

Majors: Human Resource Management

HRM/6

**IMPACT OF HR PRACTICES ON EMPLOYEE SATISFACTION AND EMPLOYEE
RETENTION WITH A MEDIATING EFFECT OF EMPLOYEE ENGAGEMENT IN
BUSINESS PROCESS OUTSOURCING (BPO) INDUSTRY OF ISLAMABAD**



By:

(Areej)

(01-221202-051)

Supervisor:

(Dr. Syed Haider Ali Shah)

Department of Business Studies

Bahria University Islamabad

Fall 2021

ACKNOWLEDGEMENT

Praise belongs to Almighty Allah, the creator of Earth and Heavens for blessing me with the opportunity to work in this research work and making my path easy through this research work. Due to his blessings and I was able to complete this research study.

I would like to extend my gratitude to my mother who has been by side throughout the thesis and who has motivated and guided me throughout the research work. I would also like to thank my friends and seniors who have guided me on how to carry the research work in an effective manner.

I would also like to extend my special gratitude to Dr. Haider Ali Shah my supervisor who has guided me in every step for completing the thesis. Due to his constructive feedback, evaluation, and guidance, I was able to complete this thesis on the required standard.

ABSTRACT

The Objective is to Examine the effect of HR practices on Employee Satisfaction and Employee Retention With the mediating effect of Employee Engagement in Call Centers of Islamabad, Pakistan. The study has used five-point Likert scale questionnaire for data collection while nonprobability purposive sampling has been used for the selection of the respondents. In addition, this study has used PLS-SEM for data analysis due to mediation analysis and more than one outcome variables in the model framework. The results have shown that recruitment and selection, training and development, and compensation and benefits have positive effect on employee engagement, whereas employee engagement has positively effect on employee retention, and employee satisfaction. Moreover, recruitment and selection, training and development, and compensation and benefits have positive effect on employee retention with the mediating role of employee engagement. Similarly, recruitment and selection, training and development, and compensation and benefits have positively effect on employee satisfaction with the mediating role of employee engagement.

Keywords: HR Practices, Employee Engagement, Employee Retention, Employee Satisfaction, PLS-SEM, Call Centers Pakistan

Table of Contents

Acknowledgement	1
ABSTRACT	3
Chapter 1: INTRODUCTION	6
1.1. Background of the study	8
1.2. Problem statement	9
1.3. Research objectives	11
1.4. Research questions	11
1.5. Delimitations (scope) of the study	12
Chapter 2: LITERATURE REVIEWS	13
2.1. Theoretical background	13
<i>Social exchange theory</i>	13
2.2. Recruitment and selection	14
2.3. Training and development	14
2.4. Compensation and benefits	15
2.5. Employee engagement	15
2.6. Employee retention	16
2.7. Employee satisfaction (ES)	16
2.8. Hypotheses development	17
2.9. Training & development and employee engagement	17
2.10. Compensation & benefits and employee engagement	18
2.11. Employee engagement and employee retention	18
2.12. Employee engagement and employee satisfaction	19
2.13. Recruitment & selection, employee engagement and employee retention	19
2.14. Training & development, employee engagement and employee retention	19
2.15. Compensation & benefit, employee engagement and employee retention	20

2.16.	Recruitment & selection, employee engagement and employee satisfaction	20
2.17.	Training & development, employee engagement and employee satisfaction.	21
2.18.	Compensation & benefit, employee engagement and employee satisfaction	21
2.19.	Empirical reviews	22
2.20.	Research Model.	30
Chapter 3: RESEARCH METHODOLOGY.		32
3.1	Research Approach & Type.	32
3.2	Research Design	32
3.3	Research Population	33
3.4	Sample Size & Sampling Technique	33
3.5	Research Instrument.	34
3.6	Data Collection	34
3.7	Data Analyses Method	34
Chapter 4: RESULTS AND FINDINGS.		36
4.1	Pilot study	36
4.2	Profile of the respondents.	36
4.3	Measurement model	37
4.4	Discriminant validity	38
4.5	Predictive relevance	40
4.6	Hypothesis-testing using PLS-SEM.	40
4.7	Hypothesis-testing summary	41
Chapter 5: CRITICAL DISCUSSION OF THE FINDINGS.		43
5.1	Hypothesis 1: Effect of recruitment and selection and employee engagement	43
5.2	Hypothesis 2: Effect of training and development and employee engagement	43
5.3	Hypothesis 3: Effect of compensation and benefits on employee engagement	43
5.4	Hypothesis 4: Effect of employee engagement and employee retention.	44

5.5	Hypothesis 5: Effect of employee engagement and employee satisfaction	44
5.6	Hypothesis 6: Mediating effect of employee engagement between recruitment and selection, and employee retention	44
5.7	Hypothesis 7: Mediating effect of employee engagement between training and development, and employee retention	45
5.8	Hypothesis 8: Mediating effect of employee engagement between compensation and benefits, and employee retention	45
5.9	Hypothesis 9: Mediating effect of employee engagement between recruitment and selection, and employee satisfaction	46
5.10	Hypothesis 10: Mediating effect of employee engagement between training and development, and employee satisfaction	46
5.11	Hypothesis 11: Mediating effect of employee engagement between compensation and benefits, and employee satisfaction	46
Chapter 6: CONCLUSION AND RECOMMENDATIONS		48
6.2.	Recommendations	48
6.3.	Limitations and future research	49
6.4.	Conclusion	49
References		51

Abbreviations: **(BPO)** Business Process Outsourcing, **(HR)** Human Resource **(SET)** Social Exchange Theory, **(RC)** Recruitment and Selection, **(TD)** Training and development, **(CB)** Compensation and Benefit, **(EE)** Employee Engagement, **(ER)** Employee Retention, **(ES)** Employee Satisfaction. **(HRM)** Human Resource Management, **(PLS)** Partial Least

Square, (**SPSS**) Statistical Package for the Social Sciences, (**OC**) Organizational Commitment, (**JS**) Job satisfaction, Working conditions (**WC**)

Chapter 1: INTRODUCTION

1.1. Background of the study

The business process outsourcing sector has benefited developing nations such as Pakistan, the Philippines, and India by providing thousands of employment, as well as helping rich countries organizations cut costs (Nyambura et al., 2020). According to Juma and Arshad (2019), business process outsourcing is one of the most apparent solutions for developed-country companies looking to cut costs and boost shareholder value. This industry performs the less important business processes of large corporations that are outsourced by major businesses in order to reduce costs and focus on their core business (Nyambura et al., 2020). This strategy is currently being used by leading corporations, and the most common type of business outsource is call center services (Juma & Arshad, 2019).

Organizations have recently been more concerned in internal consumers, paying close consideration to training and development (TD), selection and recruitment (SR), and employee engagement management (Alola & Alafeshat, 2021). In several sectors and across the universe, recruitment and selection are critical for both academics and company owners. Recruiting the greatest people in the organization boosts production both directly and indirectly (Hamza et al., 2021). Furthermore, the human resource manager's primary responsibility is to ensure a successful selection and recruiting process. As a result, the sort of personnel hired determines organizational productivity (Alola & Alafeshat, 2021).

Furthermore, as a result of the uncertain economic climate, organizations are seeing major changes in demand for the goods and services they supply, and they are under intense pressure to improve performance in order to satisfy corporate goals and objectives (Ngozi & Chinelo, 2020). This has intensified the need for corporations to evaluate their processes, organizational mission and goals, performance measurements and performance targets in addition to refining the way they offer their services (Wijesiri et al., 2019). Employee engagement is a hot subject in today's corporate environment, and recognizing the reasons for employee turnover and

employee engagement and establishing the required procedures to keep workers may be critical (Zeidan & Itani, 2020). As a result, a substantial amount of previous study has been conducted in this field. Retaining a big number of competent people will be an essential source of a competitive advantage of a company (Wijesiri et al., 2019).

Most firms currently compete with one another by introducing distinctive Human resource Management techniques, however thanks to globalization, organizations may now employ the best and up to mark Human resource Management practices to attain corporate goals (Gambi et al., 2021). Employing the finest Human resource Management practices benefits both employees and employers, and it plays a significant part in the organization's positive growth (Alola & Alafeshat, 2021). Human resource Management practices refer to “the activities, policies, and practices involved in obtaining, developing, utilizing, evaluating, maintaining, and retaining the appropriate numbers and skill mix of employees in order to achieve the organization's objectives within the internal environment of organizations” (Gambi et al., 2021).

Additionally, the choice to outsource is frequently taken by management in order to cut costs, reduce administrative time, and gain a competitive edge (Wijesiri et al., 2019). As a result, outsourcing allows businesses to concentrate on their core competencies. In recent years, outsourcing to low-cost labor markets has been a contentious political and corporate issue (Hrynko, 2020). Businesses can outsource a wide range of conventional corporate operations that were previously conducted and executed internally to third-party service providers through BPO. Human resources, supply-chain management and finance and accounting are among these functions (Wijesiri et al., 2019).

1.2.Problem statement

Employee turnover and Human Resource procedures have been studied extensively. The rationale for this is that staff retention is critical to ensuring the efficient delivery of business

processes and the company's long-term profitability (Wijesiri et al., 2019). It's one of the most difficult industries to work in since people are so subjective. The BPO industry is expanding in Pakistan, and challenges faced by employees in the field are well-known as an under-researched area (Durrani, 2018). We have seen a drastic change in our Call center industry as Services business is worth \$3 billion, with BPO accounting for just 15% of that and employing about 20,000 to 30,000 people, so these people need to have a proper assistance. the Pakistani call center sector is evolving at a breakneck pace, with most call center employees feeling overwhelmed by the increased workload . (Masood et al., 2021) Even though many study papers on the influence of. Even though this industry has job openings, it has a tough time hiring qualified and dedicated employees. The majority of firms are disappointed with the absence of engagement in workers (Wijesiri et al., 2019). Organizations have recently been more concerned in internal consumers, paying close consideration to training and development (TD), selection and recruitment (SR), and employee engagement management (Alola & Alafeshat, 2021). This article also demonstrates that, because of the labor-intensive nature of the BPO industry, labor expenditures account for the largest portion of total operating costs. As a result, businesses must pay close attention to their employees' well-being. Because the business would incur a significant expense if these individuals quit or continue to work without devotion, it is critical that the organization focus on employee engagement (Durrani, 2018).

1.3 Research Gap:

The Human Resource strategies of a firm play a critical role in retaining, engaging, and managing a successful staff. As a result, there appears to be a research deficit in this area (Juma & Arshad, 2019) The majority of firms are disappointed with the absence of engagement in workers (Wijesiri et al., 2019). The finding suggested that employees in the BPO industry have an issue that must be addressed (Juma & Arshad, 2019). Human Resource practices on

employee engagement have been conducted in various nations across the world, there have been few in the Pakistani call centers (Juma & Arshad, 2019) Limited researchers has carried out this research in Pakistan , which this study can fill, this study looked at the impact of Human Resource practices on Employee engagement in Islamabad's BPO industry. Many studies have been done regarding HR practices in other industries as well; however, this study mainly focuses on the Business Process Outsourcing industry. There is no proper research on how the Huma Resources Practices helps retain and satisfy people in Call Centers of Pakistan.

1.3.Research objectives

- To examine if employee engagement has an impact on employee retention and satisfaction in Islamabad's Call centers.
- To examine how recruitment and selection, training and development, and compensation and benefits affect EE in Islamabad's BPO firms.
- To investigate how employee retention is affected by recruitment and selection, training and development, compensation and benefits, and the mediating influence of employee engagement in Islamabad's BPO firms.
- To examine employee satisfaction is affected by recruitment and selection, training and development, compensation and benefits, and the mediating influence of employee engagement in Islamabad's BPO firms.

1.4.Research questions

- What effect does Employee Engagement have on Employee Retention and Employee Satisfaction in BPO firms of Islamabad?
- What is the effect of Recruitment and Selection, Training, and development, as well as Compensation and benefit, on Employee engagement in BPO firms of Islamabad?

- What effect does Recruitment and Selection, Training and development, Compensation and benefit have on Employee Retention, with the mediating influence of Employee Engagement in BPO firms of Islamabad?
- What effect does Recruitment and Selection, Training and development, and Compensation and benefit on Employee Satisfaction with the mediating influence of Employee Engagement in BPO firms of Islamabad?

1.5.Delimitations (scope) of the study

The study has taken Human Resources practices as predictors and employee engagement as mediator while the study has also taken employee retention as well as employee satisfaction as outcome variables. Furthermore, BPO industry of Islamabad has been taken as the targeted industry in this study, which constitutes a limitation as other sectors might also be included apart from BPO industry. Also, data on employee engagement is of BPO industry of Islamabad; as a result, we cannot apply the findings of this study to all employees in the BPO business. The data was collected using a five-point Likert scale questionnaire, with nonprobability purposive sampling being used to select the respondents. Lastly, the study has used PLS-SEM for data analysis due to mediation analysis and more than one outcome variables in the model framework. Herein, some of the keen and important boundaries of the research have given it a significant rationale for BPO industry of Islamabad.

Chapter 2: LITERATURE REVIEWS

2.1.Theoretical background

Social exchange theory

The Social Exchange Theory (SET) is one of the most eminent conceptual frameworks in management literature, as well as related fields like sociology and social psychology. This theory deals with the social behavior of two parties who do a cost-benefit analysis to assess the risks and advantages. The cost-benefit analysis is employed when one party has some products that the other party values (Cook et al., 2013). According to SET, these calculations can also take place in romantic relationships, friendships, professional partnerships, and in other transitory ties as basic as exchanging words with a cashier. According to social exchange theory, if the costs of a connection outweigh the benefits, such as when a lot of time or money is invested in a relationship and it is not returned, the relationship will be ended or abandoned (Cropanzano et al., 2017).

Homans (1974) defined social exchanges as the interchange of action between at-least two individuals or parties, whether tangible or intangible, and rewarding or expensive. Exchange, according to social exchange theory, is a social action that can have both economic as well as social consequences. The comparison of human interactions with the marketplace has been used to study social exchange theory. Blau is credited with studying the idea from a microeconomics standpoint (Cropanzano & Mitchell, 2005). Every individual, in his eyes, is attempting to maximize his wins. Once this notion is grasped, Blau (1968) claims that social exchanges may be observed everywhere, not just in commercial ties, but also in other social relationships such as friendship. When people obtain fair returns for their expenditures, the social exchange process produces happiness. The nature of the trade between parties is the most significant distinction between social and commercial interaction. Stafford (2008) claims that

social trades, include a link with another person, trusts, rather than legal responsibilities, are more flexible, and seldom involve explicit negotiation.

2.2. Recruitment and selection (RS)

Recruitment And Selection important for academics and business owners in any industry. Recruiting the best employees in the organization, according to (Osemeke, 2012), enhances production both directly and indirectly. Furthermore, the human resource manager's primary responsibility is to make sure a successful selection and recruiting process (Naveen & Raju, 2014). The current study looks at how Human resources strategies (Recruitment and selection, and Training and development) affect employees, using SET to explain, develop, and establish a hypothetical relationship between the variables. This study supports SET as a viable theoretical framework for mediating the relationship between High Performance Work practices and OP (Takeuchi et al., 2007).

2.3. Training and Development (TD)

Employee training offers them an advantage over their peers and improves their effectiveness and efficiency. Employee capacity is enhanced by training, which has an indirect influence on return on investment since trained employees undoubtedly perform better than untrained ones. Since organizational performance majorly depends on employees' performances, employee training offers them an advantage over their peers and improves their effectiveness and efficiency (Alola et al., 2019). Employees' psychological states, dedication, and attachment to the organization improve because of training. Employees, according to Sanneh and Taj (2015), exhibit a variety of visible behaviors, including pro-social and organizational civic behavior. Furthermore, because employees feel that they are a part of the company, their job happiness and dedication rise and become evident in the organization, resulting in highly improved performance (Ariani, 2013). Individuals who are strongly committed to their organization, feel enthusiastic and passionate about their job, contribute

extra effort to the organization's operations, identify with the task, and explain themselves to others in the context of their task.

2.4.Compensation and benefits (CB)

Compensation has numerous connotations in the context of HRM. The monetary and intangible benefits obtained by an employee as part of his or her employment contract are referred to as compensation. Compensation has specifically been defined as a policy and method that allows firms to pay employees proportionately depending on their degree of performance and/or completion of the specified task. It isn't merely a free present; it's the money or a reward gained while working at their best (Hewitt, 2009). The mediating function of organizational commitment on the effect of empowerment and remuneration on organizational performance is investigated using social exchange theory. Despite the rising need for firms to empower managers, compensation and incentive management is steadily becoming one of the most important aspects of HR performance and quality (Gupta & Shaw, 2014). This is because it is more important in attracting a pool of qualified human resources to the firm, determining their intention to stay, and motivating their preferred behavior to achieve maximum performance. On the other hand, remuneration has been acknowledged as a significant factor in influencing positive human resource behavior and, as a result, contributing to a company's overall performance (Muhammad & Abdullah, 2016).

2.5.Employee Engagement (EE)

Employee engagement is basically a measure of an employee's enthusiasm and energy for their job, in addition to good selection and recruiting. Employee Engagement (EE) is a model variable that acts as a mediator. This study, which is founded on the concepts of SET theory, employs Employee engagement as a mediator between Recruitment and selection, training, (i.e., ES and ER). is also important in increasing the organization's success as a consequence of SET theory implementation (Saks & Gruman, 2014). Employee engagement is defined by

Men (2015) as an employee's positive attitude toward the organization's core values. Employees that are engaged are committed to the organization, spread positive, and go above and beyond to achieve outstanding results. When a firm selects and recruits competent people, for example, employees are more likely to go above and beyond to demonstrate their competence, increasing Employee engagement and dedication to the enterprise (Looi et al., 2004).

2.6. Employee retention (ER)

Employee retention refers to the strategies and methods used by businesses to keep their most valuable employees on the job. It entails taking steps to persuade staff to stay with the company for as long as possible. An employer must hire personnel who are knowledgeable about the work. Employee Retention is undoubtedly more crucial than hiring. This is true because many firms underestimate the costs of critical employee turnover (Lee & Chen, 2018). An organization's backbone are its employees. Therefore, it is critical to hold the key to staff retention since it keeps the company on course. To keep the top employees, a series of methods geared at meeting their demands should be applied. Employee retention is critical since it has a significant influence on both the employees' overall performance and the company's profitability (Baharin & Hanafi, 2018). ER conveys the idea that employees who are happy with their work environment are more likely to stay with a firm for a longer period, according to SET theory. In other words, people will contribute more and achieve greater outcomes in their businesses if they feel inspired and encouraged (Almaaitah et al., 2017).

2.7. Employee satisfaction (ES)

Job satisfaction refers to an individual's reaction to their work as a whole or to specific aspects of it. Employee work satisfaction has been demonstrated to be an essential business result since it is linked to factors like job performance and employee turnover intentions (Huang et al., 2016). As suggested in the literature based on the social exchange theory, it is a

well-known fact that employees who are more content with their positions are more inclined to "pay back" to the organization by being more active and/or directed (i.e., greater degree of engagement) and having lower withdrawal rates (Ko & Hur, 2014).

2.8.Hypotheses Development

2.9.Recruitment & Selection and Employee Engagement

The many approaches used by the company to hire, appeal, and retain people for the organization's performance and productivity are referred to as selection and recruitment. Organizations utilize a variety of methods for recruiting personnel, including open house sessions and the internet (Alola & Alafeshat, 2021). Employees that are committed to the organization spread positive and go above and beyond to achieve outstanding results (Alabood & Manakkattil, 2020; Anchu & Thampi, 2020). EE, meanwhile, is believed to be influenced by selection and recruiting. When a company selects and recruits competent people, for example, employees are more likely to put in extra effort and display more competency, which promotes EE and dedication to the company (Kerdpitak & Jermstiparsert, 2020).

2.10. Training & Development and Employee Engagement

The effect of Training and development on Employee engagement has been studied by a variety of researchers. Employee engagement is positively impacted by Training and development, according to (Presbitero). Employee training and empowerment promote work engagement, according to a previous study, and High-performance work practices (HPWPs) stimulate extra-role customer service and job performance, implying that employee training and empowerment improve work engagement (Saad et al., 2021). Additionally, Training and development, and empowerment increase employee motivation and organizational productivity. Employee empowerment and training improve employee motivation and organizational performance (Abdullahi et al., 2020). Training promotes a healthy employee

attitude, which leads to employee devotion, which boosts employee engagement (Mustafa et al.).

2.11. Compensation & benefits and Employee Engagement

Employee engagement has been related to compensation, and if an organization wants to gain a competitive advantage in the marketplace, it must pay attention to compensation. According to study, pay satisfaction may impact job engagement through influencing compensation in terms of payment for individual performance (PFIP) (Fanggidae et al., 2020). Similarly, among addition, Ahmat et al. (2019) state that compensation has a considerable influence on work satisfaction and turnover intention, with job satisfaction serving as a mediator function in 300 students who graduated from a Malaysian hospitality school. Furthermore, employee views of empowerment, competence development, information sharing, recognition, and fair compensation procedures have a favorable association with employee engagement and have a major influence (Sudiro et al., 2021).

2.12. Employee engagement and employee retention

Employee retention is described "an employer's endeavor to retain suitable employees in order to accomplish business objectives" (Kurdi & Alshurideh, 2020). To ensure employee retention, organization must evaluate the work environment, which refers to how much individuals choose to work and stay in organizations that provide a great work environment and engagement, where they feel valued and may enhance their productivity (Tian et al., 2020). Moreover, employee retention is strongly influenced by employee engagement. Employees who have pleasant experiences and emotions are more likely to have favorable job outcomes. Employees who are engaged in their work have a positive attitude and work-related attributes that enable them to be psychologically present at work, which reduces mistakes and increases satisfaction, impacting retention (Kryscynski, 2021). Previous research took the psychological environment into account alongside transformative leadership and claimed that engaged

workers are more attached to their company, which promotes employee satisfaction and retention (Degbey et al., 2021).

2.13. Employee engagement and employee satisfaction

Employees who have pleasant experiences and emotions are more likely to have favorable job outcomes (Bharath & Sreedevi, 2020). According to previous research, engaged employees are more likely to feel attached to their organization, which increases satisfaction and Employee retention (Wang et al., 2020). Employees can obtain satisfaction through utilizing their abilities and potential, which can occur when an organization's leaders and managers drive the individual to better motivation and production (Juevesa et al., 2020). According to a recent study, employees who are engaged with their jobs have a positive attitude and work-related traits that make them psychologically present at work, which reduces work mistakes and increases satisfaction (Ngwenya & Pelsler, 2020).

2.14. Recruitment & selection, employee engagement and employee retention

Selection is "the process by which managers and others utilize specialized tools to select a candidate or individuals more likely to execute a task) given management goals and legal criteria from a pool of candidates" (Witasari & Gustomo, 2020). Several researchers looked into the effects of recruiting and section, and their thorough study revealed the impact on employee retention (Hamza et al., 2021). Furthermore, there is a theory that R&S employees affects Employee engagement, which in turn affects Employee retention. Employees will attempt to put in extra effort and display higher competency when a company finds and recruits competent individuals, for example, which promotes Employee engagement and loyalty to the company, resulting in Employee retention (Ababneh, 2021).

2.15. Training & development, employee engagement and employee retention

Employees' psychological states, dedication, and attachment to the organization improve because of training. Employees demonstrate a variety of visible behaviors, including pro-social

and organizational citizenship (Diah et al., 2020). Employees' job satisfaction and devotion improve directly or indirectly as a result of their perception of being a part of the organization, resulting to improved performance (Shibiti, 2020). Individuals who are committed to their organization, who are enthusiastic and passionate about their job, put in extra effort in the company's operations, identify with the purpose, and explain themselves to others in terms of their mission. As a result, previous research has found a relationship between OP and Training and development (Kurdi & Alshurideh, 2020).

2.16. Compensation & benefit, employee engagement and employee retention

Previous study on compensation found that monetary incentives have a substantial impact on employee retention, and that losing important individuals in an organization may result in a drop in service quality, service inconsistency, and increased costs for new employee recruiting and training. According to researchers, a lack of employee engagement activities might lead to poor organizational performance (Hanai & Pallangyo, 2020). Likewise, in a study of the Pakistani banking industry, researchers discovered that enticing incentives are essential tactics for retaining personnel (Rashed & Tabbour, 2019). Employee engagement may be influenced by compensation as a result of overall improvements in terms of selection, optimization, compensation, and retention (Basalamah et al., 2019).

2.17. Recruitment & selection, employee engagement and employee satisfaction

Several scholars have spent decades researching the impact of RS on employees; nonetheless, the importance of HR policy on Employee satisfaction and retention as indicators of OP cannot be understated (Tensay & Singh, 2020). Also, individuals have a favorable attitude about work since they are engaged in comfortable activities. Engaged personnel, for the benefit of the company, have a fundamental understanding of the business environment and work hard to boost productivity (Arslan & Roudaki, 2019). As a result, personnel in the

organization are interested in the company's success and depict satisfaction (Othman & Mahmood, 2019).

2.18. Training & development, employee engagement and employee satisfaction

Employees' psychological well-being, dedication, and attachment to the company improve as a result of training (Saks, 2019). This, in turn, has an influence on the organization's employee performance productivity and his level of satisfaction. Individuals that are strongly committed to their organization are passionate about their jobs, put in extra effort in organizational activities, and are therefore continually engaged (Djoemadi et al., 2019). Furthermore, employee empowerment and training raises employee motivation, improves organizational performance, and results in highly satisfied individuals (Rahayu et al., 2019). Employee engagement rises as a result of training, which promotes a good attitude among employees, resulting in more loyal and satisfied workers (Goestjahjanti et al., 2020).

2.19. Compensation & benefit, employee engagement and employee satisfaction

Compensation has been related to employee engagement, and if a firm wants to acquire a competitive edge in the marketplace, compensation must be considered. Salary has a significant impact on Employee engagement, satisfaction, and intention to quit, according to previous study (Ali & Anwar, 2021). Moreover, the vigor, devotion, and absorption construct is an employee engagement construct that includes emotions of inspiration, pride, enthusiasm, and challenge, and sense of being duly paid (Elrehail et al., 2019). The dedication dimension features deep work participation and includes feelings of inspiration, pride, enthusiasm, and challenge. Employee engagement, as indicated by organizational engagement, has been shown in several studies to have a partial influence on work participation and satisfaction (Ngwenya & Pelsler, 2020).

2.20. Empirical reviews

In Kenya's medical insurance market, MAUREEN et al. (2020) investigated if there was a relationship between Human resource management practices and Employee retention . The study's specific objectives were to investigate the effects of Recruitment and selection, Training and development, reward and compensation, and employee relations methods on Employee retention in Kenya's medical insurance business. The research targeted 150 top-level managers and 300 Human resource managers in Nairobi County's medical insurance firms. The sample size for the research was 212 people. Questionnaires were used to obtain primary data. To analyze descriptive data, descriptive analysis was utilized. Researchers used a Multi Regression Analysis (MRA) to assess the relationship between Human resource management techniques and Employee retention. The research found that Recruitment and selection, Training and development, compensation, and benefit, and all had a significant positive relationship with Employee retention.

Kakar et al. (2015) looked at the relationships between Human resource management practices (compensation, RS, TD) and ER in Pakistan's public healthcare sector. This was a cross-sectional study that employed quantitative research methods. Data was collected via a structured questionnaire filled out by 273 medical doctors from various public sector hospitals in Punjab, Pakistan. To evaluate the study's hypothesized relationships, the smart Partial Least Square (PLS) was utilized. The data was collected using a cluster sampling approach. The study's findings revealed that Human resource management practices (compensation, Recruitment, and selection, as well as Training and development) had a statistically significant influence on Employee retention. By providing literature on doctor retention, the findings of this study enhance existing literature to non-Western countries such as Pakistan.

Osewe and Gindicha (2021) examined if there was a relationship between employee job satisfaction and training and development in Kenya's judiciary. The study employed an

explanatory cross-sectional survey methodology with 5,419 judicial officers and staff as participants. Questionnaires were used to collect data for this research. Employees got closed-ended questionnaires through e-mail. Employees were chosen using a simple random sample procedure in this study, which took a quantitative approach. For the statements on Training and development, as well as Employee satisfaction, descriptive analysis was performed. Human capital theory serves as the foundation for this research. The findings revealed that Training and development have a positive relationship with Employee satisfaction, and that may lead to Training and development an increase in Employee satisfaction.

Nguyen and Duong (2020) determined and assess the relationship between Employee satisfaction, Employee performance, and job satisfaction in the context of young Employee retention. Respondents who were knowledgeable with the factors that influence the retention of young employees in Vietnamese firms or economics university students were used in the study. To examine the hypotheses, the authors utilized a quantitative approach called Multiple linear regression (MLR). Using a comprehensive questionnaire, the researcher gathered information from 351 respondents. There is a positive relationship between Training and development and young employee retention, as well as a positive relationship between job satisfaction, job performance, and Employee retention, according to the data. It also offers empirical proof by proving that Training and development , Job satisfaction , job performance and all have a direct positive impact on young Employee retention, in Vietnam organizations.

Sudiro et al. (2021) looked at the role of employee spirituality in moderating the relationship between compensation fairness and Employee engagement, as well as the relationships between job involvement and Employee engagement, Organizational commitment, A total of 200 questionnaires were randomly delivered to Malang City employees working in the service, manufacturing, and other sectors. The Moderated Regression Analysis (MRA) technique was employed in this work to apply moderation analysis. Cronbach-Alpha was used to determine

reliability, and Kaiser-Meyer-Olkin (KMO) and Bartlett's test were used to determine validity. According to the findings, Employee Spirituality fully moderated the relationship between Compensation factor and Employee engagement, as well as Organizational commitment. Furthermore, Employee satisfaction moderated the relationship between Job Satisfaction and Employee Engagement to some extent.

In current environment, De-la-Calle-Durán and Rodríguez-Sánchez (2021) highlighted the major variables of employee engagement that might contribute to employee well-being. Based on a literature assessment, a theoretical approach for increasing engagement during COVID-19 is proposed. A systematic review of theoretical writing is a critical evaluation that examines and incorporates major results from original research papers on a certain topic. Based on the findings, a model has been created that includes the main factors that firms should address in order to strengthen their employees' commitment and engagement as they deal with the universal disorder generated by the pandemic. A basic list of activities that may be modified and implemented. Conciliation, Cultivation, Confidence, and Compensation are all positively related to Employee engagement and wellbeing, according to the results.

Pertiwi and Supartha (2021) explored how compensation and organizational commitment affected employee satisfaction and retention at PT. BPR Gianyar Partasedana. The study was place at PT. BPR Gianyar Partasedana in Bali, Indonesia. Using saturation sample collecting approaches, 45 respondents were enlisted. Interviews and questionnaires were utilized to collect data in this study, and descriptive statistical analysis, path analysis, and a single test were employed to analyze it. According to the findings of this study, compensation, Organizational commitment, and Job satisfaction have a positive and significant influence on Employee retention, compensation has a positive and significant effect on Job satisfaction , and Organizational commitment has a positive and significant effect on Employee retention The

impact of compensation and Organizational commitment on Employee retention is mediated by JS.

Tj et al. (2021) examined if job satisfaction influences ER at PT Pradu by mediating compensation and supervisor support factors. A total of 55 employees from the non-academic division were included in this investigation. Total sampling was used as a sample method in this study, which is a sampling approach in which the number of people is the same as the population. Questionnaires, interviews, and a literature review were utilized as data gathering procedures. The participants in this study were all PT Pradu employees. (PLS-SEM) were utilized to analyze the research data. According to the findings of the data analysis, compensation and supervisor support have an impact on JS, and JS has an impact on employee retention. Compensation's influence on employee retention can be mediated by JS and supervisor support.

Saputra and Riana (2021) looked at the impact of non-physical work environments, compensation, and organizational commitment on employee retention. The study's sample population consisted of 60 employees from the Tjampuhan Hotel in Gianyar, Bali's housekeeping and room service departments. Saturated sampling approach was used in this study. Conducting interviews and distributing questionnaires were used to obtain quantitative and qualitative data from both primary and secondary sources. In addition, descriptive and MLR analyses are used in the data processing. The findings demonstrated that Work environment have a positive and statistical significance influence on employee retention. The employee retention is positively influenced by compensation and OC. But the non-physical Work environment have no influence on employee retention in any way. This indicates that the non-physical Work environment has no effect on employee retention.

Employees at a financial institution in Kuala Lumpur, Malaysia, were investigated by Ibrahim¹ et al. (2021), to see if there was a relationship between transformational leadership, T and d,

employee voice, and Employee engagement . Quantitative data was gathered using a survey design, which received 248 responses. Executive and non-executive employees of a financial institution were among the study's participants. The respondents in the survey were chosen using a convenience sample approach. The data was analyzed using multiple regression analysis. TL, Training, and development all have a positive relationship with Employee engagement, according to this study Employee engagement, on the other hand, has no effect from EV. This backed up the idea that Training and development promotes positive Employee engagement.

Siddiqui and Sahar (2019), investigated the impact of training, communication, and development on employee engagement in Karachi's banking industry. The study included a variety of statistical approaches, including descriptive statistics, confirmatory factor analysis, and Structural Equation Modeling (SEM). The sample size was supposed to be 120 people, however only 100 were found in the research sample. As a sampling approach, this study employed a non-probabilistic strategy. The survey was designed for both managers and staff in the Karachi banking sector. The findings revealed a positive relationship between employee Training and development, internal communication, and employee engagement. The social exchange hypothesis also says that when organizations and supervisors interact with employees in a way that is regarded to be helpful, employees would view the relationship favorably and reciprocate with positive and beneficial cognitions, behavioral emotions, and engagement.

Tensay and Singh (2020) examined the impact of HRM systems on employee engagement and organizational performance using the ability, Motivation And opportunity (AMO) Model and SET. We used Structural Equation Modeling (SEM)) to evaluate the hypothesized three-factor model on a sample of federal employees (n14340) in government organizations. A multi-stage random sampling approach was used in this investigation, with the kind of sector as stratum in mind. To evaluate all the research variables, the current study employed a verified and

produced standard questionnaire from prior studies done in the public sector. According to the findings of the study, all six HR practices (RS, PA, TD, CR; Autonomy and Employee Participation; Autonomy and employee performance) in the public sector have a significant and positive effect on both Employee engagement and Organizational performance.

The impact of compensation on employee retention in Tanzanian financial institutions was investigated in this study by Hanai and Pallangyo (2020). To verify the representativeness of each bank type, the stratified sampling approach was applied. A sample of 370 workers from eleven purposefully selected banks was gathered using simple random sampling. A questionnaire was used to obtain quantitative data, which was then analyzed using Binary logistic regression. To test the hypothesis, the quantitative technique was utilized to collect appropriate statistical data. The findings revealed that compensation had a significant impact on employee retention. Furthermore, it was shown that the compensation attribute (fair salary) had a significant impact on employee retention. And, to boost employee retention, bank managers must pay special attention to appropriate retention practices.

Murtiningsih (2020) looked examined how compensation, Training and development, and organizational characteristics influenced JS and retention. The primary data was collected using questionnaires, which were given and filled up by 150 participants using a purposive sampling technique. To test the hypothesis, researchers employed Structural Equation Modeling (SEM) analysis. Individuals, namely employees of a few private enterprises in Jakarta, were the subjects of this research. The findings reveal that compensation, Training, and development, have a positive impact on JS, however Organizational commitment has no such effect. Compensation has a positive effect on Employee retention, whereas Training and development, as well as Organizational commitment, do not. Training and development, have a positive impact on retention through JS, and Job satisfaction has a positive impact on Employee retention.

Maisoni et al. (2019) conducted this study to gain an overview of the impact of organizational culture, leadership, and compensation on employee engagement at the Coca-Cola Amatil Indonesia Central Sumatra office. The population of this study was 199 people, with a total sample size of 133 people. PLS SEM analysis was employed as the analytical approach in this study. Smart-PLS software is then used to process the data that has been collected. The correlation between constructs and indicators were described using a convergent validity test. According to the findings of the study, compensation and leadership had a significant and positive impact on employee engagement. On the other hand, organizational culture, has no effect on employee engagement. The leadership is influenced by organizational culture in a significant and positive way.

Thuita and Oiyee (2018) examined the relationship between compensation, working conditions, and ES in Kenya's Kilifi Export Processing Zones. To address the research's aims, the study used a descriptive research design. Open and closed ended questions were used to acquire the primary data. Top management, middle management, and lower-level employees of operating firms inside Kilifi EPZs were among the target population. SPSS was used for data coding and cleaning methods in the statistical analysis of data. Compensation has a higher correlation to ES than working conditions, according to the study. The survey also indicated that compensation and working conditions differed between firms. Employee benefits and permanent employment are not only significantly connected with increased ES but also with increased productivity in general compensation.

Abba (2018) looked at the relationship between employee retention and training and development at some few banks in Bauchi metropolis. The descriptive-casual survey approach was used in the form of qualitative research. The results of the questionnaire administration were examined using multiple regression analysis. The two-factor theory of Herzberg has been used. training and development have a positive relationship with employee retention, according

to the studies. It means that the more training and development bank employees receive, the more likely they are to be maintained. The two-factor theory of Herzberg has been used. Employees that are motivated, enthusiastic, and focused are essential for a successful banking operation. A disgruntled employee is unable to contribute effectively to the achievement of organizational objectives. As a result, banks should consider their staff to be assets rather than liabilities. They should begin by paying competitive salaries and providing adequate training to ensure successful performance.

Alrazehi et al. (2021) explored how rewards systems, training, and development affect employee retention in Yemeni commercial banks, as mediated by job satisfaction. The study collected data in a cross-sectional manner. Data was gathered from 15 commercial bank headquarters. Employees were given a series of questionnaires using a 5-point Likert scale, and the data was analyzed using SEM. Both the rewards system and training and development have a significant impact on job satisfaction, whereas job satisfaction has a significant positive impact on employee retention, according to the findings. In Yemen's banking industry, there is a significant correlation between training and development and ER. Because the indirect impact is significant, the data also suggest that job satisfaction plays a mediating function.

Wijesiri et al. (2019) investigated the impact of HR practices on employee retention in the Business Process Outsourcing (BPO) business in Sri Lanka. Most of the data was gathered from 237 randomly selected executive level employees from Companies A, B, and C (108, 32, and 97, respectively). Primary data was collected through a self-administered questionnaire, which was subsequently analyzed using a deductive approach. The interviews were done to investigate organizational HR practices as a sub-goal. The survey was utilized to gather quantifiable data to put the idea to the test. There is a relationship between RS, PM, TD, Compensation, and ER, according to the results obtained through regression analysis.

The impact of the relationship on selection and recruiting, as well as organizational performance, is examined in this research by Alola and Alafeshat (2021). The influence of TD on the OP was also investigated. In Jordanian private airlines, the mediating impacts of Employee engagement. on SR, TD, and OP were also explored. The researchers employed a convenience sample method to distribute surveys to employees throughout the company's many sectors. In Jordan, six private airline employees completed 277 questionnaires. Structural equation model SEM was used to assess the hypotheses, validity, and reliability. The findings revealed that proper Recruitment and selection and training have a significant influence on OP. For model variables, Employee engagement is also a mediating factor. Employee engagement., according to the research, somewhat mediates the association between factors. Training and development, Recruitment and selection all have a positive impact on Employee engagement.

2.21. Research Model

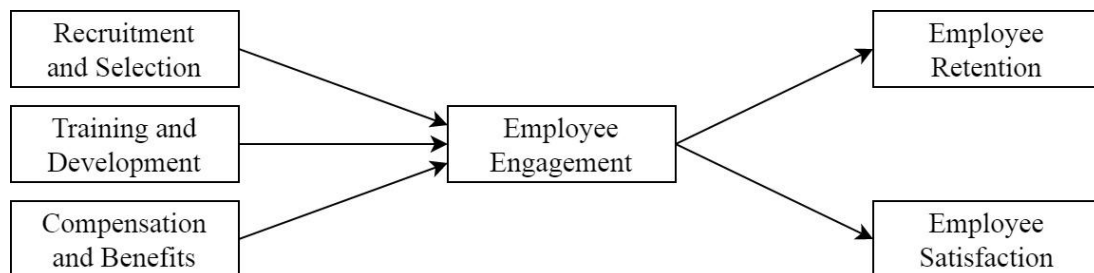


Figure 2.1: Research Model

Model Hypotheses

- H1. Recruitment and selection have a positive impact on Employee engagement.
- H2. Training and development have a positive impact on Employee engagement.
- H3. Compensation and benefit have a positive impact on Employee engagement.
- H4. Employee engagement has a positive impact on Employee retention.
- H5. Employee engagement has a positive impact on Employee satisfaction.
- H6. Recruitment and selection have a positive impact on Employee retention with the mediating role of Employee engagement.

- H7. Training and development have a positive impact on Employee retention with the mediating role of Employee engagement.
- H8. Compensation and benefit have a positive impact on Employee retention with the mediating role of Employee engagement.
- H9. Recruitment and selection have a positive impact on Employee satisfaction with the mediating role of Employee engagement.
- H10. Training and development have a positive impact on Employee satisfaction with the mediating role of Employee engagement
- H11. Compensation and benefit have a positive impact on Employee satisfaction with the mediating role of Employee engagement.

Chapter 3: RESEARCH METHODOLOGY

3.1 Research Approach & Type

The quantitative choice was made based on numerical data and statistical approaches. This method has the advantage of aiding in the development of hypotheses-based theories. This method can help the researcher since it enables for a larger sample size to be collected in a more convenient manner (Bahari, 2010). Furthermore, the deductive approach is related to the process of hypothesis development since it allows the researcher to argue from a variety of assertions to reach a logic-based conclusion (Gregory & Muntermann, 2011). Because numerical data contributes in the formation of hypotheses and their testing, this strategy has been linked to quantitative choice (Blessing & Chakrabarti, 2009). Hence, the researcher has aimed to use quantitative-deductive approach as it will help in hypothesis-testing and generalizing the results as well.

Explanatory research type is a very suitable type in a quantitative approach because it helps in theory testing (Koul, 2009). The explanatory type is very essential since it may help with a complete assessment of the study goal and its elements, as well as offering more information for the researcher's better understanding (Kothari, 2004). This study kind also aids in identifying research topics such as why and how certain things have occurred (Creswell, 2002). Therefore, based on available information and facts, this study has opted to use a quantitative approach and an explanatory type. The rationale is that it facilitates the collecting of massive volumes of data while simultaneously offering in-depth analysis.

3.2 Research Design

Correlational design is a type of non-experimental research that examines natural relationships between variables. In most cases, the direction of the relationship is also specified by this design. The current design may be used in a natural context with minimal intervention (Saunders et al., 2009). The results of this design can help researchers undertake further

research and study on this topic in the future. The significance of correlational design findings is enormous, and they result in logical conclusions (Sekaran & Bougie, 2010). As a consequence, this study employed a non-experimental correlational technique, which can help identify relationships in normal situations.

3.3 Research Population

Pakistan's whole IT and IT-enabled Services (ITeS) business is worth \$3 billion, with BPO accounting for just 15% of that and employing about 20,000 to 30,000 people. However, Pakistan's offshore BPO (Business Process Outsourcing) market is booming (Memon et al., 2021). Similarly, the Pakistani call center sector is evolving at a breakneck pace, with most call center employees feeling overwhelmed by the increased workload. There are now more computers to maintain, more personnel to teach, and more users with more communication options. Customers need rapid, efficient service in Pakistan nowadays, whether they send it by email, request a callback, or contact a customer helpline. As a consequence, there's barely a sector that doesn't require a call center (Masood et al., 2021). Hence, the target population of the current study is the BPO and call center employees of Islamabad, Pakistan

3.4 Sample Size & Sampling Technique

The sample size was calculated using the $50+8k$ formula published by Krejcie and Morgan (1970), where k denotes the total number of variables in the model and the study includes six variables in total, implying that a minimum of 98 responses from the sample population is necessary. As a result, 150 responses from BPO and call center employees in Islamabad, Pakistan, were collected for the study.

Purposive sampling is a non-probability sampling technique in which data is collected from a population that can give specific relevant data in order to get as much information as possible (Daniels et al., 2014). That demographic consists of specialists or experts in that industry or

sector, which is why data is collected from them (Beck, 2013). This study uses purposive non-probability sampling since the most accurate results require a huge amount of data.

3.5 Research Instrument

Variables	N Items	Scale Type	Sources
Recruitment and selection	4	5-Point Likert	(Alola & Alafeshat, 2021)
	2	5-Point Likert	(Fahim, 2018)
Compensation and benefits	3	5-Point Likert	(Fahim, 2018)
	3	5-Point Likert	(Vesin, 2021)
Training and development	6	5-Point Likert	(Alola & Alafeshat, 2021)
Employee engagement	6	5-Point Likert	(Saks, 2006)
Employee retention	6	5-Point Likert	(Alola & Alafeshat, 2021)
Employee satisfaction	6	5-Point Likert	(Alola & Alafeshat, 2021)

3.6 Data Collection

A researcher uses procedures such as surveys, interviews, and experiments to gather primary data from first-hand sources. Data collecting may be done with a variety of tools. Survey methodology is one of the data collecting methods. The survey approach gathers data from respondents and analyses people's attributes based on their responses (Groves et al., 2011). This strategy aids in the collection of data and the subsequent generation of more accurate and appropriate outcomes. Questionnaires and interviews can be used in the survey process (Slattery et al., 2011). The questionnaire consists of a collection of questions, and it is self-administered, which means the researcher obtains data from respondents face to face (Goddard & Villanova, 2006). As a result, this study planned to employ survey methods to collect primary data utilizing a five-point Likert scale questionnaire since it produces more meaningful results.

3.7 Data Analyses Method

To efficiently examine data, a variety of statistical methodologies can be applied. The measurement model and the structural model, for example, are two separate models in the PLS-SEM analytic technique (Hair et al., 2011a). PLS-SEM has a variety of advantages, including

the fact that it has few limits in its method (Hair et al., 2016). Furthermore, even with a small sample size, PLS-SEM can properly evaluate the data and produce relevant and logical results (Hair et al., 2019). PLS-SEM is helpful in estimating mediating analysis based on bootstrapping technique (Hair et al., 2011a) while it also facilitates the predictive relevance of the endogenous constructs using PLS blindfolding technique based on Geisser (1975); Stone (1974) method. Subsequently, the study has adopted the PLS-SEM technique using SmartPLS v3.2.9 since it easily handles complex models.

Chapter 4: RESULTS AND FINDINGS

4.1 Pilot study

The results of the instrument's pretesting using Cronbach's alpha reliability analysis are shown in Table 1.

Table 1: Pilot Study (n = 50)

Variable	N Items	Cronbach's Alpha
Recruitment and Selection	6	0.813
Training and Development	6	0.839
Compensation and Benefits	6	0.714
Employee Engagement	6	0.796
Employee Retention	6	0.784
Employee Satisfaction	6	0.828

According to Hair et al. (2018), the alpha coefficient for acceptable internal consistency of the variable should be more than 0.70. Based on the threshold, all the variables in the above table have attained substantial internal consistency, indicating that the pilot study produced acceptable results for the main study data collection.

4.2 Profile of the respondents

The demographic profile of the 307 responders is shown in Table 2.

Table 2: Demographic Profile (n = 307)

		Frequency	Percent
Gender	Male	187	60.9
	Female	120	39.1
Age Group	18 - 24 years	76	24.8
	25 - 31 years	66	21.5
	32 - 38 years	94	30.6
	39 above	71	23.1
	Undergraduate	118	38.4
Qualification	Graduate	91	29.6
	Postgraduate	98	31.9
	BPO/Call Agent	76	24.8
Job Position	Supervisor/Team Lead	75	24.4
	Manager	76	24.8
	Senior Management	80	26.1
Work Experience	Less than 3 years	69	22.5

3 – 6 years	79	25.7
6 – 10 years	68	22.1
10 years or above	91	29.6

4.3 Measurement model

The statistical relationship between indicators and their latent constructs, which have theoretical underpinnings, is estimated using the measurement model (Hair et al., 2016). The results of a measurement model employing the PLS algorithm are shown in Table 3.

Table 3: Measurement Model

Variables	Items	Loadings	CR	AVE
Compensation and Benefits	CaB1	0.653	0.795	0.668
	CaB6	0.954		
	EE2	0.867		
Employee Engagement	EE3	0.861	0.891	0.673
	EE4	0.701		
	EE5	0.841		
Employee Retention	ER1	0.888	0.864	0.684
	ER2	0.652		
	ER3	0.916		
Employee Satisfaction	ES1	0.933	0.933	0.875
	ES3	0.938		
Recruitment and Selection	RaS1	0.779	0.869	0.689
	RaS3	0.860		
	RaS4	0.849		
Training and Development	TaD2	0.701	0.792	0.560
	TaD4	0.763		
	TaD6	0.780		

Outer loadings should be higher than 0.60, according to Hair et al. (2011b); Hair et al. (2019), while composite reliability (CR) and average variance extracted (AVE) should be greater than 0.70 and 0.50, respectively. As a result, all indicators (items) have acceptable outer loadings, and all constructs have acceptable reliability and degree of convergence, as indicated in the table above.

4.4 Discriminant validity

Discriminant validity is a statistical method for measuring the un-relatedness of variables that are different in theory (Hair et al., 2016). Fornell and Larcker (1981) criterion (FLC), cross-loadings, and HTMT ratio are three criteria used in PLS-SEM to estimate discriminant validity.

The results of the FLC method for discriminant validity are shown in Table 4.

Table 4: Fornell-Larcker Criterion

	CaB	EE	ER	ES	RaS	TaD
Compensation and Benefits	0.817					
Employee Engagement	0.413	0.821				
Employee Retention	0.409	0.758	0.827			
Employee Satisfaction	0.275	0.535	0.700	0.935		
Recruitment and Selection	0.201	0.401	0.250	0.003	0.830	
Training and Development	0.204	0.529	0.505	0.403	0.382	0.749

Above table has shown that squared-root AVE of constructs (bold diagonal values) are higher than their respective horizontal and vertical correlation (non-bold) values and therefore, discriminant validity using FLC method has been achieved.

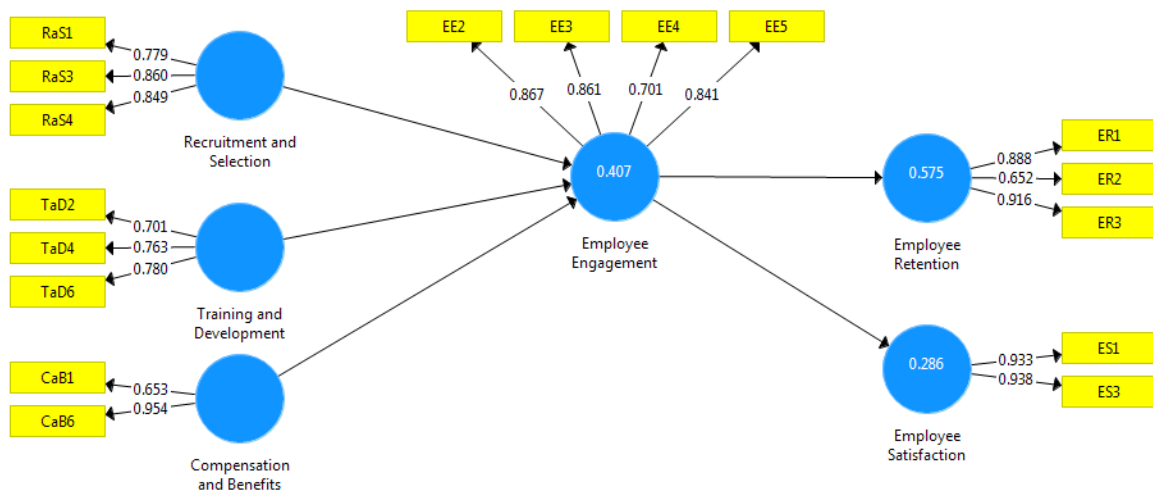


Figure 4.1: PLS Algorithm

The outcome of the cross-loadings method for discriminant validity is shown in Table 5.

Table 5: Cross Loadings

	CaB	EE	ER	ES	RaS	TaD
CaB1	0.653	0.172	0.178	0.009	0.083	0.193
CaB6	0.954	0.433	0.425	0.330	0.210	0.171
EE2	0.521	0.867	0.621	0.464	0.419	0.492
EE3	0.513	0.861	0.676	0.364	0.416	0.399
EE4	-0.107	0.701	0.435	0.281	0.322	0.345
EE5	0.258	0.841	0.707	0.595	0.177	0.480
ER1	0.364	0.738	0.888	0.550	0.322	0.391
ER2	0.415	0.345	0.652	0.531	0.115	0.310
ER3	0.299	0.700	0.916	0.679	0.146	0.532
ES1	0.172	0.491	0.658	0.933	0.046	0.404
ES3	0.340	0.510	0.651	0.938	-0.039	0.351
RaS1	0.345	0.347	0.158	0.020	0.779	0.302
RaS3	0.116	0.338	0.309	0.072	0.860	0.367
RaS4	0.020	0.309	0.151	-0.093	0.849	0.277
TaD2	0.219	0.423	0.330	0.141	0.298	0.701
TaD4	0.095	0.441	0.424	0.482	0.289	0.763
TaD6	0.140	0.268	0.369	0.249	0.253	0.780

The above table shows that indicators had higher loadings in their constructs than their respective cross-loadings in other constructs, indicating that the cross-loadings method was used to establish indicator-wise discriminant validity.

The discriminant validity using the HTMT ratio is shown in Table 6 below.

Table 6: Heterotrait-Monotrait (HTMT) Ratio

	CaB	EE	ER	ES	RaS	TaD
Compensation and Benefits						
Employee Engagement	0.549					
Employee Retention	0.571	0.869				
Employee Satisfaction	0.301	0.612	0.869			
Recruitment and Selection	0.266	0.503	0.302	0.113		
Training and Development	0.361	0.687	0.709	0.533	0.537	

According to Henseler et al. (2016); Henseler et al. (2015), the HTMT ratio should be less than 0.90 for an acceptable degree of divergence between constructs. As a result, the highest HTMT

ratio of 0.869 was found between ER and EE, and ES and ER in the above table. As a result, discriminant validity was established utilizing the HTMT ratio.

4.5 Predictive relevance

The predictive relevance of the PLS algorithm and PLS blindfolding techniques is shown in Table 7.

Table 7: Predictive Relevance

	R Square	R Square Adjusted	Q Square
Employee Engagement	0.407	0.402	0.263
Employee Retention	0.575	0.574	0.376
Employee Satisfaction	0.286	0.284	0.249

Above table has shown that employee engagement has been explained up to 40.7 percent, employee retention up to 57.5 percent, and employee satisfaction up to 28.6 percent in the structural model. In contrast, the endogenous constructs' Q-Square (predictive relevance) was shown to be higher than 0 (Hair et al., 2016).

4.6 Hypothesis-testing using PLS-SEM

The results of hypothesis-testing with PLS bootstrapping are presented in Table 8.

Table 8: Hypothesis-Testing using PLS-SEM

	Estimate	S. D.	T-Stats	Prob.
RaS -> EE	0.191	0.045	4.228	0.000
TaD -> EE	0.396	0.052	7.557	0.000
CaB -> EE	0.294	0.060	4.927	0.000
EE -> ER	0.758	0.020	37.577	0.000
EE -> ES	0.535	0.049	10.870	0.000
RaS -> EE -> ER	0.145	0.034	4.268	0.000
TaD -> EE -> ER	0.300	0.043	6.974	0.000
CaB -> EE -> ER	0.223	0.045	4.970	0.000
RaS -> EE -> ES	0.102	0.022	4.569	0.000
TaD -> EE -> ES	0.212	0.040	5.362	0.000
CaB -> EE -> ES	0.157	0.033	4.817	0.000

CaB = Compensation and Benefits; EE = Employee Engagement; ER = Employee Retention; ES = Employee Satisfaction; RaS = Recruitment and Selection; TaD = Training and Development

Above table has shown that EE is positively influenced by RS (= 0.191; p 0.05), T and D (= 0.396; p 0.05), and CB (= 0.294; p 0.05); however, EE is positively influenced by ER (= 0.758; p 0.05), and ES (= 0.535; p 0.05). Furthermore, given the mediating role of EE, R and S = 0.145; p 0.05), TD (= 0.300; p 0.05), and CB (= 0.223; p 0.05) all have a positive significant influence on ER. Similarly, given the mediating role of EE, RS (= 0.102; p 0.05), T and D (= 0.212; p 0.05), and CB (= 0.157; p 0.05) all had a positive significant influence on ES.

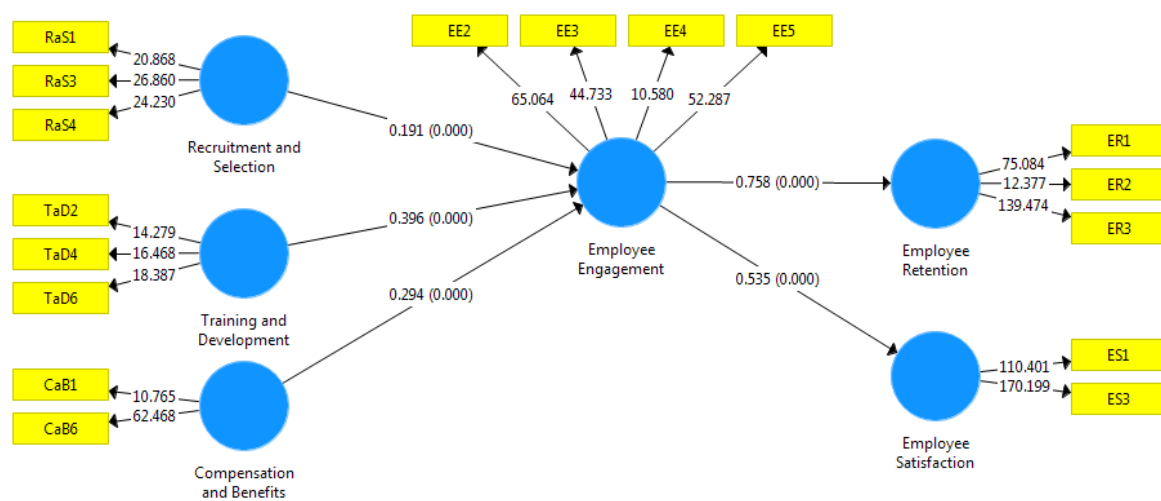


Figure 4.2: PLS structure Model

4.7 Hypothesis-testing summary

The summary of hypotheses-testing may be seen in Table 9.

Table 9: Hypothesis-Testing Summary

		Estimate	Prob.	Decision
H1.	Recruitment and selection have a significant positive impact on Employee engagement.	0.191	0.000	Accepted
H2.	Training and development have a significant positive impact on Employee engagement.	0.396	0.000	Accepted
H3.	Compensation and benefits have a significant positive impact on Employee engagement.	0.294	0.000	Accepted
H4.	Employee engagement. has a significant positive impact on Employee retention.	0.758	0.000	Accepted

H5.	Employee engagement. has a significant positive impact on Employee satisfaction.	0.535	0.000	Accepted
H6.	Recruitment and selection have a significant positive impact on Employee retention with the mediating role of Employee engagement.	0.145	0.000	Accepted
H7.	Training and development have a significant positive impact on Employee retention with the mediating role of Employee engagement.	0.300	0.000	Accepted
H8.	Compensation and benefits have a significant positive impact on Employee retention with the mediating role of Employee engagement.	0.223	0.000	Accepted
H9.	Recruitment and selection have a significant positive impact on Employee satisfaction with the mediating role of Employee engagement.	0.102	0.000	Accepted
H10.	Training and development have a significant positive impact on Employee satisfaction with the mediating role of Employee engagement.	0.212	0.000	Accepted
H11.	Compensation and benefits have a significant positive impact on Employee satisfaction with the mediating role of Employee engagement.	0.157	0.000	Accepted

Chapter 5: CRITICAL DISCUSSION OF THE FINDINGS

5.1 Hypothesis 1: Effect of recruitment and selection and employee engagement

One hypothesis tested the impact of RS on EE. RS have a positive and significant impact on it. The results are in line with the previous research conducted by Bhutta and Zafar (2019) who supported our results and found a similar impact. Employee engagement is a measure of an employee's enthusiasm and energy for their job, as measured through effective selection and recruitment. RS are thought to have an impact on EE. (Alola & Alafeshat, 2021).

5.2 Hypothesis 2: Effect of training and development and employee engagement

The last hypothesis that was developed meant to test the impact of training and development and Employee engagement. There is a significant positive influence, according to the research. These results are supported by Siddiqui and Sahar (2019) findings, which suggest that TD has a positive impact on Employee engagement. Companies that emphasize service and quality provide opportunity for workers to get training, assess the company, enhance communication, and be rewarded and appraised. In order to engage personnel in a business that supports one another, excellent work relationships, and involvement in decision-making, empowerment, and autonomy, career growth, training, and work training is vital (Mwanzia, 2021).

5.3 Hypothesis 3: Effect of compensation and benefits on employee engagement

The study looked at the effect of Compensation and benefit on Employee engagement. According to the study, there is a positive and significant impact. The findings are consistent with Maisoni et al. (2019) 's previous study, which revealed that compensation had a significant and positive impact on Employee engagement. Compensation has an influence on Employee engagement and is very important in a company since it is the remuneration that employees receive for their efforts to the firm. Compensation may also encourage employees and help the organization become more productive (Hoque et al., 2018).

5.4 Hypothesis 4: Effect of employee engagement and employee retention

The researchers looked at the impact of Employee engagement on Employee retention. According to the study, there is a positive and significant impact. The result is in congruence with the research conducted by Johnson and Pike (2018) who revealed that employee engagement significantly influence employee retention. Employees that are engaged are more likely to feel attached to their company, which enhances satisfaction and retention (Alola & Alafeshat, 2021).

5.5 Hypothesis 5: Effect of employee engagement and employee satisfaction

Another hypothesis looked at how Employee engagement influenced Employee satisfaction. According to the results, there is a positive and significant impact. The results are backed up by Shahid (2019) who found that engagement improves an organization's performance significantly, resulting in improvements in quality, customer satisfaction, and long-term financial outcomes.

Staff all of which are engaged view their job as meaningful, which may benefit businesses and contribute to excellent work outcomes such as satisfied and productive employees (Tepayakul & Rinthaisong, 2018).

5.6 Hypothesis 6: Mediating effect of employee engagement between recruitment and selection, and employee retention

Employee engagement has a positive and significant mediating effect between recruitment and selection and Employee retention, according to the findings of the current study. Employee engagement has a positive and significant mediating effect between recruitment and selection and Employee retention, according to the findings of the current study. The results are also consistent with Alola and Alafeshat (2021). Employee engagement has an influence on

employee retention, which in turn has an impact on employee selection and recruitment, according to some previous research studies as well. When a firm identifies and recruits competent individuals, for example, employees will try to put in extra effort and demonstrate higher competency levels, which encourages Employee engagement and loyalty to the organization, resulting in employee retention . (Aboramadan et al., 2020).

5.7 Hypothesis 7: Mediating effect of employee engagement between training and development, and employee retention

Similarly, the study found that Employee engagement has a positive and significant mediating influence between Training and development, as well as Employee retention. The same result was also found by Arasanmi and Krishna (2019). Employees' job happiness, engagement and devotion improve directly because of their feeling of being a part of the organization, and getting proper training, resulting in improved performance. Individuals who are committed to their organization and enthusiastic about their work put in extra effort in the company's operations, identify with the mission, and explain themselves to others in terms of their mission (Ahmed et al., 2020).

5.8 Hypothesis 8: Mediating effect of employee engagement between compensation and benefits, and employee retention

Employee engagement has a significant and positive mediating influence on Compensation and benefit, as well as Employee retention, according to the current study. The result also align with the Riyanto et al. (2021). The more engagement employees show, the more chances there are of their retention. In addition, Employee engagement acts as a mediator for the Compensation and benefit of the employees (Aboramadan et al., 2020). These employees demonstrate higher rate of retention and their compensation and benefits also lead towards their long stay in the firm.

5.9 Hypothesis 9: Mediating effect of employee engagement between recruitment and selection, and employee satisfaction

Employee engagement has a significant and positive mediating influence on Recruitment and selection, as well as Employee satisfaction, according to the findings of this research. The result aligns with the study of Al-Dubai and Gopalan (2019). People have a positive attitude about work when they are involved in enjoyable activities. Employees that are engaged have a basic understanding of the business environment and work hard to improve productivity for the company's benefit. As a result, employees are invested in the company's success and show signs of satisfaction (Al-dalahmeh et al., 2018).

5.10 Hypothesis 10: Mediating effect of employee engagement between training and development, and employee satisfaction

In addition, the research found that employee engagement had a significant and positive mediating impact on training and development and employee satisfaction. The outcome is consistent with Saks' (2019). Individuals that are strongly dedicated to their organization are enthusiastic about their jobs, they attempt to go above and beyond in the organization's operations, and they are therefore always involved in the operations. Furthermore, employee development and training also promote employee enthusiasm, organizational performance, and individual satisfaction. Training increases employee engagement by promoting a positive attitude among employees, resulting in more loyal and pleased employees (Goestjahjanti et al., 2020).

5.11 Hypothesis 11: Mediating effect of employee engagement between compensation and benefits, and employee satisfaction

Lastly, the current study found that Employee engagement has a significant and positive mediating effect on Compensation and benefit, as well as Employee satisfaction. This observation is also consistent with the study of Riyanto et al. (2021). Salary has been shown to

have a considerable influence on work engagement, satisfaction, and desire to quit, in previous studies. Furthermore, the vigor, dedication, and absorption construct is also an employee engagement construct that encompasses feelings of inspiration as well as a sense of being fairly compensated (Djoemadi et al., 2019).

Chapter 6: CONCLUSION AND RECOMMENDATIONS

6.1. Recommendations

For senior executives and researchers in the BPO/call center industry, the results of this study have several practical consequences. Organizations should utilize recruitment agencies and internal staff recommendations when recruiting and selecting people, according to the study, to guarantee that they pick committed and productive individuals. The study also suggests that businesses use strategic staffing practices such as associations, psychometric exams, and websites to target specific professionals, use headhunting strategies, offer incentives, rank potential applicants, and use the internet and other technologies to influence staff recruitment.

Also, companies should reward their employees with cash bonuses, performance-based compensation, and a pension plan, according to the report. Employee retention is highly influenced by offering performance-based compensation and acknowledging their contributions.

Employee engagement was found to be positively impacted by training and development. Businesses should provide training to their personnel. Companies should invest more in training activities to guarantee that they are effective, and training and growth should be used as motivational techniques. Moreover, training and development should be viewed as a critical component of employee satisfaction by managers. To improve employee performance, training must be well-coordinated and financed. Such budgets should include training requirements analyses in which employees are involved and communication is open, as well as the relevance of the trainings provided, the volume of trainings offered, and if the trainings assist employees' job.

6.2. Limitations and future research

The study's shortcomings must not be forgotten, even though it makes several major advances. First, the data analyzing the impact of Employee engagement on the relationships between, Recruitment And selection, Training and development is collected using a self-report technique, which may have introduced bias. Furthermore, instead of longitudinal study, cross-sectional analysis may have an influence on the result's accidental interference. As a result, future study should employ a longitudinal approach, which will help in the generalization of results. Second, the data was collected solely from Islamabad -based BPO/call center employees; future study might include both commercial and public airline employees in Islamabad. Third, while the study focused on the BPO/call center industry, subsequent studies should investigate concentrating on a different industry. Lastly, the study focused on employee Recruitment and selection, Training and development, and engagement. Other factors, such as the influence of selection and recruiting, TD on organizational performance, may be included in future research.

6.3. Conclusion

The current research looked on the influence of HR policies on Employee Retention and satisfaction in the Islamabad's BPO/call center business through Employee engagement. The researcher employed a quantitative explanatory technique, which aided in hypothesis testing and generalizing the findings. In addition, this study used a correlational approach to aid in the identification of correlations. In terms of the study's findings, compensation and benefit, Recruitment and selection, and Training and development all had a significant and positive impact on Employee Engagement.

Employee Engagement has a significant and positive influence on Employee Satisfaction and retention, according to the research. Employees will be willing to provide their quota to stay in the firm and contribute to organizational success if there is deliberate and good selection and

recruiting, as well as appropriate training and development, according to the research. As a result of the organization's success, Employee satisfaction and engagement increase. Moreover, these findings can help managers who want to retain personnel, particularly in terms of compensation. The report goes on to say that a fair compensation is the most crucial feature since it has such a big impact on employee retention. This fact may be considered by management when creating and executing compensation schemes.

References

- Ababneh, O. M. A. (2021). How do green HRM practices affect employees' green behaviors? The role of employee engagement and personality attributes. *Journal of Environmental Planning and Management*, 64(7), 1204-1226.
- Abba, M. T. (2018). Effects of training and development on employee retention in Bauchi State Metropolis Banks. *Operational Research*, 4(1), 24-39.
- Abdullahi, M. S., Raman, K., & Solarin, S. A. (2020). Talent management practices on employee performance among academic staff of Malaysian private universities: employee engagement as a mediator. *Journal of Applied Research in Higher Education*.
- Aboramadan, M., Albashiti, B., Alharazin, H., & Dahleez, K. A. (2020). Human resources management practices and organizational commitment in higher education: The mediating role of work engagement. *International Journal of Educational Management*.
- Ahmat, N. H. C., Arendt, S. W., & Russell, D. W. (2019). Examining work factors after Malaysia's minimum wage implementation. *International Journal of Contemporary Hospitality Management*.
- Ahmed, T., Shahid Khan, M., Thitivesa, D., Siraphatthada, Y., & Phumdara, T. (2020). Impact of employees engagement and knowledge sharing on organizational performance: Study of HR challenges in COVID-19 pandemic. *Human Systems Management*(Preprint), 1-15.
- Al-dalahmeh, M., Khalaf, R., & Obeidat, B. (2018). The effect of employee engagement on organizational performance via the mediating role of job satisfaction: The case of IT employees in Jordanian banking sector. *Modern Applied Science*, 12(6), 17-43.
- Al-Dubai, M. M., & Gopalan, V. (2019). Mediating role of Leadership styles on the relationship between recruitment and selection and employee satisfaction among telecommunication employees. *Journal of Internet Banking and Commerce*, 24(2), 1-11.
- Alabood, A., & Manakkattil, S. (2020). The relationship between career maximization and employee engagement. *Management Science Letters*, 10(11), 2597-2602.

- Ali, B. J., & Anwar, G. (2021). An Empirical Study of Employees' Motivation and its Influence Job Satisfaction. *Ali, BJ, & Anwar, G.(2021). An Empirical Study of Employees' Motivation and its Influence Job Satisfaction. International Journal of Engineering, Business and Management, 5(2), 21-30.*
- Almaaitah, M. F., Harada, Y., Sakdan, M., & Almaaitah, A. M. (2017). Integrating Herzberg and social exchange theories to underpinned human resource practices, leadership style and employee retention in health sector. *World Journal of Business and Management, 3(1), 16.*
- Alola, U. V., & Alafeshat, R. (2021). The impact of human resource practices on employee engagement in the airline industry. *Journal of Public Affairs, 21(1), e2135.*
- Alola, U. V., Olugbade, O. A., Avci, T., & Öztüren, A. (2019). Customer incivility and employees' outcomes in the hotel: Testing the mediating role of emotional exhaustion. *Tourism Management Perspectives, 29, 9-17.*
- Alrazehi, H. A. A.-W., Amirah, N. A., & Emam, A. S. M. (2021). The Mediation Effect of Job Satisfaction between Reward System and Training and Development on Employee Retention in Yemen's Banking Sector. *International Journal of Innovative Research and Scientific Studies, 4(4), 215-228.*
- Anchu, P., & Thampi, S. P. (2020). Employer Branding and Employee Engagement: Evidence from Banking Sector. Seventeenth AIMS International Conference on Management,
- Arasanmi, C. N., & Krishna, A. (2019). Employer branding: perceived organisational support and employee retention—the mediating role of organisational commitment. *Industrial and Commercial Training.*
- Ariani, D. W. (2013). The relationship between employee engagement, organizational citizenship behavior, and counterproductive work behavior. *International Journal of Business Administration, 4(2), 46.*
- Arslan, M., & Roudaki, J. (2019). Examining the role of employee engagement in the relationship between organisational cynicism and employee performance. *International Journal of Sociology and Social Policy.*
- Bahari, S. F. (2010). Qualitative versus quantitative research strategies: contrasting epistemological and ontological assumptions. *Sains Humanika, 52(1), 1-12.*
- Baharin, N. L., & Hanafi, W. N. W. (2018). Effects of Talent Management on Employee Retention: A Case Study of Hospitality Industry. *Global Business & Management Research, 10(3).*
- Basalamah, I., Ramli, H. M., Siring, H. B., & Alam, R. (2019). Effect of Commitment, Compensation, and Leadership on Employee Performance and Sharia Engagement as Variable Intervening. *International Journal of Accounting & Finance in Asia Pasific (IJAFAP), 2(1).*

- Beck, T. W. (2013). The importance of a priori sample size estimation in strength and conditioning research. *The Journal of Strength & Conditioning Research*, 27(8), 2323-2337.
- Bharath, M., & Sreedevi, V. (2020). Zoom in on the levels of employee engagement, perception, satisfaction; employee roles influenced–health care sample study. *Vilakshan-XIMB Journal of Management*.
- Bhutta, Z. M., & Zafar, S. (2019). Impact of HRM practices on employee engagement: Evidence from banking sector of Pakistan. *NUML International Journal of Business & Management*, 14(2), 140-156.
- Blau, P. M. (1968). Social exchange. *International encyclopedia of the social sciences*, 7, 452-457.
- Blessing, L. T., & Chakrabarti, A. (2009). *DRM, a design research methodology* (1st ed.). Springer Science & Business Media.
- Cook, K. S., Cheshire, C., Rice, E. R., & Nakagawa, S. (2013). Social exchange theory. *Handbook of social psychology*, 61-88.
- Creswell, J. W. (2002). *Educational research: Planning, conducting, and evaluating quantitative*. Upper Saddle River.
- Cropanzano, R., Anthony, E. L., Daniels, S. R., & Hall, A. V. (2017). Social exchange theory: A critical review with theoretical remedies. *Academy of management annals*, 11(1), 479-516.
- Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of management*, 31(6), 874-900.
- Daniels, K., Glover, J., & Mellor, N. (2014). An experience sampling study of expressing affect, daily affective well-being, relationship quality, and perceived performance. *Journal of Occupational and Organizational Psychology*, 87(4), 781-805.
- De-la-Calle-Durán, M.-C., & Rodríguez-Sánchez, J.-L. (2021). Employee Engagement and Wellbeing in Times of COVID-19: A Proposal of the 5Cs Model. *International Journal of Environmental Research and Public Health*, 18(10), 5470.
- Degbey, W. Y., Rodgers, P., Kromah, M. D., & Weber, Y. (2021). The impact of psychological ownership on employee retention in mergers and acquisitions. *Human resource management review*, 31(3), 100745.
- Diah, A. M., Hasiara, R. L. O., & Irwan, M. (2020). Employee retention of pharmaceutical firms in Indonesia: Taking investment in employee development and social and economic exchange as predictors. *Systematic Reviews in Pharmacy*, 11(1), 564-572.
- Djoemadi, F. R., Setiawan, M., Noermijati, N., & Irawanto, D. W. (2019). The effect of work satisfaction on employee engagement. *Polish Journal of Management Studies*, 19.
- Durrani, M. F. A. K. (2018). Analysis of Business Process Outsourcing in Pakistan. *Journal of Information Communication Technologies and Robotic Applications*, 49-57.

- Elrehail, H., Harazneh, I., Abuhjeeleh, M., Alzghoul, A., Alnajdawi, S., & Ibrahim, H. M. H. (2019). Employee satisfaction, human resource management practices and competitive advantage: The case of Northern Cyprus. *European Journal of Management and Business Economics*.
- Fahim, M. G. A. (2018). Strategic human resource management and public employee retention. *Review of Economics and Political Science*.
- Fanggidae, T. S., Djani, W., & MNB, N. (2020). Analysis Of The Effect Of Quality Of Work Life And Organizational Culture On Employee Engagement At Pt Jasa Raharja (Company) East Nusa Tenggara Branch. *International Journal of Economics, Business and Management Research*, 4(02), 15-33.
- Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. *Journal of marketing research*, 18(3), 382-388.
- Gambi, L. D. N., Boer, H., Jorgensen, F., Gerolamo, M. C., & Carpinetti, L. C. R. (2021). The effects of HRM approach on quality management techniques and performance. *Total Quality Management & Business Excellence*, 1-29.
- Geisser, S. (1975). The predictive sample reuse method with applications. *Journal of the American statistical association*, 70(350), 320-328.
- Goddard, R., & Villanova, P. (2006). Designing surveys and questionnaires for research. In *The psychology research handbook: A guide for graduate students and research assistants* (pp. 114-125). SAGE Publications.
- Goestjahjanti, S., Novitasari, D., Hutagalung, D., Asbari, M., & Supono, J. (2020). Impact of Talent Management, Authentic Leadership and Employee Engagement on Job Satisfaction: Evidence From South East Asian Industries. *Journal of Critical Reviews*, 7(19), 67-88.
- Gregory, R., & Muntermann, J. (2011). *Theorizing in design science research: inductive versus deductive approaches* ENGAGED SCHOLARSHIP IN IS RESEARCH,
- Groves, R. M., Fowler Jr, F. J., Couper, M. P., Lepkowski, J. M., Singer, E., & Tourangeau, R. (2011). *Survey methodology* (2nd ed.). John Wiley & Sons.
- Gupta, N., & Shaw, J. D. (2014). Employee compensation: The neglected area of HRM research. *Human resource management review*, 24(1), 1-4.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2018). *Multivariate data analysis a global perspective* (8th ed.). Pearson Education.
- Hair, J. F., Hult, G. T. M., Ringle, C., & Sarstedt, M. (2016). *A primer on partial least squares structural equation modeling (PLS-SEM)* (2nd ed.). SAGE Publications.
- Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011a). PLS-SEM: Indeed a silver bullet. *Journal of Marketing theory and Practice*, 19(2), 139-152.
- Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011b). PLS-SEM: Indeed a silver bullet. *Journal of Marketing theory and Practice*, 19(2), 139-152.

- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2-24.
- Hamza, P. A., Othman, B. J., Gardi, B., Sorguli, S., Aziz, H. M., Ahmed, S. A., . . . Anwar, G. (2021). Recruitment and Selection: The Relationship between Recruitment and Selection with Organizational Performance. *International Journal of Engineering, Business and Management*, 5(3), 1-13.
- Hanai, A. E., & Pallangyo, W. A. (2020). The Contribution Of Compensation In The Employee Retention Of The Banking Institutions In Dar Es Salaam, Tanzania. *European Journal of Business and Management Research*, 5(4).
- Henseler, J., Hubona, G., & Ray, P. A. (2016). Using PLS path modeling in new technology research: updated guidelines. *Industrial management & data systems*, 116(1), 2-20.
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the academy of marketing science*, 43(1), 115-135.
- Hewitt, A. (2009). Managing performance with incentive pay. *Journal of personnel Management*, 7(1), 20-31.
- Homans, G. C. (1974). Social behavior: Its elementary forms.
- Hoque, A. S. M. M., Awang, Z. B., Siddiqui, B. A., & Sabiu, M. S. (2018). Role of employee engagement on compensation system and employee performance relationship among telecommunication service providers in Bangladesh. *International Journal of Human Resource Studies*, 8(3), 1937-1937.
- Hrynko, P. (2020). Using an outsourcing mechanism to improve organizations' business models in the digital economy. *International Journal of Recent Academic Research*, 2(4), 614-617.
- Huang, Y.-H., Lee, J., McFadden, A. C., Murphy, L. A., Robertson, M. M., Cheung, J. H., & Zohar, D. (2016). Beyond safety outcomes: An investigation of the impact of safety climate on job satisfaction, employee engagement and turnover using social exchange theory as the theoretical framework. *Applied ergonomics*, 55, 248-257.
- Ibrahim¹, H., Rodzi, M. H. A. M., & Zin, M. L. M. (2021). Factors Influencing Employee Engagement in a Financial Institution. *Annals of Contemporary Developments in Management & HR (ACDMHR)*, 3(1).
- Johnson, S., & Pike, B. (2018). Employee Retention: The State of Engagement in Public Accounting Firms and Why It Matters. *The CPA Journal*, 88(12), 64-66.
- Juevesa, R. D., Juevesa, C. V., & Castino, J. M. P. (2020). Employee Engagement, Commitment, Satisfaction and Organizational Performance Among Multigenerational Workforce. *International Journal of Research in Engineering, Science and Management*, 3(7), 36-40.
- Juma, Z., & Arshad, M. (2019). Exploring Turnover Reason: A study of BPO Industry of Pakistan. *Journal of Law & Social Studies*, 1, 01-12. <https://doi.org/10.52279/jlss.01.01.0112>

- Kakar, P., Raziq, A., & Khan, F. (2015). Impact of human resource management practices on employee retention: A case of banking sector in Quetta Baluchistan. *Journal of Management Info*, 5(1), 97-119.
- Kerdpitak, C., & Jermstittiparsert, K. (2020). The Impact of Human Resource Management Practices on Competitive Advantage: Mediating Role of Employee Engagement in Thailand. *Systematic Reviews in Pharmacy*, 11(1), 443-452.
- Ko, J., & Hur, S. (2014). The impacts of employee benefits, procedural justice, and managerial trustworthiness on work attitudes: Integrated understanding based on social exchange theory. *Public Administration Review*, 74(2), 176-187.
- Kothari, C. R. (2004). *Research methodology: Methods and techniques* (2nd ed.). New Age International.
- Koul, L. (2009). *Methodology of Educational Research* (5th ed.). Vikas publishing house PVT Ltd.
- Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and psychological measurement*, 30(3), 607-610.
- Krscynski, D. (2021). Firm-specific worker incentives, employee retention, and wage–tenure slopes. *Organization Science*, 32(2), 352-375.
- Kurdi, B., & Alshurideh, M. (2020). Employee retention and organizational performance: Evidence from banking industry. *Management Science Letters*, 10(16), 3981-3990.
- Lee, L., & Chen, L. F. (2018). Boosting employee retention through CSR: A configurational analysis. *Corporate Social Responsibility and Environmental Management*, 25(5), 948-960.
- Looi, P. W., Marusz, T., & Baumruk, R. (2004). What makes a best employer. *Insights and findings from Hewitt's global best employers study*. Hewitt Associates LLC, New York.
- Maisoni, H., Yasri, Y., & Abror, A. (2019). Effect of Organizational Culture, Leadership and Compensation on Employee Engagement in Coca-cola Amatil Indonesia Central Sumatra. *Human Resources*, 3, 2.
- Masood, S., Nawab, S., & Shafi, K. (2021). Measuring Women's Glass Ceiling Beliefs in relation with Career Advancement Satisfaction—A Study of Service Sector of Pakistan. *Research Journal of Social Sciences and Economics Review*, 2(2), 315-324.
- MAUREEN, M., EUNICE, K., & DOUGLAS, O. (2020). INFLUENCE OF HUMAN RESOURCES MANAGEMENT STRATEGIES ON EMPLOYEE RETENTION IN THE MEDICAL INSURANCE INDUSTRY, IN KENYA. *International Journal of Social Sciences Management and Entrepreneurship (IJSSME)*, 4(1).
- Memon, M., Aqil, M., Soomro, K. A., & Adeel, A. (2021). Perceived determinants and barriers of recruitment process outsourcing in service sector of Pakistan: a qualitative approach. *International Journal of Applied Management Science*, 13(3), 200-225.
- Men, L. R. (2015). Employee engagement in relation to employee–organization relationships and internal reputation: Effects of leadership communication. *Public Relations Journal*, 9(2), 1-22.

- Muhammad, I. G., & Abdullah, H. H. (2016). Assessment of organizational performance: Linking the motivational antecedents of empowerment, compensation and organizational commitment. *International Review of Management and Marketing*, 6(4).
- Murtiningsih, R. S. (2020). The Impact of Compensation, Training & Development, and Organizational Culture on Job Satisfaction and employee Retention. *Indonesian Management and Accounting Research*, 19(1), 33-50.
- Mustafa, E., Zainol, N. A., Ideris, M. S. K., & Nordin, N. H. THE HUMAN RESOURCE INVESTMENT IN HOTEL SECTOR: A CASE STUDY OF THE DIP PROGRAM. *Management*, 6(22), 21-31.
- Mwanzia, M. N. (2021). *INFLUENCE OF HUMAN RESOURCES MANAGEMENT STRATEGIES ON EMPLOYEE RETENTION IN THE MEDICAL INSURANCE INDUSTRY, IN KENYA* KeMU].
- Naveen, S., & Raju, D. (2014). A study on recruitment & selection process with reference to three industries, cement industry, electronics industry, sugar industry in Krishna Dt Ap, India. *Journal of Business and Management*, 15(5), 60-67.
- Ngozi, O. A., & Chinelo, U. (2020). Effect of work life balance and employee productivity in Nigerian Organizations. *International Journal of Advanced Research in Management and Social Sciences*, 9(2), 67-93.
- Nguyen, C., & Duong, A. (2020). The Impact of Training and Development, Job Satisfaction and Job Performance on Young Employee Retention. *International Journal of Future Generation Communication and Networking*, 13(3), 373-386.
- Ngwenya, B., & Pelsler, T. (2020). Impact of psychological capital on employee engagement, job satisfaction and employee performance in the manufacturing sector in Zimbabwe. *SA Journal of Industrial Psychology*, 46(1), 1-12.
- Nyambura, C. P., Kinyua, J. M., & Mburugu, K. N. (2020). The Influence of Political Environment on the Performance of Business Process Outsourcing Sector in Kenya. *The Journal of Social Sciences Research*, 6(8), 770-775.
- Osemeke, M. (2012). The impact of human resource management practices on organizational performance: A study of Guinness Nigeria Plc. *AFRREV IJAH: An International Journal of Arts and Humanities*, 1(1), 79-94.
- Osewe, J. O., & Gindicha, J. Y. (2021). Effect of Training and Development on Employee Satisfaction: A Case of the Judiciary of Kenya. *European Journal of Humanities and Social Sciences*, 1(3), 661-667.
- Othman, S., & Mahmood, N. (2019). Linking employee engagement towards individual work performance through human resource management practice: From high potential employee's perspectives. *Management Science Letters*, 9(7), 1083-1092.

- Pertiwi, N., & Supartha, I. W. G. (2021). The effect of compensation and organizational commitment on employee satisfaction and retention. *American Journal of Humanities and Social Sciences Research (AJHSSR)*, 1(3), 333-342.
- Presbitero, A. (2017). How do changes in human resource management practices influence employee engagement? A longitudinal study in a hotel chain in the Philippines. *Journal of Human Resources in Hospitality & Tourism*, 16(1), 56-70.
- Rahayu, M., Rasid, F., & Tannady, H. (2019). The Effect of Career Training and Development on Job Satisfaction and its Implications for the Organizational Commitment of Regional Secretariat (SETDA) Employees of Jambi Provincial Government. *International Review of Management and Marketing*, 9(1), 79.
- Rashed, A. N. Z., & Tabbour, M. S. F. (2019). The engagement of hybrid dispersion compensation schemes performance signature for ultra wide bandwidth and ultra long haul optical transmission systems. *Wireless Personal Communications*, 109(4), 2399-2410.
- Riyanto, S., Endri, E., & Herlisha, N. (2021). Effect of work motivation and job satisfaction on employee performance: Mediating role of employee engagement. *Problems and Perspectives in Management*, 19(3), 162-174.
- Saad, M. M., Gaber, H. R., & Labib, A. A. (2021). Investigating the impact of human resource management practices on employee engagement, and the moderating role of strategy implementation in Egypt. *SA Journal of Human Resource Management*, 19, 9.
- Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of managerial psychology*, 21(7), 600-619.
- Saks, A. M. (2019). Antecedents and consequences of employee engagement revisited. *Journal of Organizational Effectiveness: People and Performance*.
- Saks, A. M., & Gruman, J. A. (2014). What do we really know about employee engagement? *Human Resource Development Quarterly*, 25(2), 155-182.
- Sanneh, L., & Taj, S. A. (2015). Employee engagement in the public sector: A case study of Western Africa. *International Journal of Human Resource Studies*, 5(3), 70-101.
- Saputra, I. K. R. D., & Riana, I. G. (2021). The Relationships of Work Environment, Compensation, And Organizational Commitments on Employee Retention. *Journal of Multidisciplinary Academic*, 5(1), 20-25.
- Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research methods for business students* (6th ed.). Pearson education.
- Sekaran, U., & Bougie, R. (2010). *Research for Business—A Skill Building Approach* (5th ed.). John-Wiley and Sons.
- Shahid, A. (2019). The employee engagement framework: high impact drivers and outcomes. *Journal of Management Research*, 11(2), 45-54.

- Shibiti, R. (2020). Public school teachers' satisfaction with retention factors in relation to work engagement. *SA Journal of Industrial Psychology*, 46(1), 1-9.
- Siddiqui, D. A., & Sahar, N. (2019). The impact of training & development and communication on employee engagement—A study of banking sector. *Sahar, N. and Siddiqui, DA (2019). The Impact of Training & Development and Communication on Employee Engagement—A Study of Banking Sector. Business Management and Strategy*, 10(1), 23-40.
- Slattery, E. L., Voelker, C. C., Nussenbaum, B., Rich, J. T., Paniello, R. C., & Neely, J. G. (2011). A practical guide to surveys and questionnaires. *Otolaryngology--Head and Neck Surgery*, 144(6), 831-837.
- Stafford, L. (2008). Social exchange theories. *Engaging theories in interpersonal communication: Multiple perspectives*, 377-389.
- Stone, M. (1974). Cross-validators choice and assessment of statistical predictions. *Journal of the royal statistical society. Series B (Methodological)*, 36(2), 111-147.
- Sudiro, A., Adi, A., & Fakhri, R. (2021). Engaging employees through compensation fairness, job involvement, organizational commitment: The roles of employee spirituality. *Management Science Letters*, 11(5), 1499-1508.
- Takeuchi, R., Lepak, D. P., Wang, H., & Takeuchi, K. (2007). An empirical examination of the mechanisms mediating between high-performance work systems and the performance of Japanese organizations. *Journal of Applied psychology*, 92(4), 1069.
- Tensay, A. T., & Singh, M. (2020). The nexus between HRM, employee engagement and organizational performance of federal public service organizations in Ethiopia. *Heliyon*, 6(6), e04094.
- Tepayakul, R., & Rinthaisong, I. (2018). Job satisfaction and employee engagement among human resources staff of Thai private higher education institutions. *The Journal of Behavioral Science*, 13(2), 68-81.
- Thuita, G., & Oiyee, Y. (2018). Compensation, working conditions and employee satisfaction in Kilifi export processing zones, Kenya.
- Tian, H., Iqbal, S., Akhtar, S., Qalati, S. A., Anwar, F., & Khan, M. A. S. (2020). The impact of transformational leadership on employee retention: mediation and moderation through organizational citizenship behavior and communication. *Frontiers in Psychology*, 11, 314.
- Tj, H. W., Tecualu, M., & Wijaya, S. (2021). The Effect of Compensation and Supervisor Support Mediated by Job Satisfaction on Employee Retention (Case Study at PT Pradu). *Primanomics: Jurnal Ekonomi & Bisnis*, 19(1), 147-157.
- Vesin, A. (2021). *An analysis of recruitment, selection, and retention challenges within the Public Sector CALIFORNIA STATE UNIVERSITY, NORTHRIDGE*].
- Wang, C., Xu, J., Zhang, T. C., & Li, Q. M. (2020). Effects of professional identity on turnover intention in China's hotel employees: The mediating role of employee engagement and job satisfaction. *Journal of Hospitality and Tourism Management*, 45, 10-22.

- Wijesiri, N., Paranagama, G., Sirirwardhana, M., Thilakarathna, D., Weerathna, R., & Pathirana, U. (2019). The Impact of HR Practices on Employee Retention; A Case of BPO Sector, Sri Lanka. *International Journal of Human Resource Studies*, 9(1), 1-21.
- Witasari, J., & Gustomo, A. (2020). Understanding the effect of human capital management practices, psychological capital, and employee engagement to employee performances. *The Asian Journal of Technology Management*, 13(1), 1-15.
- Zeidan, S., & Itani, N. (2020). Cultivating employee engagement in organizations: development of a conceptual framework. *Central European Management Journal*, 28(1), 99-118.

Appendix

QUESTIONNAIRE

The following questionnaire has been conducted for the research study that has been conducted as it is the partial requirement for my MBA degree from BU-ISB University. The study has examined the role of HR practices on employee retention and employee satisfaction through employee engagement among the BPO/call center industry of Pakistan. The researcher has highly focused on the communication in relation to the research must be done with honesty and transparency. Also, researcher took the verbal consent from the respondents to the study. Furthermore, the research student and her supervisor assure your privacy and confidentiality of your personal information during and after this research work.

Gender	<input type="checkbox"/> Male	<input type="checkbox"/> Female
Age Group	<input type="checkbox"/> 18 - 24 years	<input type="checkbox"/> 25 - 31 years
	<input type="checkbox"/> 32 - 38 years	<input type="checkbox"/> 39 above
	<input type="checkbox"/> Undergraduate	<input type="checkbox"/> Graduate
Qualification	<input type="checkbox"/> Postgraduate	
	<input type="checkbox"/> BPO/Call Agent	<input type="checkbox"/> Supervisor/Team Lead
Job Position	<input type="checkbox"/> Manager	<input type="checkbox"/> Senior Management
Work Experience	<input type="checkbox"/> Less than 3 years	<input type="checkbox"/> 3 - 6 years
	<input type="checkbox"/> 6 - 10 years	<input type="checkbox"/> 10 years or above

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Recruitment and Selection					
My company head of departments and Assistant Registrars participate in selection process.					
My company selection system is highly scientific and rigorous.					
The Valid and standardized test are used when required in the selection process.					
The company sets fixed and explicit requirements and specifications for different positions.					
The company uses professional recruitment agencies, associations, universities and the internet to search for new talents.					
My company selection employees having desired knowledge, skills, and attitude.					
Training and Development					
Training needs are identified through a formal performance appraisal mechanism.					
My company new knowledge and skills are imparted to me to work in teams.					
There are formal training programs to teach new employees the skills they need to perform their jobs.					
I attend training programs every year.					
My company extensive training programs for its employees in all aspects of quality.					
Training needs identified are realistic, useful, and based on business strategy.					
Compensation and Benefits					
The company offers attractive/competitive compensation packages and relatively high incentives to the staff for motivation.					

The reward system of the company is fair and basically based on performance.					
The responsibilities and performance expectations of the management are clear to all employees at the company.					
I am satisfied with my overall compensation.					
I am satisfied with the provided employee benefits.					
I am compensated fairly, relative to my workload.					
Employee Engagement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I really “throw” myself into my job.					
Sometimes I am so into my job that I lose track of time.					
This job is all consuming; I am totally into it.					
My mind often wanders and I think of other things when doing my job.					
I am highly engaged in this job.					
Being a member of this organization is very captivating.					

Employee Retention	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I would recommend this company to my family and friends as a great place to work.					
I like the work I currently do in this company.					
I am encouraged to contribute to improving the way my job is done.					
I know what I must do to grow professionally in this company.					
I feel that my work is important for this company to succeed.					
I believe working in this company will bring me opportunity to improve my career and grow.					

Employee Satisfaction	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I think that working in this company makes my life better.					
I would recommend this company to my family and friends as a great place to work.					
I like the work I currently do in this company.					
I am encouraged to contribute to improving the way my job is done.					
I believe working in this company will bring me opportunity to improve my career and grow.					
I know what I must do to grow professionally in this company.					

ORIGINALITY REPORT

11%	4%	8%	5%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Uju V. Alola, Rawan Alafeshat. "The impact of human resource practices on employee engagement in the airline industry", Journal of Public Affairs, 2020 Publication	2%
2	Submitted to Higher Education Commission Pakistan Student Paper	1%
3	Submitted to UCSI University Student Paper	1%
4	www.researchgate.net Internet Source	1%
5	Joseph Ouma Osewe, Jarso Yusuf Gindicha. "Effect of Training and Development on Employee Satisfaction: A Case of the Judiciary of Kenya", European Journal of Humanities and Social Sciences, 2021 Publication	<1%
6	N.R.A.S.S. Wijesiri, G.S. Paranagama, M.M.A.S. Sirirwardhana, D.L.N.C. Thilakarathna, R.S Weerathna, U.P.G.Y Pathirana. "The Impact	<1%