

# **IMPACT OF HRM PRACTICES ON EMPLOYEE RETENTION AT KARACHI SHIP YARD & ENGINEERING WORKS (KS & EW)**

**By**

**NAVEED AHMAD  
28515**

A thesis presented to the Department of Management Sciences, Bahria University  
Karachi Campus, in partial fulfillment of the requirements  
of the MBA degree

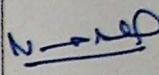
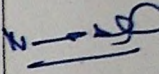
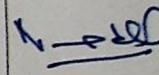


**FALL, 2016**

## MBA Thesis

### 2<sup>nd</sup> Half-semester Progress Report & Thesis Approval

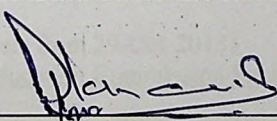
#### Supervisor-Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
5	12-7-16	Supervisor's office	Discussed Data Handling procedure and sample size	
6	16-7-16	Supervisor's office	Discussed Results of Analysis	
7	19-7-16	Supervisor's office	Discussed conclusion and recommendations.	

#### APPROVAL FOR EXAMINATION

Candidate's Name: NAVEED AHMAD Registration No. 28515  
 Thesis Title: IMPACT OF HR PRACTICES ON EMPLOYEE RETENTION AT KARACHI SHIPYARD AND ENGINEERING WORKS.

I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 13% that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

Supervisor's Signature:  Date: 12/8/2016

Name: Dr. Rafique Ahmed Khan

Head Of Department Singnature:  Date: \_\_\_\_\_

## **Acknowledgement**

I would like to thank my Allah for giving strength to work hard with full devotion and bringing me through all barriers I faced while carrying out my research.

I would like to thanks to my thesis advisor Dr. Rafique Ahmed Khan, for his supervision. He has been encouraging me from the first day of semester till the last day of submission of my research work. He has always supported and showed the ways towards possibilities.

I would like to thank all respondents, family members and friends who participated and helped in the research work. I would like to thank all the open literature sources that facilitated my research and add significance to it.

## Abstract

### Purpose:

The purpose for this research is to scrutinize effect of HRM practices on employee retention in Karachi Ship Yard & Engineering Works (KS&EW). The HRM practices considered for this study are Career Development Opportunities, Working Culture, Training and Development, Performance evaluation, Compensation and Rewards, and Employee relations with Employer.

### Methodology/sample:

For determining viewpoint of employees with respect to employment fulfillment and readiness to continue with work at Karachi Ship Yard and Engineering Works (KS&EW), the information was gathered through a survey. For better representation, every department of KS & EW was considered, a sum of 152 representatives of different departments were picked (approx. 50 from every department).

### Findings:

An organization cannot survive if its employee's have a tendency of leaving the organization. Employee retention can be associated with several organizational HRM policies/ practices which allow the employees to restrict to an organization for a several years. Reducing employee turnover through retention practices is an area of great interest to employers who depend on a highly skilled workforce. This research is carried out to know the impact of Human Resource practices on employee retention and Commitment to its organization. The result shows that human resource practices have a significant impact on the employee loyalty and retention. However, due to lack of HRM practices at various departments' leads towards mismanagement and low morale of employees and as a result, it impacts the overall organizational performance and profitability.

### Practical implications:

The outcomes of this research can be supportive for the organizations for retaining their employees for extended period. The study also provides the works for future researches.

**Key words:** Employee Retention, Industrial Sector, Career Development, Performance evaluation, Employees Loyalty.

## Table of Content

<u>Title / Topic</u>	<u>Page No</u>
Topic/Title	i
Declaration of Authentication	ii
Dedication	iii
List of Tables	iv
List of Abbreviations	v
Acknowledgement	vi
Abstract	vii
Table of content	viii-ix
<b>Chapter 1: Introduction</b>	<b>1</b>
1.1 Purpose of Research	1
1.2 Problem Statement	2
1.3 Study Questions	2
1.4 Research Objectives	2
1.5 Scope of Research	3
1.6 Limitations	3
<b>Chapter 2: Literature Review</b>	
2.1 Importance of Employee Retention	4
2.2 Employee Job Satisfaction	4
2.3 Supporting Theories	5
2.3.1 Affect Theory	5
2.3.2 Discrepancy Theory	5
2.3.3 Dispositional Approach	5
2.3.4 Equity Theory	6
2.3.5 Maslow's Theory of need	6
2.3.6 Herzberg's Motivators and Hygiene Factors	7
2.3.7 Douglas McGregor Theory x and y	7
2.4 Human Resource Practices	8

2.4.1 Salary and Benefits (Compensation)	8
2.4.2 Career Development Opportunities	8
2.4.3 Work Environment	8
2.4.4 Training and Development	9
2.4.5 Performance appraisal	9
2.4.6 Employer Relations with Employee	9
2.4.7 Work Life Balance	10
2.5 Variables of Study	10
2.5.1 Dependent Variable	10
2.5.2 Independent Variable	10
2.6 Theoretical Framework	11
2.7 Development of Hypothesis	11
2.8 Profile of KS&EW	12
<b>Chapter 3: Research Methodology</b>	
3.1 Type of Study	13
3.2 Target Inhabitants	13
3.3 Sample Size	13
3.4 Sampling Method	13
3.5 Research Tool	13
3.6 Data Handling	13
<b>Chapter 4: Analysis</b>	
4.1 Respondents Demographics	14
4.2 Regression Analysis	19
<b>Chapter 5: Discussion</b>	26-27
<b>Chapter 6: Conclusion and Recommendations</b>	
6.1 Conclusion	28
6.2 Recommendations	29
<b>Miscellaneous</b>	
Bibliography	30
Employee satisfaction Survey	31-32