

A SURVEY OF FACTORS AFFECTING HUMAN RESOURCE RETENTION IN ORIGINAL EQUIPMENT MANUFACTURERS (OEM) IN EAST AZERBAIJAN PROVINCE, IRAN

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Resumen: El objetivo de este estudio es investigar los factores que afectan la retención de recursos humanos en empresas OEM privadas en la provincia de Azerbaiyán Oriental. Sin embargo, esta investigación analiza el tema desde una perspectiva diferente que se basa en los empleados que no han dejado la organización y las razones detrás de ella. El propósito de este estudio es práctico, y su metodología es descriptiva - correlación. La población es todos los empleados de las empresas OEM privadas de la provincia de Azerbaiyán Oriental. El tamaño de la muestra es de 357 personas basadas en la fórmula de Krejcie y Morgan que se seleccionan al azar. En esta investigación, se aplica un cuestionario que está formado por el investigador y para determinar su validez se pone en juego la validez del contenido con la ayuda de profesores rectores. En la prueba se calculó la fiabilidad y la funcionalidad. Al estudiar la media de los resultados, se utilizó el coeficiente alfa de Cronbach y el número obtenido fue de 0,94. En el análisis estadístico, no hubo una gran brecha entre los factores de mantenimiento de los recursos humanos en la Policía de la provincia de Azerbaiyán Oriental. Los resultados muestran que los factores motivacionales, biológicos y de crecimiento influyen en la retención de recursos humanos.

Palabras clave: Retención de recursos humanos, gestión de recursos humanos, empresas OEM, alfa de Cronbach

Abstract: The purpose of this study is to investigate the factors affecting the retention of human resources in private OEM companies in East Azerbaijan province. One of the main tasks of HRM section of organizations is to maintain optimal human resources. Nevertheless, this research analyses the issue from a different perspective which is based on the employees who haven't left the organization and the reasons behind it. The purpose of this study is practical, and its methodology is descriptive - correlation. The population is all employees in the private OEM companies of East Azerbaijan province. The sample size is 357 people based on Krejcie and Morgan formula that are randomly selected. In this research, a questionnaire is applied which is formed by researcher and to determine its validity a content validity is brought into play by the help of guiding professors. In the test, the reliability and functionality were calculated. By studying the mean of the results, Cronbach's alpha coefficient was used and the number obtained was 0.94. In the statistical analysis, there wasn't a large gap between factors in maintaining human resources in the Police force of East Azerbaijan province. The results show that motivational, biological and growth factors effect human resource retention.

Keywords: Human resource retention, human resources management, OEM companies, Cronbach's alpha

1. INTRODUCTION

In this era, the world is replete with organizations and human force is the most valuable resource of organizations. Human resources display meaning and context to the organization and provide achievements in organizational goals. It is specified more than ever that the growth and development of organizations, followed by a community and a country's growth, depends on the proper use of human force. Most of the problems are not in terms of equipment but the realm of human beings. Nowadays, the companies might be so busy that they cannot devote proper time to the issue of keeping the human resources and most of the employees are bored at work before they leave the company. These people don't have any commitment to the company's goals, their productivity declines, attend fewer hours in the workplace and sometimes their actions are against organizational goals, or they preoccupy the minds of managers that the managers don't have time to pay attention to strategic issues of the company. Passivity and indifference of the staff lead to the apathy of the customers. So the main reason to identify the causes of employee desertion and passivity is economic reasons and ignoring employee desertion is one of the costs incurred by the Company (Rahmanpour and Ahmedi, 1991:43).

Any person needs knowledge and motivation to carry out activities so that in the light of these two factors doing any purposeful activity is predictable. People will be in power due to these factors, and increased levels of these two can draw a clear picture of the future to achieve the organizations' goals. One of the management challenges to keep human resource is to motivate staff and prevent their dissatisfaction. In fact, it is a kind of superficiality to consider staff desertion in the attractive factors outside the company (tensional) and to ignore internal reasons (stressors).

Today, the modified situation of organizations, increasing competition and the need for effectiveness in such circumstances reveals the need to a valuable generation of staff. The generation that is known as organizational troops. Undoubtedly, these employees

are distinguishing members of effective organizations (Mirkamali et al., 2012).

As well as private companies that are knowledge-based, competitive, customer-oriented, quality-oriented, collaborative, entrepreneurial and transactional, today's organizations require quick access to strong, happy and committed workforce as competitive tools because having satisfied, energetic and committed employees are the most important organizational resource. Because efficient human resources are major indicators which show the priority of an organization to the others, emphasis on effective and efficient human resources in the field of education is increasing (Mirkamali and et al., 2010).

So the only sustainable competitive advantage of any organization is its people and their essential role in the success of the organization. This is possible through recruitment and retention of human resources.

The aim of this study is to investigate the factors affecting the retention of human resources in private OEM companies in East Azerbaijan Province; As well as examining and identifying motivational factors which affect keeping the human resources, prioritizing and determining the relationship between the motivational factors (EXISTENCE, COMMUNICATION, and GROWTH) with retention of human resources.

In this article, human resource management processes, especially the topic of human resources recruitment and retention, is introduced and analyzed as one of the major challenges of private companies. In this regard, the problems of human resource management is studied in one of the private companies with more than 5000 staff and more than 30 years' experience; the problems are identified by comparing the data obtained from recruitment and pay off of the company in recent years; and some solutions are recommended to deal with problems and enhance the recruitment of effective forces in the organization. Therefore, in this research, criteria to recruit and maintain human resources are identified to achieve the organization's goals with a focus on

the staff of private OEM companies in East Azerbaijan province.

2. RESEARCH GOAL

Factors affecting the retention of human resources in private OEM companies in East Azerbaijan province

2.1. Secondary Target

1. Reviewing and identifying motivational factors affecting the retention of human resources in OEM companies.
2. Identifying and prioritizing these factors using multi-criteria decision making technique
3. Identifying and providing a model to maintain human resources in these OEM companies
4. Identifying and analyzing the relationship between motivational factor of "EXISTENCE" and HR retention
5. Identifying and analyzing the relationship between motivational factor of "COMMUNICATION" and HR retention
6. Identifying and analyzing the relationship between motivational factor of "GROWTH" and HR retention
7. Providing the necessary solutions to improve the affecting factors on human resources in these companies.

3. RESEARCH PRINCIPLES

3.1. Human Resources

In this era, the world is replete with organizations, and the personnel and custodians of organizations are considered as the most valuable organization resources. Human resources give meaning to the organization and provide capacities to achieve organizational goals. Today, it is acknowledged more than ever that the organization's growth and development, accompanied by the community and the country's, depends on the proper use of these resources. Despite the doubts that robots or in other words technology will replace human beings in the future, or will make his role more inconspicuous, the automation of works has only led to variations and

reshape of human activities (Alvani, 1996). Many of our problems are not in the field of devices and equipment but in the realm of human beings. The greatest failure of human is his inability to achieve understanding and cooperation with others (Hersi & Belanchard, 1996).

3.2. Human Resource Retention

Have you ever asked yourself, "Why is it necessary to spend time investigating why employees are leaving the organization?" It is because of the better opportunity provided to them. This is the answer given by most managers. Managers might be so busy that they can't dedicate enough time to this issue. If the reason for leaving the organization is asked from the employees, they might emphasize on more sensitive items such as job dissatisfaction, lack of responsibility and lack of qualified managers. In fact, it is a clear superficiality to consider the reasons for employee turnover in the attractive outside factors (tensional) and don't even take a look at internal reasons (stressors) of the organization (Beranham, 2005).

Experts have considered the retention process as the most important one among three processes of human resource management; recruitment, development (training) and retention of personnel. Retention is a process by which the organization (management) tries to increase the tendency of staff to stay in the organization by factors such as a clear career development path, effective performance evaluation, and effective payment systems. If the organization succeeds in the processes of recruitment and improvement of the work force but fails to keep them, it won't reach organizational goals (Kazemi, 1984). Alderfer studied on Maslow's theory (hierarchy of needs) and divided Maslow's five needs into three categories:

1. EXISTENCE
2. COMMUNICATION
3. GROWTH

EXISTENCE needs are the ones that are related to raw materials. These are the physiological and security needs. COMMUNICATION needs are in the second category, i.e. each person is trying to

communicate with people. This social need is a base which requires a personal relationship with others in the community. These are pretty much the same needs that Maslow put in social groups and considered as the need to be respected. Finally, Alderfer differentiated the GROWTH needs, i.e. the inner desire and interest of a person to develop. This need is what Maslow called as self-actualization (Robbins, 2001).

He also showed that

- 1) At any time, more than one need might be active and
- 2) If a high rating need isn't satisfied, it is probable that a low rating need is intensified.

In ARJ theory, desperation and return are also included, and it is emphasized that if the person does not satisfy high rating needs and becomes desperate, he will be more willing to satisfy low rating requirements. In ARJ's theory, like Maslow's, it is argued that satisfying low rating needs makes people pay attention to the high rating needs. But it is possible that a person acts simultaneously to satisfy several needs and failure or inability to satisfy one of the high rating needs could lead the person backward to pay attention to the low rating ones (Robbins,2001).

There has been a research titled as, "Pathology of retention of human resources in the police force" (The field study of Hamadan Province Police Command). In this research, the pathology of human resource retention in the police is analyzed to determine the damages of retention of the HR in the police which is accomplished by recognizing the fact that work force has more importance in the police than other organizations, the human factor plays an important role in advancing the goals of the Police, and that retention of these valuable investments should be prioritized in human resource management functions.

3.3. Major Factors in Staff Retention

In the administration of staff retention, the main goal should be keeping people who are valuable to the organization in terms of the following factors:

1. Performance;
2. Replacement.

Here performance suggests productivity that is evaluated by superiors, and it is based on objective indicators such as production, sales volume or number of services provided by him. In addition to the above-mentioned criteria, similar cases, such as the ability to work with others in the organization or his potential reliability could also be considered. In normal circumstances, the organization would rather loose poorly performing employees and maintain employees with optimum performance in the organization (Dehqani, 2005, 39).

Replacement is mainly due to environmental features and is related to the organization's ability to fill a post with an alternative that has the required skill, ability, work experience and necessary compatibility to work in the appropriate level. Accordingly, posts that are difficult to replace are typically of two kinds:

1. Posts in which not only is it difficult to acquire information and knowledge in some aspects, organizational situation or the environment, but also it is essential to have such information to operate effectively.
2. Posts that require a set of skills and abilities that are relatively rare in the labor market. Performance and replacement of an individual have important relationships with the consequences of turnover in an organization (Dehgani, 2005, 39).

3.4. Solutions to Maintain Employees

When an employee is unhappy with the work assigned to him, and it is not a practical choice to keep him in the current job, three successive stages should be considered:

1. Keep the employee in the same group but assign different tasks to him according to his knowledge and experience
2. Move the employee to another section where his responsibilities are in coordination with his abilities and interests
3. Fire the employee. Preferably, find him another job (Armstrong,2003)

Another solution to maintain human resource, especially backup and R&D forces, is as follows:

1. Create an active committee which not only designs a good way to meet the special needs of the organization, but also handles it properly.
2. Make sure the payment of technical forces rises as well as management ones
3. Allow easy movement of the staff between research and development and engineering support groups. This can prevent the separation of the two groups and it is an important tool for career advancement of young people.
4. Be flexible. Where it is required to establish necessary project groups, let technical people respond the management in their own level.
5. Give opportunities to people without university degrees to achieve progress. Proper use of the above-mentioned guidelines will lead the engineers and researchers into management to ensure that they were influenced by the motives and purposes of promotion and not an economic stimulus.

6. METHODOLOGY

The population of the present research is all employees in the private OEM companies in East Azerbaijan Province which are 5000 people. To determine the sample size, Krejcie & Morgan formula was used which determined 357 people. The random sampling method is used for sample selection. The research information regarding review of related literature is obtained by library searching procedure using books and articles. The data was gathered using a questionnaire as a List, observed closely by the researcher, graded, and the necessary information was collected. The considered sample was asked to complete the questionnaire consisting of 20 questions to provide necessary information for the researcher. To test the validity of this study, exam questions were evaluated using the views and advice of experts and their ambiguities were solved which shows the acceptable contextual validity of the questionnaire. Cronbach Alpha coefficient was used to have a perennial research and the gained number was 94%. In this research, descriptive statistics including frequency, mean, median, standard deviation were used to describe the data and analyze

the questionnaire. Inferential statistics includes binomial test in SPSS and prioritization techniques of Friedman.

6.1. Findings

6.1.1. Descriptive Statistical Analysis

In this section, demographic data including "gender", "experience" and "education" are summarized.

6.2. Subjects' gender status

Checking information obtained from the questionnaire shows the frequency of subjects based on gender in the Table 1.

Table 1. Frequency of the subjects' gender

Gender	Frequency	Frequency Percentage
Female	111	31%
Male	246	69%
Total	357	100%

From the sample of 357 people, most of them were men.

6.3. Subjects' education status:

Checking information obtained from the questionnaire shows the frequency of subjects based on education in Table 2.

Table 2. Frequency of the subjects' education

Education Level	Frequency	Frequency Percentage
Diploma	64	18%
B.A.	194	54%
M.A. & PhD	99	28%
Total	357	100%

From the sample of 357 people, the first level was for B.A. and after that M.A & PhD.

6.4. Subjects' experience statuses:

Checking information obtained from the questionnaire shows the frequency of subjects based on experience in Table 3.

Table 3. Frequency of the subjects' experience

Experience	Frequency	Frequency Percentage
Less than 5 years	64	18%
Between 5-10 years	145	41%
Between 10-15 years	97	27%
More than 15 years	51	14%
Total	357	100%

From the sample of 357 people, most of them had the experience between 5-10 years which was more than those who had 15 years of experience.

7. INFERENTIAL STATISTICS ANALYSIS

7.1. Hypotheses analysis:

7.1.1. First hypothesis:

Motivational factors have an impact on retention of human resources in OEM companies.

Hypothesis analysis
H_0 : (null hypothesis): $\rho \leq 0.5$
H_1 : (Alternative hypothesis): $\rho > 0.5$

According to the results of Table 5, if the level of significance is more than the error, the null hypothesis is concluded and if the level of significance is less than that, an alternative hypothesis to concluded.

Table 5. Binomial test results for the first hypothesis

variable	Observed ratio	Tested ratio	Level of significance
Motivational factors	0.58	0.50	0.004

According to the Table 5 and binomial test, the results show that significant level or Sig is 0.004 which is smaller than 0.05 error; therefore, the null hypothesis was not confirmed, and the H1 assumption was accepted. The Observed Proportion

indicates that 58% of respondents have evaluated motivational factors in the human resource retention as appropriate (suitable status = mean more than 3). The overall result explains that motivational factors make an impact on the human resources retention in OEM companies.

Table 6. Friedman's test

Number	357
Test number	13.347
Degrees of freedom	2
The significance level	0.001

According to the Table 6, the results show that significant level or Sig is 0.001 which is smaller than 0.05 error; therefore, H_0 is denied and H_1 is approved. This means that there are significant differences between the ranked factors. Moreover, order of priority is shown in Table 7.

Table 7. Friedman's test results to categorize motivational indicators

Indicators	Mean	Rank
Biological motivational factor	1.89	3
Dependency motivational factor	2.15	1
Growth motivational factor	1.97	2

The rating of all items are as Table 8:

Table 8. Friedman's test results to categorize all items in motivational indicators

Indicators	Mean	Rank
Item 1	9.83	10
Item 2	9.69	11
Item 3	11.06	1
Item 4	6.28	18
Item 5	8.10	15
Item 6	7.89	16
Item 7	7.23	17
Item 8	11.02	2
Item 9	10.20	6
Item 10	10.52	3
Item 11	10.51	4
Item 12	9.43	12
Item 13	9.86	9
Item 14	10.31	5
Item 15	9.09	14

Item 16	9.33	13
Item 17	10.03	7
Item 18	10.02	8

As it is shown in Table 8, the highest rank is for item No. 3 and the lowest rank is for item No. 4.

7.1.2. Second hypothesis:

Biological factors have an impact on retention of human resources in OEM companies.

Hypothesis analysis
H ₀ : (null hypothesis): $\rho \leq 0.5$
H ₁ : (Alternative hypothesis): $\rho > 0.5$

According to the results of Table 9, if the level of significance is more than the error, the null hypothesis is concluded, and if the level of significance is less than that, the alternative hypothesis will be concluded.

Table 9. Binomial test results for the second hypothesis

variable	Observed ratio	Tested ratio	Level of significance
Biological factors	0.51	0.50	0.000

According to Table 9 and binomial test, the results show that significant level or Sig is 0.000 which is smaller than 0.05 error; therefore, the null hypothesis was not confirmed, and the H₁ assumption was accepted. The Observed Proportion indicates that 51% of respondents have evaluated biological factors in the human resource retention as appropriate (suitable status = mean more than 3). The overall result explains that biological factors make an impact on the human resources retention in OEM companies.

Table 10. Friedman's test

Number	357
Test number	291.362
Degrees of freedom	5
The significance level	0.000

According to Table 10, the results show that significant level or Sig is 0.000 which is smaller than 0.05 error; therefore, H₀ is denied and H₁ is

approved. This means that there are significant differences between the ranked factors. Moreover, order of priority is shown in Table 11.

Table 11. Friedman's test results to categorize all items in biological indicators

Indicators	Mean	Rank
Item 1	3.85	2
Item 2	3.79	3
Item 3	4.38	1
Item 4	2.57	6
Item 5	3.25	4
Item 6	3.16	5

7.1.3. Third hypothesis

Dependency factors have an impact on retention of human resources in OEM companies.

Hypothesis analysis
H ₀ : (null hypothesis): $\rho \leq 0.5$
H ₁ : (Alternative hypothesis): $\rho > 0.5$

According to the results of the Table 12, if the level of significance is more than the error, the null hypothesis is concluded and if the level of significance is less than that, alternative hypothesis will be concluded.

Table 12. Binomial test results for the second hypothesis

variable	Observed ratio	Tested ratio	Level of significance
Dependency factors	0.57	0.50	0.008

According to Table 12 and binomial test, the results show that significant level or Sig is 0.008 which is smaller than 0.05 error; therefore, the null hypothesis was not confirmed and H₁ assumption was accepted. The Observed Proportion indicates that 57% of respondents have evaluated dependency factors in the human resource retention as appropriate (suitable status = mean more than 3). The overall result explains that dependency factors make an impact on the human resources retention in OEM companies.

Table 13. Friedman's test

Number	357
Test number	142.327

Degrees of freedom	5
The significance level	0.008

According to the table 13, the results show that significant level or Sig is 0.008 which is smaller than 0.05 error; therefore, H_0 is denied and H_1 is approved. This means that there are significant differences between the ranked factors. Moreover, order of priority is shown in Table 14.

Table 14. Friedman's test results to categorize all items in dependency indicators

Indicators	Mean	Rank
Item 7	2.64	6
Item 8	3.89	1
Item 9	3.61	4
Item 10	3.74	2
Item 11	3.73	3
Item 12	3.38	5

7.1.4. Forth hypothesis

Growth factors have an impact on retention of human resources in OEM companies.

Hypothesis analysis
H_0 : (null hypothesis): $p \leq 0.5$
H_1 : (Alternative hypothesis): $p > 0.5$

According to the results of the following table, if the level of significance is more than the error, the null hypothesis is concluded, and if the level of significance is less than that, the alternative hypothesis will be concluded.

Table 15. Binomial test results for the second hypothesis

variable	Observed ratio	Tested ratio	Level of significance
Growth factors	0.53	0.50	0.001

According to Table 15 and binomial test, the results show that significant level or Sig is 0.001 which is smaller than 0.05 error; therefore, the null hypothesis was not confirmed, and the H_1 assumption was accepted. The Observed Proportion indicates that 53% of respondents have evaluated

growth factors in the human resource retention as appropriate (suitable status = mean more than 3). The overall result explains that growth factors make an impact on the human resources retention in OEM companies.

Table 16. Friedman's test

Number	357
Test number	17.030
Degrees of freedom	5
The significance level	0.004

According to the Table 16, the results show that significant level or Sig is 0.000 which is smaller than 0.05 error; therefore, H_0 is denied and H_1 is approved. This means that there are significant differences between the ranked factors. Moreover, order of priority is shown in Table 17.

Table 17. Friedman's test results to categorize all items in growth indicators

Indicators	Mean	Rank
Item 13	3.51	4
Item 14	3.67	1
Item 15	3.28	6
Item 16	3.35	5
Item 17	3.60	2
Item 18	3.60	3

The first hypothesis findings show that there is a significant relationship between motivational factors and HR retention. There is also a significant relationship between motivational factors' ranking; dependency motivational factor has the highest rank; and item No. 3 has the highest rank and item No. 4 the lowest one.

The second hypothesis findings show that there is a significant relationship between biological factors and HR retention. There is also a significant difference in the ranking of the factors. In the ranking of biological factors, item No. 3 has the highest rank.

The third hypothesis findings show that there is a significant relationship between dependency factors and HR retention. There is also a significant difference in the ranking of the factors and item No. 8 has the highest rank.

The fourth hypothesis findings show that there is a significant relationship between growth factors and HR retention. There is also a significant difference in the ranking of the factors and item No. 14 has the highest rank.

8. DISCUSSIONS AND IMPLICATIONS

According to the first hypothesis, it is proposed that:

1. Companies can create motivational and competitive atmospheres to avoid reducing employee productivity by recruiting permanent employees with high experience;
2. Companies can increase productivity of temporary work force by creating favorable conditions and enhancing the quality of working atmosphere;
3. Increasing the psychological commitment and people's perception of organizational support can increase organizational commitment of temporary skilled workers and as a result, increase their productivity.

According to the second hypothesis, it is proposed that:

1. To improve the efficiency, not only recruitment method but also its elements must be changed;
2. Regular in-service training is one of the necessities to improve the situation and fertilize the thought of employees;
3. The final allocation of resources, facilities, privileges and rewards to employees must be reviewed in a specified period of time and in the case of unfair distribution, past experiences be exploited and a more fair distribution must be taken in the next steps to improve employees' sense of distributive justice.

According to the third hypothesis, it is proposed that:

4. OEM companies' officials must consider the progress of employees in the company with the help of human resource professionals;
5. Try to make reasonable progress for the Companies' staff with proper management and detailed planning in a way that helps in

fulfilling the companies' and individual's goals;

6. Employees' progress after entering the organization should not be coincidence. But to motivate staff, progress should be based on specific criteria selected according to their ability and interest.

According to the fourth hypothesis, it is proposed that:

7. Evaluation criteria standards should be clearly expressed for staff;
8. Managements' expectation of staff should be clear;
9. Managers are required to record the performance and behavior of their employees during the evaluation period;
10. Staff should be aware of the results of their evaluation and take the corrective action.

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