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The Impact of HRM Practices on the Employee Intention to Stay in the Jordanian Telecommunications Companies

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Abstract
In Jordan telecommunications sector considered as one of the main contributors to the Jordan economic growth. Despite this achievement, telecommunication companies in Jordan face various challenges and issues. Employee intention to stay (ITS) is one of the challenges that telecommunication firms face, due to the high turnover rate of employees in Jordanian telecommunications companies over time. Particularly that identifying techniques to encourage employees to stay in the firm has become a key concern because staff retention is a problem that companies face due to the danger of excessive employee turnover. The phenomena alarmed the concern over the turnover issue of telecommunications sector. Employee turnover issue requires implementing good HRM (Human Resource Management) practices in delivering results at the employee level such as a reduction in the likelihood of employee turnover and an increase in their willingness to stay with the company. This paper deliberates the importance of adapting effective HRM practices (performance appraisal, compensation, and training and development practices) to strengthen employee’s retention in the telecommunication companies in Jordan.

Keywords: HRM Practices, Employee Intention to Stay (ITS), Performance Appraisal (PA), Compensation, Training and Development (TD).

Introduction
Employee intention to stay (ITS) play vital roles in human resource strategies. Employers resort to investing in HRM strategies to build a motivating work environment for employees that ensure their intention to stay in their work and companies. For example, Al-Dalahmeh et al (2021) confirmed that implementing strong human resource management (HRM) methods will lead to enhanced employee intention to stay. Besides, Kumar (2022) and Zahoor et al (2015) showed that employee intention to stay plays a vital role in human resource, by
implementing appropriate HR practices to retain employees in the organization. Thus, adopting HRM practices as a whole would achieve effective employee behaviors like employee intention to stay. Moreover, the success or failure of a company is often related to its ability to strengthen its employees’ intention to stay appropriately. Intellectual capital is a relatively new concept in the HRM literature. The three elements that make up intellectual capital are human, structural, and relational capital. The most important component of intellectual capital is thought to be human capital (Arif et al., 2022). Employees are a crucial and critical resource for every organization’s sustainability and success (Rehman et al., 2022). For this reason, Cesário and Chambel (2017) recommended the necessity of examining the employee intention to stay (ITS) over time as the main element in organizations.

One of Jordan’s major economic and gross domestic product (GDP) contributors is the telecommunications and information technology industry. The telecoms and information technology sector’s (3.8%) share of the GDP is the largest sectoral share (Telecommunications Regulatory Commission, 2019). Given that Jordan is a regional pioneer in the use of information technology, the telecommunications sector in Jordan has recently been designated as one of the major contributors’ areas for attracting regional and foreign investments (Obeidat, 2016). For example, investments in the mobile phone industry surged by 52%, or 141 million JOD (Jordanian dinar), over the previous year due to the enhanced infrastructure (Roya news, 2020). Thus, the telecommunications sector represents the main support for increasing the competitive advantage of the Kingdom of Jordan over its neighbouring Arab countries in the region (Yaseen et al., 2016).

One of the most competitive in the Middle East is Jordan's telecommunications industry, which also has some of the highest levels of international investment. For instance, Jordan's income from telecommunications and information technology increased by more than double in just five years, from 450 million to one billion dollars (Azzam, 2017, Jordan Telecom Group, 2020). The total assets of Jordanian telecoms show that Jordan is one of the fastest-growing telecommunication markets in the region. The telecommunications and information technology sectors notably contributed to exports, with revenues in Jordan reaching hundreds of millions of dollars, according to a study that gathered and analysed data from a variety of businesses now functioning in Jordan. As a result, this industry has become a global leader in IT (Information Technology) and telecommunications, and its exports have increased both domestically and internationally (Alamri, 2020).

Despite the narrated development and growth, telecommunication companies in Jordan still face various challenges. According to statistics, the number of employees in Jordanian telecommunications companies has decreased over time (JORDAN ICT & ITES (IT Enabled Services) Sector Statistics, 2018). Reviewing the previous literature reveals that the employee ITS is a persistent issue, and the research that has been done in this area has not been sufficient to address this problem. To be more specific, the Middle East lacks literature on the employees' ITS due to the concentration of 46% of all studies in Europe and the absence of literature from Middle Eastern nations like Jordan (Motyka, 2018; Alhmoud & Rjoub, 2020; Al Kurdi et al., 2020; Al-Harazneh & Sila, 2021). Furthermore, particularly in Jordanian institutions, there is still a dearth of study on employees' ITS, attitudes towards their work, the potential for development as actual assets to a company, and reasons why they leave their jobs (Altarawneh and Al-Kilani, 2010; Al Kurdi et al., 2020). The Scopus database shows that 84% of articles on ITS are undertaken in western nations, as opposed to 16% in the middle
east. The distribution of publications on the ITS between Western nations and the Middle East is seen in the Figure below.

![Figure 1: Distribution of the Publications on ITS between Western Country and Middle East’ Source: Scopus Database on 26 of Jan 2023](image)

The literature underlined that by establishing efficient HRM practices in the company, employees would be more willing to stay. For instance, the findings of Malik et al (2020); Hassan (2022); Almanie (2022) revealed a substantial correlation between employee ITS and HRM practices. The preference for the HRM method in boosting employee ITS strategies in businesses was also supported (Radadiya & Pandey, 2020; Hassan et al., 2019).

Thus, this paper focuses on how telecommunications companies in Jordan can strengthen their employee ITS. It investigates the effect of HRM practices (performance appraisal, compensation, and training practices) on employee ITS in Jordanian telecommunications companies. This study adds to the existing literature by considering HRM practices as potential challenges in addressing employee intention to remain. The study also provides new insight into the existing theories of HRM and employee ITS by illustrating that when employees feel supported by the organization their intention to remain in their work will grow (Kuvaas, 2008; Wayne et al., 1997; Lee & Bruvold, 2003).

The results of this study will be helpful for employers and managers in Jordanian telecommunications companies who will be able to understand the relationship between HRM practises and employee intention to remain and know more about how to take into account successful techniques when creating employee ITS efforts and practises. HR managers will also be able to better manage their employee ITS techniques and know more about what motivates employees to stay in their company.

**The Significance of the Study**

At the theoretical level, this study contributes to the multi-dimensional structures: HRM and employee intention to stay. HRM has a broad and rich theoretical base that has an exceptional impact on the level of employee intention to stay in the Arab world. Constructs such as HRM and employee intention to stay have not been well explored by researchers. Hence, this study reveals that both constructs are worthy to have additional attention from both researchers and practitioners. Researchers argued that more empirical research is needed to understand the impact of HRM on maintaining employees’ response to such management by remaining in the organization (Kumar, 2021; Noerman et al., 2021).
While it is anticipated that the model that was created at the conclusion of the research, which links human resource management practices and staff intention to remain, will help the organization's workflow on a practical level. For instance, employers and managers in Jordanian telecommunications companies will be able to understand the relationship between HRM practices and employee intention to stay, and know more about how to consider successful techniques when creating employee intention to stay efforts and practices, HR managers know more about what encourages employees to stay in their company, understand their employee retention techniques, and better manage corporate human resources. Specifically, increasing employee intention to stay has become a trend in business organizations in countries, including Jordan in particular, this study suggests that employers should focus on how HRM practices can improve employee intention to stay.

Overview of the Jordanian Telecommunications Industry
Jordan's telecommunications industry has seen remarkable growth in recent years. Jordan's economy and reputation have changed as a result of this transformation, going from a low-tech, slowly expanding economy to a highly sought-after market for new innovative investors. The competitiveness of the IT services sector reached $681,710,762 in revenue in 2017, and it continues to grow and stabilize the national economy (Akroush and Mahadin, 2019). The mobile service providers in Jordan have experienced a number of improvements and adjustments in recent years. The three communication firms Mobilecom, Xpress, and IDEN were the first three Global System for Mobile Communications (GSM) mobile carriers to offer mobile service in Jordan (Alnsour et al., 2014). At the moment, Jordan has three mobile operators competing for customers: Zain, Orange, and Umniah. The three largest telecom companies in Jordan operate in a highly competitive market where they are all competing for the same clients and market share (MENAFN, 2020).

Through a robust network, each of these operators effectively covers the entire country of Jordan. These rivals each belong to a significant regional telecom group that offers them considerable support, and they each have millions of loyal clients. For example, orange Jordan is part of the Orange Group, and Zain Jordan is also part of the Zain telecom group (Public Consultation: Review of Mobile Markets in Jordan, 2019). Jordan's telecom market is one of the most advanced in the Middle East. Jordan is the second-largest telecom market in the Middle East, with Zain, Orange, and Umniah providing service to almost 10 million people (Telecommunications Regulatory Commission, 2019). Zain Jordan holds a 40% market share, followed by Orange Jordan with 31% (Hammoudeh & Benedek, 2019; Assasfeh et al., 2018; Al-Khamaiseh et al., 2020). Then there is Umniah, the newest competitor with a 29% market share.

Challenges Faced by Jordanian Telecommunications Industry
Intention to remain is one of the biggest challenges today. For example, Bussin et al (2017), and Kamau et al (2020) mentioned that employee turnover is one of the biggest challenges facing organizations and managers today. Moreover, Alhmoud & Rjoub (2019) verified that in developing countries and the organizations therein, employee ITS has become a problem that significantly hinders business development. Jordan has a high turnover rate in terms of length of employment across all industries. As an example, 24.7% of employee resignations happen within the first three months of work, and 33.6% happen throughout the first year of employment following the first three months. Furthermore, 9.8% of employee resignations occur during the 2-3 years of service in the company. As a result, 68% of all industrial
employees in Jordan who quit their jobs during the first three years are represented by this statistic.

In particular, telecommunication companies in Jordan still face various challenges and risks due to statistics that illustrate decreased of employees’ numbers in Jordanian telecommunications companies over time. For instance, the table below shows the findings of a recent report from Jordan's IT Enabled Services (ITES), which demonstrates the sharp decline in the number of employees employed in the nation’s telecommunications industry over the previous few years, from 5756 in 2009 to 4045 in 2018. This report was produced by IT Enabled Services (ITES), a reliable government organisation (JORDAN ICT & ITES Sector Data, 2018; Al-khamaiseh et al., 2019; Jordan, 2017).

In order to rapidly reduce employee turnover and increase their ITS with Jordanian telecom enterprises, it is imperative to address HRM practices as a successful ITS technique. Previous literature, in particular, stressed the practical influence of HRM practices on employees'
willingness to remain in the firm. For instance, De Winne et al (2019); Abdul-Azeez (2017) both indicated that the human resource management (HRM) method is preferred for increasing employees' intentions to remain with their current employers.

**Intention to Stay (ITS)**

ITS is defined as their deliberate and conscious desire to stay with the company, increasing the likelihood that they will keep their current job (Aboobaker et al., 2019). Moreover, the intention to stay is described as a person's desire to work for their current employer continuously and is seen as the opposite of the intention to resign (Milliman et al., 2018). Several research have looked into the importance of good worker retention intentions in the firms. The majority of research has demonstrated that an organization's social and economic processes benefit from having a high degree of staff intention to remain (Papa et al., 2018). While increasing staff intention to stay highlights the voluntary employee turnover has detrimental effects on an organization's social and economic processes (De Winne et al., 2019; Abdul-Azeez, 2017).

One of the biggest issues facing businesses worldwide is employee retention. In the economic volatility and competitive pressure, retaining employees especially those with high skill levels is one of the most essential organizational strategies (Kundu & Lata, 2017). To illustrates, finding strategies to motivate employees to stay with the company has grown in importance as businesses struggle with staff ITS due to the risk of high employee turnover (Kadiresan et al., 2019). According to several scholars, Learning chances, compensation and appreciation for the work done by the employee, acknowledgement of abilities, and effective communication are some of the techniques and aspects that primarily encourage the employee to stay in the organization (Walker, 2001; Kyndt et al., 2009).

**HRM Practices and Employee ITS**

HRM is a collection of practices, norms, and rules that affect how employees behave, think, and perform. It is also a set of actions that affect how effectively employees perform in terms of intention to remain, and other employee outcomes (Heneman et al., 1989). One of the most often studied topics in the world of HRM is employee willingness to remain. According to research, many studies have sought to define the term employee ITS (Lyu et al., 2022; House et al., 2023). These studies have also sought to identify the important HRM practices that may have an impact on employee willingness to remain (Harun & Ahmad, 2022; Nagar & Agarwal, 2022; Salum et al., 2023).

According to several research, HRM practices have a considerable favorable effect on employees retention (Santhanam et al., 2017; Ravikumar, 2019; Divyashree & Jayanna, 2019; Al Habsi et al., 2021; Harun et al., 2021; Dorota, 2022). Several important HRM practices that are commonly used in the organization focus on merging them well to strengthen the employee ITS, such as PA, and compensation, and TD (Iqbal et al., 2019; Saad et al., 2021). The following illustrates the relationship between HRM practices (PA, and compensation, TD) and employee ITS.

**H1:** HRM practices have a positive impact on employee intention to stay in Jordanian telecommunication companies.
Performance Appraisal and Intention to Stay

Performance appraisal is one of the HRM techniques that are an employee's work performance is summarized, evaluated, and developed through the performance appraisal process. The performance manager should make every attempt to gather as much factual information on the employees' performance as is practical to be efficient and helpful (Pascal, 2019). An employee's performance is reviewed and discussed in a performance appraisal, which is not focused on the employee's personality traits but rather on how well they performed the tasks they were given (Pascal, 2019).

Literature shows the favourable and considerable impact of performance appraisal on employees' ITS. For instance, Gulzar et al (2017); Kaleemullah & Behl (2019); Absalom & Alexander (2021); Perera & Edirisooriya (2021); Harun & Ahmad (2022) revealed the positive and significant effect of performance appraisals on employee willingness to remain. Moreover, the figure below illustrates the important role that HRM practices, specifically performance appraisal, play in reducing turnover rates in Jordan's industrial sector. According to the figure, turnover is 9% lower in companies where performance standards and measures are incorporated into performance appraisals.

![Figure 4: Turnover Rates for Companies who have or do Not Have a Performance Appraisal System in Jordan](Hend, 2018)

Based on what was mentioned previously, the hypothesis would be as follow

**H1-a:** Performance appraisal practices have a positive impact on employee intention to stay in Jordanian telecommunication companies.

**Compensation and Intention to Stay**

In recent years, compensation has been an effective means and factor in attracting, motivating, and remaining the labour that is critical to firms. Accordingly, the compensation system refers to all forms of returns that are referred to as compensation, including direct cash payments (wages) and indirect cash payments (social benefits), increases in compensation, and methods used to regulate the compensation system (Prihanjana et al., 2018). Furthermore, financial and non-financial compensation can be classified, meaning that some of it is provided to employees directly in the form of money (such as a monthly wage), and some of it is paid to them in non-financial ways (such as work benefits, services, and moral incentives) (Zafar et al., 2020).
In the literature, compensation has a significant role in employee intention to remain. Several authors affirmed the notion that the compensation technique helps to enhance the employee ITS in their firms and decreases absenteeism (Arthur, 1994; Delaney and Huselid, 1996; Ichniowski et al., 1997). Similarly, to this, March and Simon (1958) proposed that when companies do not pay their employees enough, the employees leave the company. Previous studies explained the positive impact of compensation on staff willingness to remain (Choi & Dickson, 2009, Hinkin & Tracey, 2010; Irshad & Afridi, 2010).

Furthermore, according to the graph below, companies in Jordan that implement an approved benefit and allowance system experience a 6% decrease in employee turnover.

![Figure 5: Turnover Rates for Companies that Have or Do Not Have a Benefits and Allowances System in Jordan](Source: Hend, 2018)

Thus, the hypothesis would be as follow

**H1-b:** Compensation practices have a positive impact on employee intention to stay in Jordanian telecommunication companies.

**Training and Development and Intention to Stay**

Training is a set of activities intended to enhance an employee’s ability to perform his or her job responsibilities more effectively by enhancing their skills and knowledge (Cunningham, 2007). Saleem et al (2011) described training as the systematic expansion of knowledge, skills, and attitudes needed by staff members to effectively complete the offered procedure as well as work in subordinate roles. While the development concept is characterised as a lengthy process meant to boost capability and efficiency. It can also refer to the growth or fulfilment of one’s potential through learning, frequently through purposeful study and experience (Gansberghe, 2003).

According to the literature, the HRM practise that is pertinent to training and development has produced some favourable results. According to several studies, enhancing employee retention requires putting in place suitable HRM procedures, one of which is the training and development strategy (Kesen, 2016; Chepkosgey et al., 2019; Juariyah et al., 2020; Hassan, 2022). Training and development are HRM practises that improve employee conduct and foster a desire to stay with an organisation (Goperma & Dolai, 2018). Multiple studies revealed that training and development strategies have a significant influence on employees' ITS (Jayathilake et al., 2021; Islam et al., 2022; Leider et al., 2023). For instance, with a 67% annual turnover rate, the chart below demonstrates that semi-skilled workers in Jordan experience the highest levels of turnover. The highest attrition is among semi-skilled workers
(67%), followed by skilled workers (9.3%), and the lowest turnover is among office workers (5%).

![Figure 6: Turnover rate by job profile in Jordan](source)

Furthermore, figure (7) illustrates the positive role of having career development plans in the Jordanian firms on the employee turnover rates. The figure clearly shows that the turnover rate is lower in the companies that have career development plans which recorded 19%, while the turnover rate is 21% in the companies that do not have career development plans.

![Figure 7: Turnover rates for companies that do or do not have career development plans](source)

Thus, it is crucial to look into how HRM policies, such as training and development, affect employees' ITS in their current positions. Based on what was mentioned previously, the hypothesis would be as follow

**H1-c: Training and development practices have a positive impact on employee intention to stay in Jordanian telecommunication companies.**

**Expected Findings**

This current study proposed that a good HRM practices will be result in positive employee retention behaviour. Dimensions of HRM practices, namely performance appraisal, Compensation, and training and development practices significantly and positively influenced the employees in Jordan Telecom (Umniah, Orange, and Zain) behavioural intention (intention to stay). Three expected results can be discussed here.

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The first expected result which can be discussed here is that performance appraisal has a significant and direct effect on the intention to stay of Jordan telecommunication firms staff. When Jordanian telecommunication staff perceive that the performance appraisal process being practised by the organisation is reliable and objective, supported by transparent promotion process, and the staff are aware on the availability of positions for promotion, it will positively influence their behavioural intention (intention to stay) parallel with Harun et al (2021) findings. The second expected result is that perceived support by the organizational compensation practices identified as factors that influence employees to stay working in Jordanian telecommunication firms. This study parallel with Osibanjo et al (2014) which highlighted that employee’s retention were positively and significantly linked to compensation. The third expected result which can be discussed here is that when Jordan telecommunication firms staff perceive that they are provided with relevant training related to their future career development, conducted formally to prepare them for the job and coupled with a very extensive training programme, they tend to experience a higher sense of belonging. This will create loyalty and motivate them to stay longer with their respective jobs parallel with (Harun et al., 2021) which revealed that training and development practices have significant and positive impact on employee ITS.

Conclusion
One of the difficulties businesses and their managers confront is determining whether employees intention to remain. Companies are still having trouble coming up with an effective and easy method to increase employees’ ITS on the job. High staff turnover rates are illustrated by the firms' incapacity to handle effective employee ITS tactics. For instance, Jordan has a high turnover rate across all industries, particularly in telecommunications sector. In light of these findings, HRM techniques are effective tools for tackling the problems caused by increased turnover rates and bolstering employee willingness to remain. In particular, this study supported the notion that performance appraisal, compensation, and training and development practises are among the HRM practises that have a substantial impact on an employee’s retention.

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Website
https://www.scopus.com/home.uri