



**MEDIATING EFFECT OF HRM PRACTICES ON THE
RELATIONSHIP BETWEEN SOCIAL NETWORKING SITES USAGE
AND EMPLOYEE RETENTION IN LARGE COMPANIES IN
MALAYSIA**

Abdallah M. A. Abushammala *

Graduate School of Management,
International Islamic University Malaysia
Malaysia
abedullah_shammala@hotmail.com

Junaidah Hashim

Department of Business Administration
International Islamic University Malaysia
Malaysia
junaidahh@iium.edu.my

*Corresponding Author email: abedullah_shammala@hotmail.com

Submission: 08 April 2021

Revised: 27 April 2021

Accepted: 14 May 2021

Peer-review under responsibility of 5th ASIA International Multidisciplinary Conference 2021 (Online)

Scientific Committee

<http://connectingasia.org/scientific-committee/>

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Office # 6, First Floor, A & K Plaza, Near D Watson, F-10 Markaz, Islamabad, Pakistan,

editor@readersinsight.net

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ABSTRACT

This research aims at addressing the relationship between social networking sites with selected human resource management (HRM) practices that include recruitment and selection, compensation, and training and development toward a relationship with employee retention. Several studies and research (Cappelli, 2009; McDonald & Thompson, 2015) stated that effective use of social networking sites could help to improve personal branding and therefore help to develop one's career. This research used a quantitative survey method to gather the data. A purposive sampling technique was used in this study and a total of four hundred employees from the largest 20 public listed services provider companies in Malaysia participated in the study. Communication networks are measured with 14 items for professional purposes and another 14 items measured the usage of social networking sites for social purposes. These 28 items are modified to assess the usage of communication networks based on Warnakula and Manickam (2010). For HRM practices, 26 items are given to the respondents to answer. Meanwhile, employee retention is measured by 10 items adopted based on Allen and John (1990). The data was analysed using SPSS where descriptive and inferential analyses were used to answer the research objectives. The findings and implications of the study are discussed.

Keywords: *Human Resources Management Practices, Employee Retention, Social Networking Sites, Malaysia*

RESEARCH HIGHLIGHTS

1. The *p-value* of the social networking site usage is 0.034, which is less than 0.05. It can be concluded that H1 is supported, meaning there is a significant positive relationship between usage of a social networking site and employee retention.
2. The *p-value* of recruitment and selection is 0.004. It also means that recruitment and selection have a significant effect on the relationship between social networking site usage and employee retention. Thus, H2 is also accepted.
3. Compensation also mediates the relationship between the usage of social networking sites and employee retention as the *p-value* is less than 0.05, hence, H3 is supported.
4. Training and development have an influence on employee retention and the *p-value* is 0.007, which is less than 0.05. Therefore, H4 is also accepted. It can be concluded that training and development also have mediating effect between the relationship of social networking site usage and employee retention.

Research Objectives

The key theme of this research is to identify the influence of connectivity on employee retention via three selected human resource management practices. Specifically, it determines the relationship between the usage of social networking sites and employee retention. Then, it examines the mediating effect of recruitment and selection, compensation, training, and development on the relationship. With the influence of effective and efficient strategic human resource management practices, it is possible that

even with the influence of social networking sites, a company can retain talents from moving to different companies and therefore ensure progress or sustainability.

Despite the fact that there are numerous research and studies on the scope of social networking sites; human resource management practices and employee retention respectively, there is no study that aims to determine the significant relationship among these variables. Besides, not much empirical evidence is found yet on whether social networking sites would leave a positive effect on retention, especially in a Malaysian context. In line with these facts, this research aims to improve understanding of the significant relationship of social networking sites with selected human resource practices that include compensation, selection and recruitment, and training and development with employee retention.

Methodology

The variables in this study are measured in the questionnaire by using five-point Likert scales to indicate the respondents' frequency of usage and level of agreement. An additional 12 questions are presented to cover the demographics part. This study adopts measures that have been used by other researchers and all these measures Cronbach's alpha values were found reliable as they are all greater than .70. Furthermore, since the context of Wok and Hashim (2014); Wok and Hashim (2015) are similar to the proposed study, the instruments can be adopted. Thus, no pilot test is necessary.

Meanwhile, the study population for this research is the employees who work in the largest 20 public listed services provider companies in Malaysia that meet the eligibility criteria of the FTSE Bursa Malaysia Index Ground Rules. The purposive sampling technique is used to select the respondent. By using Cochran's equation, a number of 385 participants' sample size has been found to be the preferred size. However, Gay, Mills and Airasian (2014) suggested that beyond a certain point when a population increases to 5000 or more, the sample size could adequately be at 400. Thus, the sample size is rounded to be 400 participants.

Results

A total number of 316 responses have been received for this study, which is then analysed using multiple linear regression analysis in SPSS. The different results derived from the skewness and kurtosis tests show that the data are normally distributed. For this study, the mean inter-item correlation is also within the preferred range that shows the acceptable relationship among the items.

The mean and standard deviation of all variables obtained indicate the existence of correlation among the variables. Next, it is observed that all the HRM practices and usage of social networking sites have a positive effect on employee retention. A significant positive relationship among these variables indicates that employees can be retained based on these independent variables.

Furthermore, co-efficient multiple determination (R Square) derived is .355 in which for this study, the R2 value indicates that usage of social networking and HRM practices can ensure employee retention and there is a positive relationship among these variables. Additionally, the relationship among the variables is significant and the P-value is < 0.05. The value of F-statistics for this study is 42.822, showing a significant linear relationship between usage of social network sites and employee retention mediated by the HRM practices.

Findings

The *p-value* of the social networking site usage is 0.034, which means there is a significant positive relationship between usage of a social networking site and employee retention. Next, the *p-value* of recruitment and selection is 0.004. It means that recruitment and selection have a significant effect on the relationship between social networking site usage and employee retention. Compensation also mediates the relationship as the *p-value* is less than 0.05. Besides, training and development also influence the relationship since the *p-value* is 0.007. In short, all 4 hypotheses suggested in this study are accepted as the *p-value* obtained is less than 0.05.

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