

**UNIVERSITY RESEARCH (RU) GRANT
FINAL REPORT**

**A NEW LOOK AT HRM PRACTICE AND ITS
RELATIONSHIPS TO EMPLOYEES' ATTITUDES:
A COMPARISON OF PUBLIC AND PRIVATE
SECTOR IN MALAYSIA**

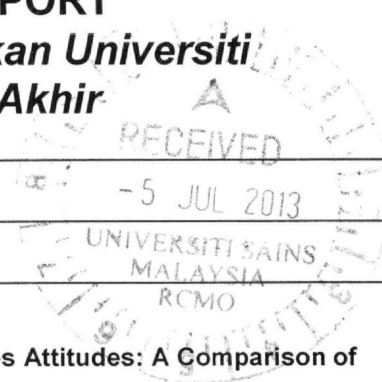
**Dr. Daisy Kee Mui Hung
School of Management
Universiti Sains Malaysia**

2013



**UNIVERSITY RESEARCH GRANT
FINAL REPORT
Geran Penyelidikan Universiti
Laporan Akhir**

Please email a copy of this report to rcmo@usm.my
Sila emel salinan laporan ini ke rcmo@usm.my



A.	PARTICULARS OF RESEARCH / MAKLUMAT PENYELIDIKAN:
(i)	Title of Research: <i>Tajuk Penyelidikan:</i> A New Look at HRM Practices and Its Relationships to Employees Attitudes: A Comparison of Public and Private Sector in Malaysia
(ii)	Account Number: 811111 <i>Nombor Akaun:</i>
B.	PERSONAL PARTICULARS OF RESEARCHER / MAKLUMAT PENYELIDIK:
(i)	Name of Research Leader: <i>Nama Ketua Penyelidik:</i> Dr. Daisy Kee Mui Hung
	Name of Co-Researcher: <i>Nama Penyelidik Bersama:</i> Associate Professor Dr. Noor Hazlina Ahmad
(ii)	School/Institute/Centre/Unit: <i>Pusat Pengajian /Institut/Pusat/Unit:</i> School of Management
D.	Duration of this research: <i>Tempoh masa penyelidikan ini:</i> *Duration : 3 years <i>Tempoh :</i> From : 2009 To : 2012 <i>Dari: Ke :</i>

E. ABSTRACT OF RESEARCH

(An abstract of between 100 and 200 words must be prepared in **Bahasa Malaysia and in English**. This abstract will be included in the Annual Report of the Research and Innovation Section at a later date as a means of presenting the project findings of the researcher/s to the University and the community at large)

Abstrak Penyelidikan

(Perlu disediakan di antara 100 - 200 perkataan di dalam **Bahasa Malaysia dan juga Bahasa Inggeris**.)

Abstrak ini akan dimuatkan dalam Laporan Tahunan Bahagian Penyelidikan & Inovasi sebagai satu cara untuk menyampaikan dapatan projek tuan/puan kepada pihak Universiti & masyarakat luar).

Bahasa Malaysia Version

Projek penyelidikan bertujuan untuk memahami persepsi kakitangan tentang amalan HRM di tempat kerja. Amalan HRM telah memperolehi kepentingan di bidang pengurusan disebabkan kesannya terhadap sikap kerja dan kelakuan pekerja. Walaupun organisasi membekalkan pekerja-pekerja dengan amalan HRMnya, tujuan adalah untuk memotivasikan kakitangan supaya produktif. Bagaimana kesan amalan HRM ke atas sikap kerja dan kelakuan kakitangan di sektor yang berbeza adalah kurang jelas. Penyelidikan yang lepas menunjukkan hubungan-hubungan bukti antara HRM, tahap komitmen dan niat berhenti kerja kakitangan. Kami mencadangkan bahawa pengaruh-pengaruh amalan HRM kakitangan di kedua-dua sektor awam dan sektor swasta adalah berbeza. Tujuh komponen amalan HRM iaitu rekabentuk kerja, perancangan HR, pengambilan dan pemilihan, latihan dan pembangunan, pampasan dan pengurusan prestasi dan hubungan pekerja telah dicadangkan sebagai satu tumpuan utama dalam menyiasat hubungan di atas. Data diperoleh melalui soal selidik yang diedarkan di kedua-dua sektor awam dan sektor swasta. Keputusan menunjukkan amalan-amalan HRM mempunyai satu pengaruh yang penting terhadap hasil kerja pekerja. HRM dalam kedua-dua sektor awam and swasta berbeza nyata sekali. Akhirnya implikasi penemuan, limitasi dan arah masa depan diperbincangkan.

English Version

The research project explores employees understanding of HRM practice in the workplace. HRM practice has gained amplified interest in the management field due to its impact on employees' work related attitudes and behaviors. Even though organizations provide employees with its HRM practice, the expectation is to keep employees motivated and productive. How HRM practice impacts on the different forms of employees work related attitudes and behaviors in different sector is not clear. Past researchers showed evidence linkages between HRM, employees' level of commitment and their turnover intention. We propose that HRM practice influences employees work related outcomes in both public and private sector in different ways. Seven component of HRM practice namely job design, HR planning, recruitment and selection, training and development, compensation and performance management and employee relations have been chosen a focal point to investigate the above relationship. Data was collected through self administered questionnaire distributed to both public and private sector. The results indicate HRM practices have a significant influence on employees work outcome. HRM in both public and private sector differ significantly. Finally implication of the findings, limitation and future direction are discussed.

F. **SUMMARY OF RESEARCH FINDINGS**

Ringkasan dapatan Projek Penyelidikan

Public sector perceives that HR is merely as an administrative role as compared to private sector who perceives HR as a strategic partner. Additionally, private sector perceives HR as a change champion in the organization. Compared to public sector, private sector sees HR as their advocates who are relatively more willing to spend time on listening and responding to employees and care for their personal needs. Overall the results showed that in private sector, employees view HR differently. HR plays a role as a strategic partner, employee sponsor or advocate and a change mentor. It could be perhaps, **private sector is more prompt to respond to the competitive business environment**. It should be noted that the way how public and private sector handle HR are different. For example, the findings of the paper found out that public sector compensate employees on the basis of their level of seniority (tenure and total work experience) whereas private sector is more likely to compensate employees based on their performance and level of competence. It explains why different sector value the same resource differently. Public sector is funded and monitored by the government. Its HR function is relatively more structured and formalized and is governed by the sets of administrative rules and procedures. Therefore, to account for changes in competitive positions, HR managers in public sector need to think of themselves as strategic partners. Or else they will be much lagging behind compared to private sector who is simultaneously improves its own position in the market. Managers must take note that it is challenging for the disadvantage party to dethrone the leading party that enjoys a competitive advantage if no competitive improvement is taken.

The present study aims to investigate the relationship between HRM practice, organizational commitment, and turnover intention. The present study was undertaken to prove that HRM practice has positive relationship with organizational behavior, HRM practice is negatively linked with turnover intention. The findings of the paper relate HRM practice to organizational commitment, particularly with affective and normative commitment. Three dimensions of HRM namely HR planning, compensation and performance show positive and significant relationship for both public and private sectors. The finding of the present study are aligned with the past studies (e.g., Kee, Ansari, & Aafaqi, 2004; Settoon, Bennett & Liden, 1996; Wayne, Shawn & Liden, 1997) who shown a positive relationship between the two variables. It is more likely that employees perceive that these three dimension act as a joint agreement (psychological contract) between employer and employees as to the value of labor services. Our argument therefore connects to recent HRM research that has emphasized the critical role of HRM in affecting employees work related outcomes.

The findings of the study also show that both public and private sectors differ in how they view HRM practice and also ultimately to their work related attitude such as their level of commitment to the organization. Overall the results showed that HRM practice and turnover intention are negatively correlated. There has been much empirical study in the past (such as Ansari, Kee & Aafaqi 2000; Shaw et al., 1998; Wagar, 2003), which has shown negative relationship among the two variables. Allen et al. (2003) also suggest that supportive HRM practice contribute to develop perceived organizational supports that may help to minimize the negative behavior, such as low productivity, absenteeism, hostile behavior, turnover intention and actual turnover. Therefore, consistent with these previous findings, the project has demonstrated that employee turnover intention is a direct consequence of HRM practices.

G. COMPREHENSIVE TECHNICAL REPORT

Laporan Teknikal Lengkap

Applicants are required to prepare a comprehensive technical report explaining the project.
(This report must be attached separately)

Sila sediakan laporan teknikal lengkap yang menerangkan keseluruhan projek ini.

[Laporan ini mesti dikepilkan]

See appendix.

List the key words that reflect our research:

Senaraikan kata kunci yang mencerminkan penyelidikan anda:

English	Bahasa Malaysia
Human Resource Management	Pengurusan Sumber Manusia
Attitude and Behavior	Sikap dan kelakuan
Public and Private Sector	Sektor Awam and Swasta

H. a) Results/Benefits of this research

Hasil Penyelidikan

No. Bil:	Category/Number: Kategori/ Bilangan:	Promised	Achieved
1.	Research Publications (Specify target journals) <i>Penerbitan Penyelidikan (Nyatakan sasaran jurnal)</i>	1	2 (in progress) December 2013 International Journal of HRM Indexed by ISI and Scopus)*
2.	Human Capital Development		
	a. Ph. D Students	1	1
	b. Masters Students	1	1
	c. Undergraduates (Final Year Project)		
	d. Research Officers		
	e. Research Assistants	1	1
	f. Other: Please specify		
3.	Patents <i>Paten</i>		
4.	Specific / Potential Applications <i>Spesifik/Potensi aplikasin</i>		
5.	Networking & Linkages <i>Jaringan & Jalinan</i>		
6.	Possible External Research Grants to be Acquired <i>Jangkaan Geran Penyelidikan Luar Diperoleh</i>		

- Kindly provide copies/evidence for Category 1 to 6.

PHD = Rabiul Mohamad
Masters = Kalpana (MBA)

*Once it is published, I will send the copies to RCMO office.

b) Equipment used for this research.

Peralatan yang telah digunakan dalam penyelidikan ini.

Items Perkara	Approved Equipment	Approved Requested Equipment	Location
Specialized Equipment Peralatan khusus			
Facility Kemudahan			
Infrastructure Infrastruktur			

- Please attach appendix if necessary.

I. **BUDGET / BAJET**

Total Approved Budget : RM 103,520.00
Total Additional Budget : RM 0.00
Grand Total of Approved Budget : RM 27,233.00

Yearly Budget Distributed

Year 1 : RM 40,000.00
Year 2 : RM
Year 3 : RM

Additional Budget Approved

Year 1 : RM
Year 2 : RM
Year 3 : RM

Total Expenditure : RM 36,050.15
Balance : RM 67, 469.85

- Please attach final account statement from Treasury



Signature of Researcher
Tandatangan Penyelidik

28/06/2013

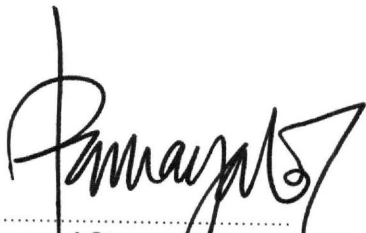
Date
Tarikh

H.

COMMENTS OF PTJ'S RESEARCH COMMITTEE
KOMEN JAWATANKUASA PENYELIDIKAN PERINGKAT PTJ

General Comments:
Ulasan Umum:

Need to deliver on promised outputs



Prof.
Dr.
P.
C.
T.
Professor Ramayah Thurasamy
Deputy Dean
Research
School of Management
Universiti Sains Malaysia
11800 USM, Penang.



Signature and Stamp of Chairperson of PTJ's Evaluation Committee
Tandatangan dan Cop Pengerusi Jawatankuasa Penilaian PTJ

Date : *28/6/2013*
Tarikh :

Signature and Stamp of Dean/ Director of PTJ
Tandatangan dan Cop Dekan/ Pengarah PTJ

Date : *1/7/13*
Tarikh :

Fauziah Md Taib
PROFESOR FAUZIAH MD TAIB
DEKAN
PUSAT PENGAJIAN PENGURUSAN
UNIVERSITI SAINS MALAYSIA



User Code: ROSESALEH / USMPGLIVE / PMGT

Program Code: Votebook9100

Current Program : Votebook (Header)

Current Date : 10/06/2013 3:35:34 PM

Version: 15.03, Last Updated at 03/12/2012

DB: 13.02, 9/27/2010 VB: 13.01, 3/14/2011

Switch Language : English /Malay

Wildcard : eg. Like 100%, Like 10%1, Like %1

Element 1: 1001

Element 2: %

Element 4: PMGT

Element 5: 811111

Year: 2013

Detail	Excel	Budget Rule	Budget Control	Account Description	Budget Account Code	Roll over	Budget	Cash Received	Advanced	Commit	Actual	Available	Percentage
Detail	Excel	489	T	Projek Kumpulan Wang Uni Penyelidikan	1001.111.0.PMGT.811111	5,382.00	0.00	0.00	0.00	0.00	0.00	5,382.00	0.00%
		489	T	SubTotal		5,382.00	0.00	0.00	0.00	0.00	0.00	5,382.00	0.00%
Detail	Excel	490	T	Projek Kumpulan Wang Uni Penyelidikan	1001.221.0.PMGT.811111	30,892.45	0.00	0.00	0.00	0.00	0.00	30,892.45	0.00%
Detail	Excel	490	T	Projek Kumpulan Wang Uni Penyelidikan	1001.223.0.PMGT.811111	8,798.20	0.00	0.00	0.00	0.00	0.00	8,798.20	0.00%
Detail	Excel	490	T	Projek Kumpulan Wang Uni Penyelidikan	1001.225.0.PMGT.811111	-3.50	0.00	0.00	0.00	0.00	0.00	-3.50	0.00%
Detail	Excel	490	T	Projek Kumpulan Wang Uni Penyelidikan	1001.226.0.PMGT.811111	5,800.00	0.00	0.00	0.00	0.00	0.00	5,800.00	0.00%
Detail	Excel	490	T	Projek Kumpulan Wang Uni Penyelidikan	1001.227.0.PMGT.811111	5,378.70	0.00	0.00	0.00	0.00	0.00	5,378.70	0.00%
Detail	Excel	490	T	Projek Kumpulan Wang Uni Penyelidikan	1001.229.0.PMGT.811111	11,222.00	0.00	0.00	0.00	0.00	0.00	11,222.00	0.00%
		490	T	SubTotal		62,087.85	0.00	0.00	0.00	0.00	0.00	62,087.85	0.00%
		9999		GrandTotal		67,469.85	0.00	0.00	0.00	0.00	0.00	67,469.85	0.00%

UNIVERSITY RESEARCH GRANT

TECHNICAL REPORT

A NEW LOOK AT HRM PRACTICE AND ITS RELATIONSHIPS TO EMPLOYEES' ATTITUDES: A COMPARISON OF PUBLIC AND PRIVATE SECTOR IN MALAYSIA

Dr. Daisy Kee Mui Hung
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Abstract

The research project explores employees understanding of HRM practice in the workplace. HRM practice has gained amplified interest in the management field due to its impact on employees' work related attitudes and behaviors. Even though organizations provide employees with its HRM practice, the expectation is to keep employees motivated and productive. How HRM practice impacts on the different forms of employees work related attitudes and behaviors in different sector is not clear. Past researchers showed evidence linkages between HRM, employees' level of commitment and their turnover intention. We propose that HRM practice influences employees work related outcomes in both public and private sector in different ways. Seven component of HRM practice namely job design, HR planning, recruitment and selection, training and development, compensation and performance management and employee relations have been chosen a focal point to investigate the above relationship. Data was collected through self administered questionnaire distributed to both public and private sector. The results indicate HRM practices have a significant influence on employees work outcome. HRM in both public and private sector differ significantly. Finally implication of the findings, limitation and direction are discussed.

Introduction

In tandem with the aspiration of Vision 2020, Malaysia is positioning itself to be a key player in achieving global competitiveness through “K-based economy”. In charting the road towards this K-based economy, two of the seven important thrusts to be given emphasis by the government are: (a) to ensure the private sectors is the forefront of the K-based economy’s development and (b) to develop the public sector into a K-based civil service (UNPAN, 2008). As stated in the UNPAN’s report, **one single most important factor that will determine the success of the transition towards the K-based economy is the quality of human resources (HR), be it in private or public sectors.** According to Rowley and Saaidah (2007), despite arguments pointing to the importance of HR as a specialized business function and set of practices, **it is a relatively under-researched subject matter in Malaysia.** Earlier, Chew (2005) remarked that in Malaysia, the general notion is that HR departments play merely an administrative role. Hence, it is timely that a genuine effort to understand the appropriate, contemporary HRM practices that could tune the employees’ attitude and behaviour towards optimal productivity to be undertaken.

HR are seen as the foremost intangible asset which composes a firm’s core competence and crucial in enhancing firms’ performance. Ultimately, organizational competitiveness is built upon the ability of HR department to uphold appropriate practices. Since majority of Malaysian enterprises are still based on traditional or conventional management practices, the issue of “can Malaysian organizations stay competitive in the Asian Century?” becomes a major concern. For organizations, a way to remain competitive is by leveraging the HR department because it has been suggested that HR department, to some extent, play a crucial role in assisting the management to assess the environment and implementing firms’ strategies (Hazman 1998). Accordingly, with the intense competition, globalization and fast-changing business environment, the HR departments require relooking at their practices to enable them to adapt to this challenging environment through inculcating the right attitudes and behaviors among employees. Given the scant study that investigates the contemporary HRM practices on employees’ behaviour, it is deemed timely that

such study to be undertaken.

Specifically, the present study attempts to investigate the relationship between the HRM practices and employee-related behaviors. Also, given that most studies on HRM practices in Malaysia focus solely on private sectors (see for example, Chew, 2005; Othman, Abdul-Ghani, & Arshad, 2001; Rowley & Saaidah, 2007), this study is considered the first of its kind in Malaysia that attempts to obtain insights into the HRM practices in public and private sectors in Malaysia. In doing so, the present study attempts to understand the perception of employees in regards to HRM practices within the private and public sectors. In addition, the present study proposes the linkage between the contemporary HRM practices and employee work-related attitude and behavior (organizational commitment, turnover intention) and finally, recommendations will be put forth to bolster positive work-behaviors through HRM practices in both private and public sectors. The present study is in line with the spirit of the Malaysian government to upgrade and improve its civil service through K-based HR.

Notwithstanding the suggestions that HRM practices should shift from the conventional to a more innovative practices, many organizations in Malaysia still embracing the former (Othman et al., 2001). According to Chew (2005), Malaysian firms often feel that it is too costly to train employees beyond required basic skills because developmental training is seen as a threat to staff retention. Such reluctance may also be largely due to the need to offer better remuneration packages given that training enhances job mobility. However, recently, it was recognized that human resources are assets to be invested in, not costs to be reduced (Rowley & Saaidah, 2007). Othman et al. (2001) found evidence that the management of Malaysian firms have high expectations of their HRM departments to improve performance. HR departments are no longer seen as merely record keepers or administrators rather as a mechanism to enhance organizational capabilities. As such, HR practices should go beyond the conventional practices and focus on innovative practices such as initiate productivity improvements program, develop effective employee participation, identify long-term business development, anticipate internal and external changes as well as

demonstrate cost effectiveness of HRM program (Ichniowski, Kochan, Olson, Strauss, 1996). More importantly, HRM practice should not only focus on employee welfare but also human development and optimal productivity. At present there is lack of evidence to suggest that Malaysian organizations adopt this contemporary form of HR practices (Othman et al., 2001).

HRM should be presented as a new approach where values and policies are developed with an emphasis on making full use of the talents of the employees in the organization. According to Lee and Heard (2000), HR practice is one important area that influences employees' intention to leave, job satisfaction, and organizational commitment. Based on the preceding discussion, it is indubitable that managers should pay attention to these arising issues; especially since HRM practices are investments that will directly influence positive work-related behaviors such as demonstrating high level of organizational commitment, low level of turnover intention, and high job satisfaction. In short, the present study is tailored towards examining the linkage between HRM practices and employee work-related behaviors in both private and public sectors in Malaysia.

In the effort to obtain better insights into the HRM practices in both public and private sectors and their influences on employees' work-related behaviors, the present study is designed to specifically address the following **key objectives**:

- (1) to understand the perception of employees in regards to HR practices within the private and public sectors,
- (2) to test the linkage between the contemporary HRM practices and employees' work-related behaviors, and
- (3) to identify the sector-specific variation in regards to the HRM practices and employees' work-related behaviors.

Methods

This empirical research is quantitative in nature. Data was collected by means of self-administered questionnaires which were to 238 employees working at the public and private sectors in Northern region of Malaysia. HRM practice was measured in additive measures of numbers of HRM practice and employee reports of strength of practices. Whereas employee attitudes were measured using organizational commitment scale and turnover intentions scale. A total of 800 questionnaires were distributed to full time employees in the logistic industry. Of these 298 questionnaires received, only 135 were received from private sector and 103 were received from public sector have complete information and has been used for this study which yielded for a response rate of 29.75 percent.

PART	Variables	Source	Number of Items
A	Demographic Data		7
B	HRM Practice		107
	Role of HRM	Broadfoot and Ashkanasy (1994) ; Camman, Fichman, Jenkins & Klesh (1979); Kee and Ahmad (2009) ; Sims, Szilagyi & Keller (1976) ; Ulrich (1997)	19
	Job Design		7
	HR Planning		9
	Recruitment & Selection		14
	Training & Development		24
	Compensation		11
	Performance Management		9
	Employee Relations		14
C	Organizational Commitment & Turnover Intention	Lee, Allen, Meyer & Rhee (2001) ; Camman, Fichman, Jenkins & Klesh (1979)	21
	Organizational Commitment		18
	Turnover Intention		3

Results and Discussion

Public sector perceives that HR is merely as an administrative role as compared to private sector who perceives HR as a strategic partner. Private sector is relatively viewing HR more positively in the following issues such as “HR focuses to align HR strategies and practices to business strategies”, “HR is an active participant in organization’s renewal and transformation activities” and “HR supports organization executing its business strategies”. Additionally, private sector perceives HR as a change champion in the organization. The roles are illustrated as “HR processes and programs increase organization’s ability to change’, “HR’s credibility comes from making change happen’ and ‘HR processes and programs increase the organization’s ability to change”. Compared to public sector, private sector sees HR as their advocates who are relatively more willing to spend time on listening and responding to employees and care for their personal needs. Overall the results showed that in private sector, employees view HR differently. HR plays a role as a strategic partner, employee sponsor or advocate and a change mentor. It could be perhaps, **private sector is more prompt to respond to the competitive business environment**. It should be noted that the way how public and private sector handle HR are different. For example, the findings of the paper found out that public sector compensate employees on the basis of their level of seniority (tenure and total work experience) whereas private sector is more likely to compensate employees based on their performance and level of competence. It explains why different sector value the same resource differently. Public sector is funded and monitored by the government. Its HR function is relatively more structured and formalized and is governed by the sets of administrative rules and procedures. To account for changes in competitive positions, HR managers in public sector need to think of themselves as strategic partners. Or else they will be much lagging behind compared to private sector who is simultaneously improves its own position in the market. Managers must take note that it is challenging for the disadvantage party to dethrone the leading party that enjoys a competitive advantage if no competitive improvement is taken.

The present study aims to investigate the relationship between HRM practice, organizational commitment, and turnover intention. In the extant literature research scholars have attempted to narrate the direct relationship between the independent and dependent variable (i.e. the relationship between HRM practice and organizational commitment and affiliation connecting HRM practice and turnover intention). The present study was undertaken to prove that HRM practice has positive relationship with organizational behavior, HRM practice is negatively linked with turnover intention.

The findings of the paper relate HRM practice to organizational commitment, particularly with affective and normative commitment. Three dimensions of HRM namely HR planning, compensation and performance show positive and significant relationship for both public and private sectors. The finding of the present study are aligned with the past studies (e.g., Kee, Ansari, & Aafaqi, 2004; Settoon, Bennett & Liden, 1996; Wayne, Shawn & Liden, 1997) who shown a positive relationship between the two variables. It is more likely that employees perceive that these three dimension act as a joint agreement (psychological contract) between employer and employees as to the value of labor services. Our argument therefore connects to recent HRM research that has emphasized the critical role of HRM in affecting employees work related outcomes.

The findings of the study also show that both public and private sectors differ in how they view HRM practice and also ultimately to their work related attitude such as their level of commitment to the organization. In private the analysis shows recruitment dimension has a negative relationship with both affective and normative commitment whereas recruitment is positively related to organizational commitment. This result may be true based on the current economy situation where the world economy is slowing down and it impacts Malaysia's economy. Many private sector has frozen the intake and little job are available. It is possible that many employees are not happy or satisfied with the current recruitment or hiring practice due to the high attrition and downsizing exercise. Our argument suggest that under uncertainty of the economy, existing employees particularly senior employees are less likely to feel secure and

thus less inclined to engage in positive relationship with organizations which affect their level of commitment to the organizations. It is suggested that HRM practice may vary in different sectors due to both internal (for example, management commitment) and external factors (for example, globalization, economy situation, government policies)

It is interesting to take note that in public sector, training dimension does not have any significant relationship with affective and normative commitment but significantly related to continuance commitment whereas it is significant in private sector. The results suggests that even though employees in public sector are provided with training, yet training may not play a role in influencing their commitment to the organization. It is aligned with Meyer and Allen, (1991) training as determinant of continuance rather than affective or normative commitment. In private sector, training may be seen as part of enhancing employees' competencies and acquiring new skills and knowledge. Training also aids to develop employees to perform job at a higher level and keep them engaged with the organization and thus has a significant link to the level of their commitment and negative link to intention to quit.

Overall the results showed that HRM practice and turnover intention are negatively correlated. There has been much empirical study in the past (such as Ansari, Kee & Aafaqi 2000; Shaw et al., 1998; Wagar, 2003), which has shown negative relationship among the two variables. Allen et al. (2003) also suggest that supportive HRM practice contribute to develop perceived organizational supports that may help to minimize the negative behavior, such as low productivity, absenteeism, hostile behavior, turnover intention and actual turnover. Therefore, consistent with these previous findings, the project has demonstrated that employee turnover intention is a direct consequence of HRM practices.

Conclusion

The findings of this study present important insights to the HRM practitioners to study their HRM practice to increase the commitment among the employees. By adopting the right HRM practice, organization can reduce the turnover intention among the employees. **The studies also provide useful insights into our understanding of why there is a variation in how HRM practice is adopted by both public and private sector and therefore we address variation is a function differing levels of acceptance of a HRM practice.** Additionally, variation emerging from differing levels of acceptance may be also due to differences in the implementation process of HRM practices in the organization. To make it clearer, that is differences that occur during the implementation process within the organization can also affect employees work related outcomes. Finally, this research aids to enhance our understanding of how institutionalized HRM practice transmitted within and across organization diffusion of HRM practice.

Recommendations

Further work may, for example look at how HRM practice influences other work related outcomes such as job embeddedness, organizational citizenship behaviors, as well as counterproductive behaviors. Further work should be done examining other industry as the project is restricted to a single industry in Malaysia. Future research should also examine the impact of HRM bundles where HRM bundles (see Subramony, 2009) have larger magnitudes of effects than individual best practice in employees work related outcomes.