

## Investigating The Mediating Role of HR Policies In Employee Retention

<sup>1</sup>Salman Bashir Memon, <sup>2</sup>Prof: Dr. Iqbal Ahmed Panhwar, <sup>3</sup>Prof: Dr. Chandan Lal Rohra

<sup>1</sup>Lecturer Department of Business Administration SALU-Khairpur.

<sup>2</sup>Pro vice Chancellor Mirpur Khas Cmapus.

<sup>3</sup>Chairman Department of Business Administration SALU-Khairpur.

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**Abstract:** In an environment of economic growth, globalization and increasingly competitive markets most fundamental challenge is the attraction and retention of an ample supply of labor and appropriate skill in order to sustain growth. HR policies play its crucial role in responding employee complex and erratic workplace issue and to minimize employee high turnover rates. Since, Pakistan banking sector is frequently in front of high turnover rate and skill drainage therefore, compelling urge of research was felt to investigate the role of HR policies to mitigate the effect of 'Push' factors in employee retention. Survey findings revealed that, Performance Appraisal is the leading factor containing highest mean value whereas; Employee Recognition perceived to be a resulting factor showing lowest mean value. The result entails that employees at HBL trust the appraisal process and it is based on goals set in advance whereas, employees thought that they do not receive appropriate recognition for their contributions and they believe that they do not have enough freedom to take independent action when needed.

**Key words:** HR Policies & Functions, Employee Retention, Employee Turnover, Pull & Push Factors

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### INTRODUCTION

#### *Theoretical Background:*

In a competitive business scenario, organizational constraints in order to employ and retain esteemed workforce is now been increasing. High turnover rate is problematic and have a negative impact on an organization's performance. Employee replacement is a costly part of doing business normally on every switch over companies incurs direct and indirect cost. The high employee turnover is a result of number of factors sometimes 'Pull' factors are superseding over 'Push' factors such as new job attraction, increased salary and lucrative benefits and so on. In contrast sometimes employee job dissatisfaction 'Push' them to look for another job. Profound literature review shows that employee retention level is susceptible to degree of employee satisfaction. Although past studies have identified job stressors and lack of job satisfaction (Bigliardi *et al.*, 2005 and Moore, 2002), lack of social support from supervisors (Munn *et al.* 1996), depersonalization and emotional exhaustion (Kalliath and Beck 2001), low levels of support from superiors (Hatton and Emerson 1998) and dependence Miller (1996) among the factors that contribute to people's intention to quit their jobs. Human resource management international digest issue (2008, 2009) reported that job dissatisfaction and burnout lead to high employee-turnover rate therefore, HR policies should aim at gaining more self-governing to the employee. In addition, the main motives behind high attrition rate are unstructured retention policies and practices, indeterminate career growth, vague employee's goals and objectives, employee and employer distrust, and employee reward and recognition insufficiency. Past studies have been conducted on employee turnover and less focus has been given to employee retention. However, Ehrenberg, R. and Smith, R. (1994) found that, employee ultimate intention to depart or continue his job is the consequence of HR policies. Since, HR policies are the best way to represent the organizations affirmed objective. Employee intention to leave or stay decision is associated with different explicit and implicit benefits. It is observed that HR policies with respect to stimulating performance evaluation mechanism, performance based reward mechanism and career growth and promotion ladders to affect worker's decisions of staying/leaving a job. In this context profound researchers Chang E. (2005); Appelbaum *et al* (2000); Huselid & Becker, (2000) have unanimously recommended that HR policies play a strategic role in employee retention through stimulating skilled labor and mitigating 'Internal' or 'Push' factors. In this study we aimed at to sketch out the level and extent to which the 'Internal' or 'Push'

factors affecting employee retention and to find out the role of HBL human resource policies and strategies in employee retention.

**1.2. Problem Statement:**

'Internal' or 'Push' factors stimulate employees to explore new opportunities and HR policies play its role in pursuit of mitigating the effect of 'Push' factors and hamper individual intention to leave his/her job.

**1.3. Research Objectives:**

- i. To explore the role of Employee Job Description to mitigate the effect of 'push' factor in employee retention.
- ii. To discover the role of Employee Goal Setting to mitigate the effect of 'push' factor in employee retention.
- iii. To determine the role of Employee Performance Appraisal to mitigate the effect of 'push' factor in employee retention.
- iv. To examine the role of Employee Training & development to mitigate the effect of 'push' factor in employee retention.
- v. To observe the role of Employee Career Growth to mitigate the effect of 'push' factor in employee retention.
- vi. To study the role of Employee Compensation to mitigate the effect of 'push' factor in employee retention.
- vii. To determine the role of Employee Recognition to mitigate the effect of 'push' factor in employee retention.

**1.4. Research Strategy:**

The research strategy for this research attempt was based on case study method supported with self administered questionnaire based survey since; Yen (1994) reported that case study is more reliable and influential method due to its multiple sources of information. HBL was taken as a case to identify various push factors and role of HR policies in employee retention.

**1.5. Scope of the Study:**

The overall scope of the study is limited and it covers only 8 branches of 1 bank located in Karachi. In the same way 8 branches were selected by convenience of the researcher and there is no doubt that convenience sampling while selecting the branches may misrepresent the population

**1.6. Data Collection Methods:**

The proposed research issue has answered by applying both qualitative and quantitative research methods. Data was collected from primary and secondary source. Self administered questionnaires were used as main sources of collecting the primary data. Primary experimental data was used with support of secondary data consisting two or more related references in order to comprehend the critical insight over the problem under study. Report on HBL HR Strategies (2007) and 3 years Y-o-Y employee turn over / attrition report have been analyzed as a secondary source.

**1.7. Response Rate & Research Sampling Technique:**

Total 89 respondents have participated and returned the questionnaire, 8 questionnaires were incomplete and not interpretable. For the survey total 140 questionnaires were distributed therefore the response rate was  $(81/140 * 100 = 57.85\%)$ . We have used Stratified Sampling Technique for the case study based research. Since, in stratified sampling technique we can segregate the population into homogeneous clusters and we have made the clusters of employees based on their ranks/positions in the hierarchy. We have decided to take three layers i-e; Upper Level (SVPs, VPs, OG1), Middle Level (OG2) and Junior Level (MTOs). Total sample size includes (81) employees and 3 homogeneous clusters of 27 respondents (33%) were taken from each layers i-e; upper, middle and junior level.

**1.8. Data Analysis:**

The proposed research issue was addressed by applying both qualitative and quantitative research methods. Qualitative analysis was to critically interpret each key variable and individual item whereas; in order to evaluate data quantitatively Statistical Package for Social Sciences (SPSS 10.0), E-views 3.1 and Microsoft Excel was used for descriptive and inferential statistical calculations.

## **2. Literature Review:**

### **2.1. Role of HR Policies in Mitigating the Impact of 'Push' Factors:**

Cho *et al.*, (2006) emphasized that organizational policies and HR practices in quest of employee retention will outperform the competition and Abelson, (1987); Steel & Ovalle, (1984); Griffeth *et al.*, (2001) and Sagie, A. *et al.*, (2002) categorically explained the significance of human resource policies and its impact on employee retention. Likewise, proficiently planned and well executed employee retention program enhances productivity, reduces employee attrition rates and shrinks high turnover expenditures (Tome' E. (2005). Diverse management practices and HR policies with respect to stimulating performance evaluation mechanism, performance based reward mechanism and career growth and promotion ladders to affect worker's decisions of staying/leaving a job. Employees always look for career growth opportunities and in this context HR policy functions stimulate employees to stay in the current job. Large number of research has been conducted on role of HR policies in mitigating the 'Push' factors. Moreover, McBey K. & Karakowsky L., (2001) theorize that, "... 'Internal' or 'Push' factors consists different job-related factors e.g. job satisfaction; satisfaction with pay; and performance-reward contingencies and clear job description.

### **2.2. Push & Pull Factors:**

It is useful to comprehend dissimilar workplace push and pull factors in order to understand those objects that make employees more dissatisfied and things that make employees more satisfied (McBey & Karakowsky 2001). "External or 'Pull' factors attract people who may otherwise be satisfied with their job. It is observed that dissatisfied employees explore new opportunities and different 'External' or 'Pull' factors endorse their intention to leave the current job. According to McBey & Karakowsky (2001) "... 'External' or 'Pull' factors also cause turnover and influences an individual to leave his/her present employment. In contrast, "Internal' or 'Push' factors are those that encourage employees to explore new opportunities outside the organization. McBey & Karakowsky (2001) theorize that "...the aspects which may 'Push' an individual into voluntarily leaving his/her organization are associated with the nature of organizational life itself and include such important factors as job satisfaction..." However, 'Push' or 'Internal' factors are job-related factors which could activate turnover usually it includes job satisfaction, satisfaction with pay; and performance reward contingencies.

### **2.3. HR Policy Functions in Pursuit of Employee Retention and Mitigating 'Push' Factors:**

Employee retention is a major problem in many companies and the reason for employees frequent switching from one job to another is unpredictable. We found that employee goal setting (Medlin and Green 2009; Stansfield and Longenecker 2006; Knight *et al.*, 2001 and Sujan *et al.*, 1994), performance appraisal (Beheshti and Lollar, 2008; Chang and Hahn, 2006), career growth (Kim, 2008; Hamel and Breen, 2007 and Losey *et al.*, 2005), compensation (Moncarz *et al.* 2009; Cardoso and Monfardini, 2008; Hansen, 2008 and Burke and Hsieh, 2006), job description (Palazzo and Kleiner 2002; Garcia and Kleiner 2001; Hannay and Northam 2000 and Stein, K. 1996), employee recognition (Berger, 2008; Berman *et al.* 2006 and Kim, 2003), training and developing (Walsh and Taylor 2007; Shaw *et al.*, 1998; Huselid, 1995) are the foremost decisive factors and very strong predictors of employee turnover intention.

### **2.4. HR Policy regarding Goal Setting:**

It is apparent that relevant, realistic and achievable goals affect employee performance in many positive ways. The process of goal setting enhances employee empowerment as employee consider himself more empowered knowing his or her job. Extensive research have reported the positive relationship between goal setting and enhanced workplace performance as Stansfield and Longenecker (2006); Knight *et al.*, (2001) and Sujan *et al.*, (1994) investigated the goal setting process in terms of motivational impact toward improving performance.

### **2.5. HR Policy regarding Performance Appraisal:**

Employee performance appraisal is used to measure employee workplace performance (Beheshti and Lollar, 2008; Chang and Hahn, 2006) and improving performance (Cederblom, D., 1992; Goodson, J.R. and McGee, G, 1991 and Gibbons and Kleiner, 1994). It is found that the impact of fair performance appraisal process on employee retention is positive as Chang, E. and Hahn, J., (2006); Boice and Kleine, (1997); Orpen C., (1995) and Gibbons and Kleiner, (1994) explained that performance appraisals are designed to relate pay to performance irrespective of intensity of performance and goal achievement.

### **2.6. HR Policy regarding Training & Development:**

HR Training and Development function plays an important role in developing a learning organization which exploits full potential of its people at an individual, team and organization level. However, Moncarz et al., (2009) suggested that ...“In an organization where employees receive the proper training needed to assume greater responsibilities, turnover rates are generally lower”. Beside this, Lambert, *et al.*, (2002) found that employee training considerably mitigates employee desire to leave the organization particularly for the new employees.

### **2.7. HR Policy regarding Career Growth:**

It is observed that the clear and well articulated career path/growth strategy mitigates the effect of employee intention to leave typically at the time when employees have an unclear career expectation. In this context clearly defined job growth and advancement ladders affect employee–employer relationship in many positive ways and it leads to reduce turnover (Decenzo & Robbins 2002. pp. 240).

### **2.8. HR Policy regarding Compensation:**

One primary HR tool that is used to affect motivation and performance is compensation (Cloutier and Vilhuber, 2008, Cardoso and Monfardini, 2008). Employee dissatisfaction with compensation result in high turnover and it provokes employee intention to leave a specific job or organization permanently. Hansen (2008) recommends that monetary benefit alone is not worth mentioning and employees are more focused towards non-monetary rewards because these are more attractive and retention strategies focus on more than just financial compensation (Kim 2008).

### **2.9. HR Policy regarding Job Description:**

The function of job description in pursuit of employee retention and mitigating ‘Push’ factor signifies another aspect of employee retention. Undecided goal alignment, regular performance disparagement and blurred organizational objectives create workplace anxiety, aggravation and dissatisfaction ((Moore, 2002). Early researchers hypothesized that employees are looking for clearly defined job responsibilities along with exciting work environment which makes good use of their knowledge, skills and abilities. Palazzo and Kleiner (2002) emphasize that performance based job description is the valuable approach because job description reflects employee performance expectations.

### **2.10. HR Policy regarding Employee Recognition:**

The employee recognition policy will help to retain quality employees and encourage low performers to improve with the changing scenario. Effective implementation of the employee recognition function will play a key role in enhancing motivation within the organization. Kim (2003) and Kim (2008) sturdily advocate that employee recognition on the basis of his performance beside with role and value admiration persuade and support a satisfying personal life and inspire worker loyalty and commitment. Similarly Kim (2003) further stressed that exceptional employee performance should be recognize and particularly to link pay and incentives to performance.

## **3.0. Analysis and Findings:**

### **3.1. Qualitative Data Analysis:**

#### **3.1.1. Role of HR Policies in Employee Retention:**

Research survey is conducted at eight HBL branches and employees are asked to fill the questionnaire. Seven variables Job Description, Goal Setting, Performance Appraisal, Training & Development, Career Growth, Compensation Management and Employee Recognition are used to investigate the role of HR policies to mitigate the effect of ‘push’ factors in employee retention at HBL. Fig 3.1 shows that only 53% employees have understanding about their roles and responsibilities and 49% reported that their respective managers clearly communicates what is expected from them. Similarly, 42% involved in setting their own goals and only 37% perceived that their performance appraisals are based on goals set in advance. However, 46% employees agreed that they receive continued training to perform job and 47% have a clear path for career growth & advancement. In response of HBL compensation policy only 39% employees showed that there is a clear connection between job performance and compensation whereas, 44% are happy with employee recognition at HBL and confirmed that they receive encouragement to come up with new and better ways of doing things.

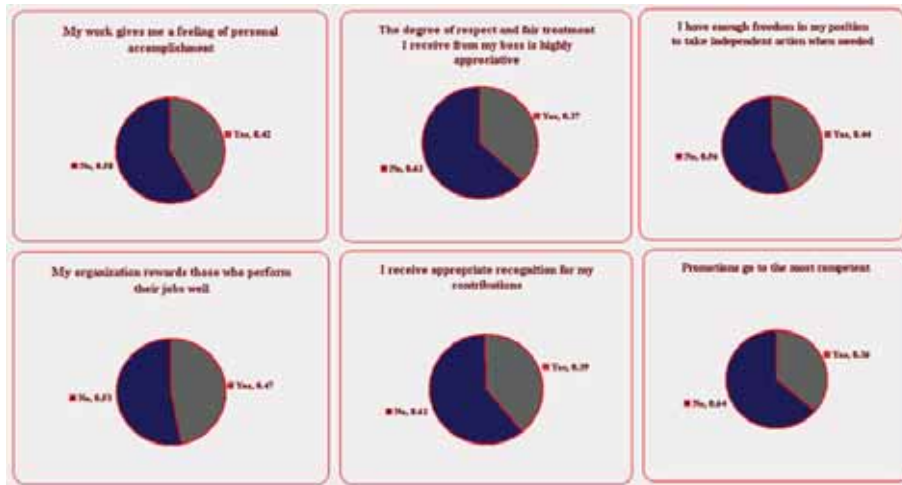


Fig. 3.1: Investigating The Mediating Role of Employee Recognition in Employee Retention

3.1.2. Dominant ‘Push’ Factors to Leave Current Job:

Fig 3.3 is the demonstration of dominant ‘Push’ factors to leave current job and employee feedback on our seven HR policy factors which ought to mitigate ‘Push’ effect in case of employee retention. We found that, ‘Employee Recognition’ is the leading ‘Push’ factor at HBL and 22% employees feel that “If they will leave their current job then ‘Employee Recognition’ would be the leading decisive ‘Push’ factor. However, second most ‘Push’ factor is ‘Career Growth’ and 21% people are intending to leave organization because they feel that there are limited chances for their ‘Career Growth’. In the same way 19% respondents were consider ‘Compensation Management’ as a strong ‘Push’ factor. In contrast, other HR policy factors such as ‘Training & Development’, ‘Performance Appraisal’, ‘Job Description’ and ‘Goal Setting’ are not leading ‘Push’ factors that fuel employees to leave current job.



3.2. Reliability Analysis:

Two approaches have adopted in order to measure the consistency of a measure i) Cronbach's Alpha (a) and ii) Split-Half Reliability. We have designed a test on scale 1-5 to measure the “Role of HR policies in Employees Retention” contains 7 variables (i-e; job description, goal setting, performance appraisal, training & development, career growth, compensation management and employee recognition) and 37 items.

3.2.1. Cronbach's Alpha:

The overall reliability analysis was measured by using SPSS 10.0. The calculated Cronbach Alpha value .9799 for 81 observations and 7 numbers of items in order to examine the “Role of HR policies in Employees Retention” seems to be acceptable in this situation and revealed that measurement scale is reliable and consistent.

**3.2.2. Split-Half Reliability:**

Spearman-Brown prediction formula and Guttman Split-half coefficient treats the two halves of a measure as alternate forms. This is sometimes referred to as the coefficient of internal consistency. The estimated statistics shows that split half reliability values (i-e; .9683 and .9882) are greater than .87 revealed that scale used for survey is highly reliable

**3.4. Quantitative Analysis:**

**3.4.1. Descriptive Statistics:**

Table 3.4.1 shows numerical depiction of descriptive statistics. We have used E-views 3.1 and computed Mean, Standard Deviation, Skewness and Kurtosis of 81 observations collected by means of questionnaire on a Likert scale 1 to 5 (i-e; 1 = Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, 5 = Strongly Disagree). Survey consists of 7 variables i-e; job description, goal setting, performance appraisal, training & development, career growth, compensation management and employee recognition. Hence, collected and calculated figures shows that Performance Appraisal contains highest mean value 4.11 and in contrast 3.53 is lowest mean point for employee recognition. The results direct us to summarize that employees at HBL trust the appraisal process and these are based on goals set in advance while conversely they did not receive appropriate recognition for their contributions and they perceived that they have not enough freedom to take independent action when needed. The estimated values of standard deviation have revealed the dispersion or variation in a distribution or data set. It is evident from SD results that set of data have not normally distributed maximum SD is found in training & development and career growth while job description represented minor deviations from the arithmetic mean i-e; 1.02. The histogram is an effective graphical method for showing both the Skewness and Kurtosis of data set. Table 3.4.1 shows negative series of Skewness and fig 3.3 is the graphical representation of histogram & normal curve distribution it shows that a distribution, or data set, is symmetric since it looks the same to the left and right of the center point. Fig shows that Kurtosis is peaked in case of performance appraisal whereas; it has a distinct peak in case of career growth and compensation management and have flat behavior job description and employee recognition.

**3.4.2. Correlation Matrix & Covariance Matrix:**

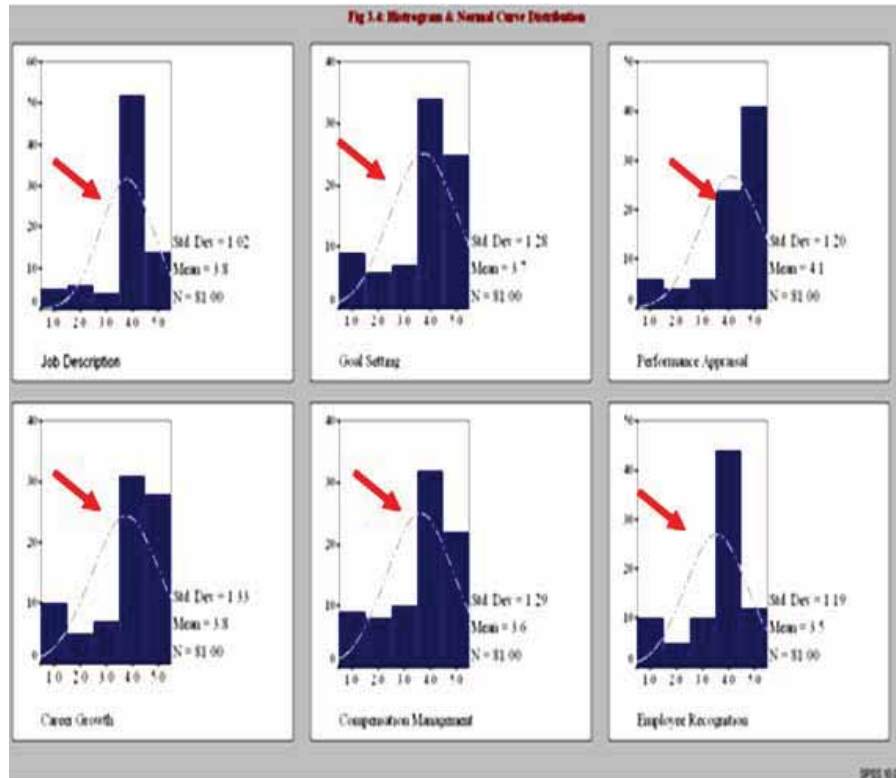
Table 3.4.2 have demonstrated correlation matrix between seven variables (i-e; job description, goal setting, performance appraisal, training & development, career growth, compensation management and employee recognition). I used E-views 3.1 to generate random data for 7 variables by using Person correlation technique. It is evident that table 3.4.2 shows a complete symmetric matrix since diagonals above and below are completely symmetric and has a mirror-image. More precisely we argue that all the listed variables (i-e; JD, GS, PA, TD, CG, CM and ER) are perfectly correlated with each other since the numbers that go from the upper left corner (diagonal) to the lower right corner (diagonal) consists same values. In contrast, covariance Matrix of the data set of 142 observations measuring 7 variables. As a consequence, the sample covariance is positive, indicating a positive association between 7 variables used in research (i-e compensation management, training & development, career growth, goal setting, job description and performance appraisal, and employee recognition).

**Table 3.4.1:** Descriptive Statistics (E-Views3.1)

	JD	GS	PA	TD	CG	CM	ER
Mean	3.79	3.74	4.11	3.85	3.77	3.62	3.53
Median	4.00	4.00	5.00	4.00	4.00	4.00	4.00
Maximum	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Minimum	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Std. Dey.	1.02	1.28	1.20	1.33	1.33	1.29	1.19
Kurtosis	4.61	2.94	4.07	2.75	2.87	2.56	3.09
Jarque-Bera	35.75	13.77	31.27	13.73	14.13	9.43	14.21
Probabilily	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Observations	81	81	81	81	81	81	81

JD Job Descnption GS Goal Setting PA Performance Appraisal

TD: Training & Development CG: Career Growth CM: Compens ation Management, ER: Employee Recognition



**Table 3.4.2:** Correlation Matrix (E-views 3.1)

	JD	GS	PA	TD	CG	CM	ER
JD	1.00	0.90	0.90	0.87	0.90	0.88	0.93
GS	0.90	1.00	0.93	0.96	0.99	0.97	0.95
PA	0.90	0.93	1.00	0.94	0.93	0.91	0.91
TD	0.87	0.96	0.94	1.00	0.97	0.95	0.93
CG	0.90	0.99	0.93	0.97	1.00	0.96	0.95
CM	0.88	0.97	0.91	0.95	0.96	1.00	0.94
ER	0.93	0.95	0.91	0.93	0.95	0.94	1.00

JD Job Description GS Goal Setting PA Performance Appraisal

TD: Training & Development CG: Career Growth CM: Compensation Management, ER: Employee Recognition

**Table 3.4.3:** Correlation Matrix (E-views 3.1)

	JD	GS	PA	TD	CG	CM	ER
JD	1.030	1.168	1.097	1.166	1.198	1.142	1.124
GS	1.168	1.624	1.412	1.628	1.655	1.580	1.434
PA	1.097	1.412	1.432	1.498	1.471	1.401	1.299
TD	1.166	1.628	1.498	1.756	1.694	1.610	1.461
CG	1.198	1.655	1.471	1.694	1.735	1.614	1.483
CM	1.142	1.580	1.401	1.610	1.614	1.644	1.438
ER	1.124	1.434	1.299	1.461	1.483	1.438	1.410

JD Job Description GS Goal Setting PA Performance Appraisal

TD: Training & Development CG: Career Growth CM: Compensation Management, ER: Employee Recognition

**3.4.3. Multiple Regression Analysis:**

**3.4.3.1. Regression Analysis by taking Job Description as Dependent Variable:**

$$Y7 = 0.607 + 0.622Y1 + 0.516Y2 - 0.48Y3 - 0.172Y4 - 0.271Y5 + 0.737Y6$$

Employee Recognition has the greatest coefficient and consequently it explains more to job description.

**3.4.3.2. Regression Analysis by taking Goal Setting as Dependent Variable:**

$$Y1 = 0.0146 + 0.126Y7 - 0.08Y2 + 0.101Y3 + 0.649Y4 + 0.279Y5 - 0.066Y6$$

Career Growth has the greatest co-efficient and consequently it explains more goal setting

**3.4.3.3. Regression Analysis by taking Performance Appraisal as Dependent Variable:**

$$Y2 = 0.289 + 0.419Y7 - 0.333Y2 + 0.707Y3 + 0.193Y4 + 0.123Y5 - 0.116Y6$$

Training & Development has the greatest co-efficient and consequently it explains more performance appraisal

**3.4.3.4. Regression Analysis by taking Training & Development as Dependent Variable:**

$$Y3 = 0.04526 - 0.202Y7 + 0.209Y1 + 0.365Y3 + 0.432Y4 + 0.099Y5 - 0.083Y6$$

Career growth has the greatest co-efficient and consequently it explains more training & development

**3.4.3.5. Regression Analysis by taking Career Growth as Dependent Variable:**

$$Y4 = - 0.101 - 0.038Y7 + 0.71Y1 + 0.053Y2 + 0.229Y3 - 0.088Y5 + 0.133Y6$$

Goal setting has the greatest co-efficient and consequently it explains more career growth

**3.4.3.6. Regression Analysis by taking Compensation Management as Dependent Variable:**

$$Y5 = - 0.002836 - 0.151Y7 + 0.766Y1 + 0.084Y2 + 0.132Y3 - 0.221Y4 + 0.371Y6$$

Goal setting 0.766 has the greatest coefficient and consequently it explains more compensation management.

**3.4.3.7. Regression Analysis by taking Employee Recognition as Dependent Variable:**

$$Y6 = - 0.241 + 0.429Y7 - 0.191Y1 - 0.083Y2 + 0.115Y3 + 0.348Y4 + 0.387Y5$$

Job description has the greatest co efficient and consequently it explains more employee recognition

**Discussion:**

1. Survey findings revealed that, Performance Appraisal is the leading factor containing highest mean value whereas; Employee Recognition perceived to be a resulting factor showing lowest mean value. The result entails that employees at HBL trust the appraisal process and it is based on goals set in advance whereas, employees thought that they do not receive appropriate recognition for their contributions and they believe they do not have enough freedom to take independent action when needed.

2. The estimated values of standard deviation discovered that data set are not normally distributed. Two factors training & development and career growth hold greatest deviation from the mean value while job description represented minor deviations from the mean.

3. The histogram shows negative series of Skewness and overall distribution is symmetric since it looks the same to the left and right of the center point. It is also established that Kurtosis is peaked in case of performance appraisal whereas it has a distinct peak in case of career growth and compensation management and has flat behavior in case of job description and employee recognition.

4. Correlation matrix shows a complete symmetric matrix since diagonals above and below are completely symmetric and have mirror-image. More precisely we argue that all the listed variables (i-e; JD, GS, PA, TD, CG, CM and ER) are perfectly correlated with each other since the numbers that go from the upper left corner (diagonal) to the lower right corner (diagonal) consist same values. More precisely, highest correlation is found between Career Growth and Compensation Management.

5. The sample covariance is positive and it indicates a positive association between seven variables used in research.

6. Multiple Regression Analysis by taking 7 variables (i-e; Employee Recognition, Career Growth, Compensation Management, Performance Appraisal, Goal Setting, Training & Development and Job Description) as Dependent Variable separately exposed that,

- Employee Recognition has the greatest coefficient and consequently it explains more to job description.
- Career Growth has the greatest coefficient and consequently it explains more goal setting.
- Training & Development has the greatest coefficient and consequently it explains more performance appraisal.
- Career growth has the greatest coefficient and consequently it explains more training & development.
- Goal setting has the greatest coefficient and consequently it explains more career growth.

- Goal setting has the greatest coefficient and consequently it explains more compensation management.
- Job description has the greatest coefficient and consequently it explains more employee recognition.

**Conclusion:**

The investigative study on the role of HR policies to mitigate the effect of 'push' factors in employee retention reveals that current HR policies of HBL fail to decrease high turn over rates and they have least ability to mitigate the effect of push factors.

We found that employees are displeased with their recognition and they do not receive appropriate recognition and do not have enough freedom in their position to take independent action when needed. In this context they believe that employee recognition is the dominant 'Push' factor that stimulates them to explore new opportunities outside the organization.

For instance outcomes regarding other push factors such as compensation management, goal setting, career growth, training & development and job description reveal that;

- The bank does not have professionally developed job descriptions and this result in unclear responsibilities and job profile.
- The bank does not have any defined training strategy and due to this current training program are lacking effectiveness
- Presently, there is no structured career planning and career growth progression at HBL.
- We could not find any employee recognition policy in the bank for rewarding individuals for additional achievement or projects well done that's why it promotes employee discontentment from current employer.
- Compensation strategy needs to be revisited and aligned on the basis of best in class compensation strategies. The determination will be market driven rather than linked to inflation.
- Performance appraisal system will not yield its desired outcome without a comprehensive review of goals, performance standards and objectives setting process with measurable activities & behavior.

**Area of Further Research:**

HR policy with reference to employee retention issues and practices remained unanswered in literature review and especially for Pakistani corporate sector no esteemed literature work is available that address the employee retention issues and high turnover aspects. Therefore our research was an attempt to fill this gap however; we still realized the scarceness of literature contribution in this area. The Role of HR Policies to mitigate the effect of 'Push' factors in employee retention need to be explored and we are inviting researchers to revisit this issue by taking our variables on different organizations.

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