addition,

organizations also need create a positive working environment through two aspects. On the one hand, it needs to improve physical working environment, such as circulating indoor air, safe production equipment, and reduced production noise, which makes their employees feel valued and appreciated. On the other hand, it needs to create non-physical working environment, such as working relationship and organization structure, which can positively affect employees' productivity and performance (Aisyah et al., 2020).

This study has some limitations that should be taken into consideration when interpreting the findings. Firstly, the study used a cross-sectional design, which means that causal relationships cannot be established. Future research using longitudinal or experimental designs may provide more robust evidence of the relationships between HR practices and employee retention. Secondly, the study focused on food manufactories in the Philippines, and therefore, the results may not be generalizable to other industries or countries. Future research should investigate the effect of HR practices on employee retention in other industries and countries. Thirdly, the study relied on self-reported data from employees, which may be subject to bias and social desirability effects. Future research should consider using multiple sources of data, such as supervisor ratings and objective measures of employee retention. Finally, the finding that training and development do not significantly influence employee retention in the food manufacturing industry in the Philippines. Future research can explore the reasons why training and development programs may not be effective in certain industries or contexts.

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**Appendix 1:**

**Instruments for Questionnaire**

**IV 1: Training and Development (TD)**

TD1	My organisation provides training and development opportunities for employees.	Delery & Doty (1996) cited by Islam et al. (2022)
TD2	All employees in the organisation are given training in a regular basis for example in every year.	
TD3	They are formal training for new employees to learn to perform in best way in the position.	
TD4	Formal training in my organisation is given so that employee promotion can be enhanced.	

**IV 2: Employee Participation in Decision Making (EPDM)**

EPDM1	Employees in my organisation are allowed to make many decisions.	Delery & Doty (1996) cited by Islam et al. (2022)
EPDM2	Employees in my organisation are regularly asked by supervisor/manager to participate in decision making process.	
EPDM3	Employee are given opportunity to suggest improvements in the things or operations exist.	
EPDM4	Managers and superiors keep open communications with employees in this job.	

**IV 3: Compensations (COM)**

COM1	There is an effective compensation system in the organisation.	Tessema and Soeters (2006) cited by Islam et al. (2022)
COM2	The company has equitable internal salary.	
COM3	The company has also equitable external salary.	
COM4	The salary at my institution encourages better performance.	
COM5	There is the presence of salary in the organisation that reflects the standard of living.	

**IV 4: Performance Appraisal (PA)**

PA1	I am evaluated fairly on the basis of performance.	Tessema Delery & Doty (1996) cited by Islam et al. (2022)
PA2	Performance appraisal is based on individual performance.	
PA3	Performance is regularly measured in my organisation.	
PA4	Performance in my organisation is based on objectives and results.	
PA5	Individual contributions are encouraged and recognized in my organisation.	

**IV 5: Job Security (JS)**

JS1	I would be able to keep my present job as long as I wish.	Oldham et al. (1986) cited by Islam et al.
JS2	If this organization were facing economic problems, my job would be the first to go.	

- JS3 I feel confident that I would be able to work for this organization as long as I wish. (2022)
- JS4 My job would be there as long as I would like to have it.
- JS5 If my job in this organization were eliminated, I would be offered another job internally.
- JS6 Regardless of economic conditions, I would have a job in this organization.
- JS7 I feel secure in my job at the organisation.
- JS8 The organization would transfer me to another job if this job were laid off from the present job.
- JS9 My job is not much secure one.

**MV: Work Environment (WE)**

- WE1 Working conditions in my organisation are good. Edgar & Geare (2005) cited by Islam et al. (2022)
- WE2 My health is not suffered as a result of working in this organisation.
- WE3 I always feel safe working here in these conditions.
- WE4 This organisation does what it can to ensure the wellbeing of its employees.
- WE5 This organisation spends enough money on health and safety-related matters.

**DV: Employee Retention (ER)**

- ER1 I would like to stay in the organisation. Kyndt et al. (2009) cited by Islam et al. (2022)
- ER2 If I wanted to do another job or function, I would look first at the possibilities within this company.
- ER3 I see a future for myself within this company.
- ER4 If it were up to me, I will definitely be working for this company for the next five years.
- ER5 If I could start over again, I would choose to work for another company.
- ER6 If I received an attractive job offer from another company, I would take the job.
- ER7 The work I am doing is very important to me.
- ER8 I love working for this company.