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Economic Impact of HRM Practices on Organizational Economic Performance: Does Employee Retention Mediates?

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Abstract: Human resource is a crucial aspect of an organization's ability to enhance its performance. The study's primary objective was to identify various HRM factors that can improve an organization's economic performance. Therefore, this study employed a combined approach of qualitative and quantitative research to identify factors and assess their impact on Organizational Performance. For qualitative analysis, simple random sampling was used to acquire data from 20 Saudi Arabian employees in the telecom industry. Using a grounded theory approach, NVIVO was used to evaluate these data. In contrast, data for the quantitative segment were collected through a questionnaire using simple random sampling. 196 usable questionnaire responses were returned and were analyzed using Smart PLS 3.3.9. The study revealed that HRM practices such as training and development, compensation and reward, and the absence of absenteeism are crucial for enhancing employee retention and Organizational Economic Performance. Also confirmed by the study's findings is the mediating effect of employee retention. The study's findings are useful for strategists who want to use HR practices to enhance organizational and economic performance.

1. Introduction

Currently, the global economic environment is altering rapidly. This shift is a result of the worldwide expansion of organizations. Consequently, market competition intensifies, and investor and customer expectations are changed. Organizational performance describes the overall expansion of the organization. The organization must concentrate on its financial performance to remain in the market for an extended period (Thathsara & Sutha, 2021). In addition, measuring performance allows the organization to enhance its numerous divisions (Lin et al., 2016).

The importance of the organization's economic growth lies in the fact that, through this source, the organization can enhance the employees' standard of living. National economic expansion is also required to satisfy the rising needs of the population without compromising the standard of living. When a nation's economy operates at its utmost capacity, it will generate more jobs. Additionally, individuals will be able to earn more money. Before roughly two decades ago, most studies rarely addressed the economic performance of organizations from their perspective. Currently, this circumstance has completely changed. There will be papers that do not discuss the organizations' economic performance. It demonstrates that multiple factors affect the organization's economic performance. These determinants include environmental, culture, social, human, and economic capital. These factors are crucial to the organization's economic success (Constantine, 2017). The expansion of economic performance represents the capacity of an organization to provide products. State revenue may also increase when the economy develops at the national level. This amount will be spent on essential public services, social protection, education, and healthcare for citizens, thereby reducing the burden on government institutions (Schaltegger & Wagner, 2017).

Some numerous instruments and variables contribute to enhanced performance. Human resource management (HRM) practices and policies, according to Anwar and Abdullah (2021), are essential for improving the performance of an organization. Human resource management practices are a necessary aspect of resource management. Reducing operational expenses improves a company's performance by enhancing output and quality and introducing innovative products. Reviewing performance also assists organizations in enhancing the skills and abilities of their current workforce. Rasool et al. (2019) suggest that knowledge of methods to improve an organization's performance can aid in setting and attaining various objectives. According to researchers, the compensation format influences the organization's and its personnel's relationship (Lipuku et al., 2021). Retaining employees is crucial for a business to obtain a competitive advantage and accomplish its objectives. The organizations' Butt et al. (2020) must attempt to retain their most loyal, competent, and focused employees to maintain market viability. An organization that has a propensity to keep its employees is considered successful. This deed demonstrates that employee retention positively affects the organization's productivity and performance. The world is an interconnected market in which technical aspects, experience, education, and talent determine an organization's competitive advantage and competency (Zanabazar & Jigjigjig, 2018). Therefore, this study aims to evaluate the impact of employee retention, compensation and rewards, low absenteeism, and training and reward on Saudi telecom sector organizational performance. For this purpose, a mixed-methods approach employing both quantitative and qualitative techniques was utilized in this study.

2. Literature Review

2.1 Performance

According to various studies, there are two distinct aspects of performance: the target that has been achieved and the target that remains to be completed. Financial data can be used to evaluate performance (George et al., 2019). Any company's financial performance can be measured by comparing the revenue over time and the decrease in operating expenses. Numerous factors influence the efficacy of the organization. One of these factors is HRM practices that directly affect the firm's productivity (Mulolli & Boskovska, 2020). Additionally, it has a direct impact on employee attrition and productivity. Previous research has defined economic performance as the ratio of a company's output to its inputs (Dyanan & Sheiner, 2018). The economic performance illustrates the benefits of the firm's various activities. According to academics, economic expansion is necessary for progress towards sustainability. Literature has established the conceptual connection between economic performance and the organization's viability. In addition, a balance between ecological, social, and economic values assists the organization in achieving sustainability (Campbell et al., 2019).

Previous research has produced varied results regarding factors contributing to an organization's economic expansion. Labor and capital accumulation have been cited in several studies as crucial factors for enhancing economic performance. Some academicians have asserted that technology has significantly improved the organization's economic condition. Andersson and Fredriksson (2018) emphasized that laws, mobility, and economic environment impact the economic expansion of an organization. If the organization's performance improves, it positively affects the country's macroeconomic performance by reducing uncertainty and increasing productivity, directly affecting its economic performance. In every society, the development of organizations varies. These variations also affect the organization's economic performance (Yldrm & Gokalp, 2016).

In contrast, Knies et al. (2017) argue that an effective manager position can significantly determine organizational performance. Therefore, various methods for evaluating the performance of businesses are mentioned in studies. These methods are divided into four categories: balanced scorecard, ethereal and tangible profits, commercial measurement, and intellectual capital. To measure enhanced performance, various learning processes and integrated patterns are utilized. Alshammari (2020) determined that different HRM practices are essential for strengthening the performance of an organization. In addition, Islami et al. (2020) evaluated an organization's performance using various financial metrics, including market share growth, sales growth, ROI growth, the margin of profit on sales, and ROI. They are also evaluated based on the organization's competitive position (Islami et al., 2020).

2.2 The Economic Impact of HRM Practices

The organization's economic performance is contingent on HRM factors. In addition, there are HRM systems, HRM practices, and HRM policies. However, these HR practices are contingent on the country's economic situation. The economic system's practices affect the organization's operations. Consequently, social development, economic development, and human resource management practices are also affected (Kaufman, 2015). Suppose the country's economic condition is favorable at the national level. In that case, the government will begin supporting the skill development of employees from various sectors, such as telecom, banking, and higher education (Hsieh et al., 2019).

According to previous research, organizations that owe their employees always seek economic profitability and sustainability. They wish to meet the economic requirements of the state, nation, local community, family, and workers. From a financial standpoint, the organization that invests in its employees is stronger than its competitors in generating employment opportunities (Jarlstrom et al., 2018). If the economic condition of the employees improves, consumer expenditure will also increase. Therefore, the country's GDP growth correlates with its employment and economic development. According to Salahuddin et al. (2015), there is a positive correlation between human capital and national economic growth.

Due to the rapidly changing global economic environment, organizations must improve their economic conditions to survive in the competitive market. The ability of the organization to enhance its economic condition is contingent upon both management and financial decisions. External factors influence the organization's economic performance. These external factors include the economic condition of the country, the perception and preferences of the organization, as well as the rules and regulations of the country. Profitability, return on investment, sales growth, costs, net operating income, cash flow, economic value added, profit margin, and revenue growth are indicators of an organization's economic growth (Sweis et al., 2020).

2.3 Employee Retention; Relationship with Organizational Performance

According to the literature, employee retention is "an employer's effort to retain desirable workers to meet business objectives" (Frank, Finnegan, & Taylor, 2004). When discussing employee retention, most past research has centered on ethical perspectives. One study concluded that employee retention affects employee behavior, motivation, satisfaction, professional commitment, and the economies and communities in which the organization operates. Employee retention is one of the most competitive factors in market research. Therefore, employee retention is correlated with retirement decisions, absenteeism, turnover rate, and job satisfaction. Various HRM factors influence employee retention (Kurdi & Alshurideh, 2020). Knowledge and human resource management reflect that people possess skills, knowledge, and experience, thus having economic value for the organization. Economically speaking, the employee attrition rate affects the economic system. It has a negative effect on the nation's economy (Papa et al., 2020).

Due to fluctuating economic conditions, global organizations are confronted with obstacles. Therefore, they must involve or ensure employees' participation to maintain their dedication and loyalty to the organization. Previous research has identified a variety of factors that have affected employee retention. However, employee retention is a crucial economic indicator for competing in a fierce market. In other words, the organization must recognize the connection between economic performance and employee retention (Kurdi & Alshurideh, 2020). Scholars have found a significant correlation between economic development and the rate at which a company loses skilled employees. To enhance the organization's efficacy, it is necessary to ensure employee retention. Employees are offered job retention based on their past work experience, societal beliefs, personal concerns, and other factors that indicate their ability to perform well. According to scholars, there are reasons and justifications for a person's actions or inactions. On the other hand, factors such as compensation and extrinsic factors may influence the employee's desire to remain with the organization. According to researchers Igbino et al. (2022), employee retention is the factor that motivates employees to achieve organizational objectives.

If organizations do not retain their employees, they will encounter several challenges. Therefore, organizations must attempt to retain their employees to avoid various strategic issues, such as loss, expenses, training costs, replacement costs, and budgetary issues. Financial loss has a negative effect on the firms' productivity and profitability (Chandra, 2019). Based on this discussion, the hypothesis is that

H1: There is a significant relationship between Employee retention and Organizational Economic Performance.

2.4 Training & Development; Relationship with Employee Retention

Researchers view training and development as a crucial HRM function. Observer (2016) and Oluwaseun (2018) define training and development as "an educational process involving the sharpening of skills, concepts, the modification of attitude, and the acquisition of additional knowledge to improve the performance of employees." Training and development refer to the quantity of instruction an employee receives to acquire the necessary skills. Training and development are highly effective instruments for knowledge sharing within an organization (Hammond & Churchill, 2018). On the other hand, according to Engetou (2017), organizations must prioritize training and development to obtain a competitive advantage. However, to increase employee loyalty and commitment, training and development play a crucial role.

If an organization's employees possess specific skills and knowledge, they can also experience job effectiveness and adaptability. Moreover, if employees demonstrate commitment to the organization's training and development initiatives, they will be valued by the organization. In contrast, training and development enhance job performance and productivity (Oluwaseun, 2018). The importance of employee training stems from the fact that, in the absence of appropriate training, customers are more likely to lodge complaints. As a result of a shortage of training, employees will be incapable of addressing problems. Therefore, according to Rodriguez and Walters (2017), acquiring the necessary training to achieve organizational objectives and aims is essential.

The organization is responsible for identifying the supervision, training, and resources required by each employee. Diverse programs of training and development increase employee compatibility. It allows for advancement because the employee can manage new responsibilities and challenges. Thus, training and development are the organization's investment in its human capital (Alrazehi & Amirah, 2020). As a result of training and development that enhances individual and overall performance, employees can address various professional deficiencies and acquire new skills. Additionally, these qualified employees will meet the organization's future requirements. In addition, training is required to adapt skills to evolving technologies (Karim et al., 2019). If employees are not provided with regular training, their skills may become outdated due to the rapid pace of technological change. Thus, Chaudhry et al. (2017) conclude that training aids in employees' efficient performance of tasks.

On-the-job training programs equip employees to perform their duties more effectively and efficiently. Consequently, the employee experiences job satisfaction. Employees who are satisfied with the organization will likely remain with the same company. This employee development is considered career development. These career strategies are crucial in long-term employee retention (Thomas et al., 2017). According to Bibi et al. (2018), an organization can easily retain its employees if it provides appropriate training and development to enhance skills and competency.

H2: There is a significant relationship between training & development and Employee retention.

2.5 Lower Absenteeism; Relationship with Employee Retention

Absenteeism is defined in the literature as "any failure of an employee to report for or remain at work as scheduled, regardless of the reason" (Cascio, 2003). Absenteeism is the individual's propensity or pattern of missing work without a valid or acceptable excuse. This form of employee conduct is costly to the organization. Researchers emphasized that a situation in which a sick employee remains on the job is also detrimental to the organization. If the employee is ill, they may require assistance from the team leader. On the other hand, if the employee is compelled to report to work in such a circumstance, it may have a negative effect on their productivity. Presenteeism is when an employee attends work despite not feeling well (Garrow, 2016). Literature has discussed how presenteeism can be a double-edged sword, as it can be both productive and detrimental to employee output (Wu et al., 2023).

Researchers Forte (2017) believe that absenteeism is a symbolic representation of an employee's perception of unequal treatment at the workplace or a method of avoiding work due to a poor work environment. According to the literature, two factors influence an employee's attendance at work. These two factors are the motivation of employees to report to work and their capacity to report to work. Consequently, if there is dissatisfaction in the workplace, job-hopping is possible. Studies have shown that employee absenteeism has a negative impact on employee commitment (Zia-ud-Din et al., 2017). Additionally, there is a direct cost associated with employee absenteeism as it reduces productivity. In addition, indirect costs are three times greater than direct costs. The substitute fills in for the absent employee (Nguyen et al., 2016). This substitute is unqualified for the position and produces less than the regular employee. Therefore, the employee's performance is negatively impacted by their absence. As absenteeism reflects a low level of employee satisfaction, it is likely to have a negative impact on employee engagement (Magee et al., 2017). In other terms, the employee with lower absenteeism will have a higher level of engagement. We can therefore hypothesize that

H3: There is a significant relationship between *Lower absenteeism* and Employee retention.

2.6 Compensation & Reward; Relationship with Employee Retention

Several previous studies have defined compensation as "all income in the form of money or goods received directly or indirectly by the employee in exchange for services rendered to the organization." Jaleta et al. (2019). This term refers to

monetary and non-monetary compensation provided by an employer to an employee in exchange for services rendered. Because of the employees' accomplishment of tasks and objectives, they receive both non-financial and monetary rewards. Retaining employees is one of the primary concerns of organizations. For this purpose, employers' most effective weapon is compensation and additional benefits or rewards (Liu & Liu, 2022). Consequently, employee performance is enhanced as a result of compensation and rewards. Some studies have suggested that employee compensation and benefits can be based on performance (Bostrom & Lund, 2020). According to researchers, various forms of compensation include adequate leave time, performance-based awards, employee recreation programs, pensions, bonuses, and salary (Syahreza et al., 2017).

Compensation is crucial to retain employees for an extended period. In addition, a competitive compensation package is essential for attracting employees with new skills. It also contributes to the contentment of the existing workforce. Employees' requirements will remain with the same organization when they are met. In addition, employee motivation is positively impacted when they are adequately compensated through incentives, benefits, pay, and other tools. Thus, compensation substantially affects employee retention (Manzoor et al, 2021). If an employee remains with an organization, it reflects employee satisfaction. According to studies by Al-Harthy and Yusof (2022), compensation is a significant factor in employee retention, positively affecting performance.

According to researchers, compensation is crucial for retaining and recruiting employees. It is a vital instrument for attracting prospective customers. A job candidate should always consider financial and non-financial benefits. Employee retention and recruitment are more likely in organizations with a high-wage system. Organizations should implement an efficient wage system to influence employee retention. Employees who are paid well internally may not choose to transfer jobs (Inda & Mishra, 2016). (Syahreza et al., 2017) found that if the employees' compensation system is well managed, it will have a long-term effect on employee retention.

H4: There is a significant relationship between compensation & reward and Employee retention.

H5: Employee retention mediates the relationship between training and development and organizational and economic performance.

H6: Employee retention mediates the relationship between lower absenteeism and organizational, economic performance.

H7: Employee retention mediates the relationship between compensation, rewards, and organizational, economic performance.

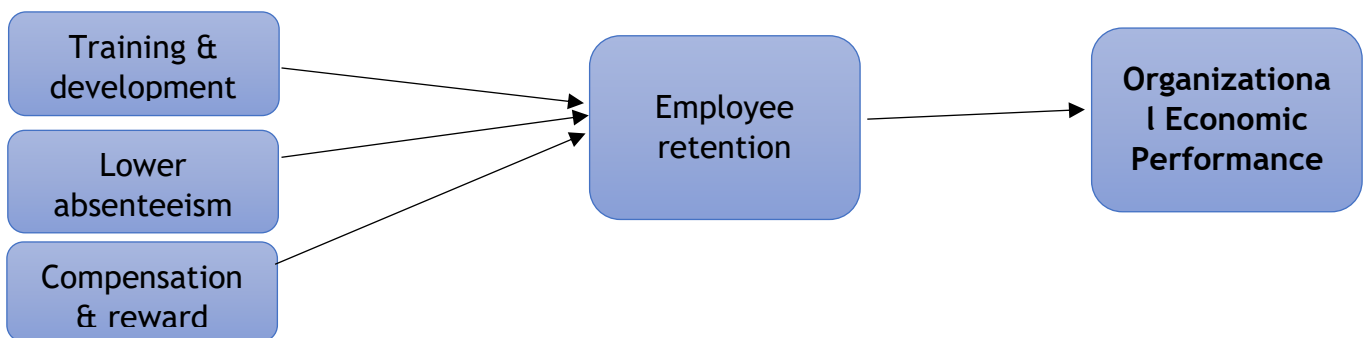


Figure 1: Theoretical framework

3. Research Methodology

For data collection, this investigation utilized a mix of methodologies. This procedure consisted of both qualitative and quantitative research design. The researcher employed a qualitative-to-quantitative method. In study 1, researchers examined the HR practices influencing organization performance. In contrast, in study 2, they used a quantitative approach to investigate the direction and magnitude of these variables' effects on organizational performance.

3.1 Method Study

For the qualitative methodology, a grounded theory approach was used. The grounded theory approach is widely used in

management science, particularly in human resource research; it aids researchers in developing new theories (B. G. Glaser et al. (1968). (Suddaby, 2006) Grounded theory is a practical research method that concentrates on the interpretive processes by analyzing social actors' actual construction of concepts and meanings in natural settings. In this method, data is gathered through activities, interviews, observations, recordings, review notes, and Internet postings; using this information, researchers can develop new hypotheses (Corbin & Strauss, 1990). The literature review and data collection will continue until data saturation is reached, and a constant comparison method will be used for data analysis. The complete procedure is detailed in Figure 2 below.

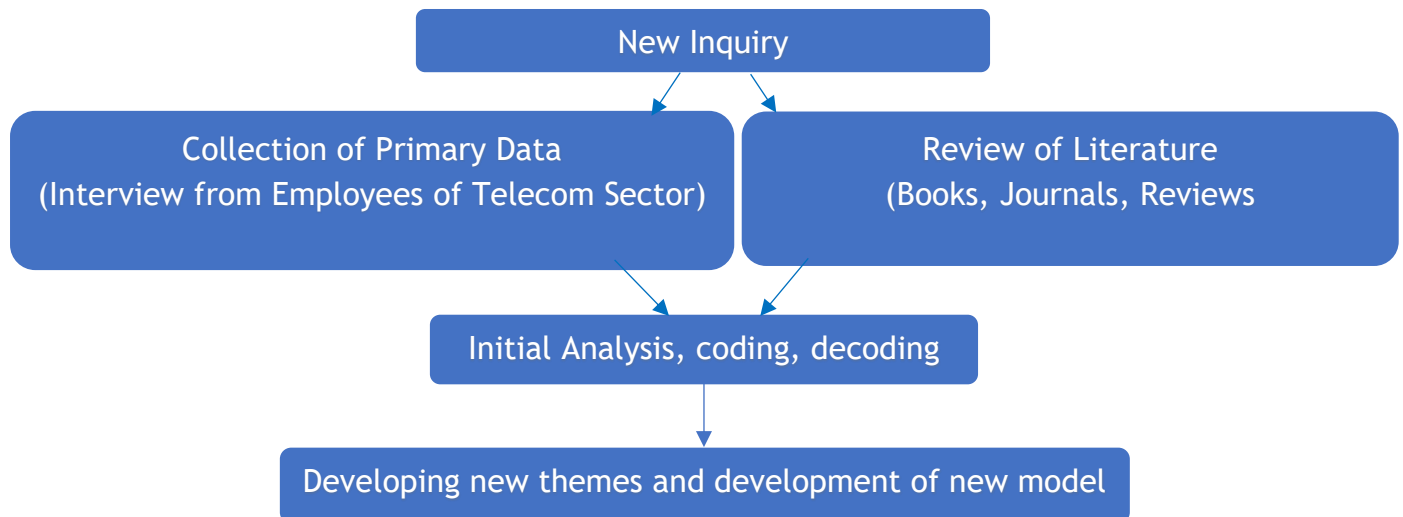


Figure 2

In qualitative research, the theoretical sampling technique is viewed as a process of population sampling and comparing sample responses for theory generation (Butler et al., 2018). Strauss and Corbin (1994) assert that the purpose of data collection, classification, and analysis is to comprehend the concepts and properties derived from the data.

Completing theoretical sampling when theoretical saturation occurs during data collection signifies that no new properties, information, or concepts are generated (B. Glaser & Strauss, 1967). Considering the literature review and research objectives, a semi-structured questionnaire was devised for qualitative research data collection. To finalize the questionnaire, pre-testing was conducted using current literature. Using a basic random sampling technique, the researchers selected 20 samples of Saudi Arabian telecom employees. The interviews were conducted and documented after obtaining permission in advance. The researcher guaranteed the anonymity and confidentiality of respondents' responses and identities. Researchers conducted in-person interviews with employees and documented their responses. Interviews were performed using a response-guided methodology. The recorded interviews were attentively listened to and transcribed into text. Researchers guaranteed the position of the programmer. The data capture and coding process is continuous, as coding was performed immediately following the conclusion of interviews. Each interview required 90 to 95 minutes, so the data was transcribed in batches. At the same moment, two to three interviews were analyzed. Researchers alternated between coding and decoding to determine the internal dependability of data. For the finalization of codes, the researchers independently discussed and compared coding. Other non-coder researchers were responsible for recordkeeping and evaluation. In the event of a difference in opinion or code, the passage of coded text was

read to provide clarification. Alternative researchers assessed the generated codes. NVivo software analyzed the data by counting instances, researching text, coding, and identifying code intersections.

3.2 Results and Analysis Study 1

The results of the data analysis and the extensive literature evaluation allowed for the development of the themes and model for the subsequent analysis. When asked about the factors that influence the performance of an organization, respondents highlighted employee retention, wages, training programs, and presenteeism. Researchers coded these motifs from respondents' statements, including.

My organization regularly runs training and development programs which help us cope with new challenges and requirements. That's why we are comfortable in the organization and don't want to leave the organization.

There are some negative statements from the employees about some organizations like

Our organization don't pay an adequate level of wages. Therefore, all employees are always ready to quit whenever they get a better opportunity.

When the researcher asked about the organization's performance, most of the respondents said.

It means the Organizational Performance of the organization has a high return on investment. If the organization wants to grow economically, retaining its employees and providing high compensation is important.

Most respondents said the researcher asked about the relationship between employee retention and the organization's performance.

Yes, there is a significant impact on employee retention and the organization's performance. When the firm will adopt the policy to retain its valuable employees, it will grow quickly.

The researcher asked about the presenteeism of employees.

Presenteeism is a positive behavior of employees, and when the employee loves the workplace and loves to work, he will not enjoy the absence from work. Organizations having high presenteeism will have high growth and good performance.

The summary of the responses and themes is given below

Table 1. Themes Summary

| Quotes falling in each theme | Respondents number 20 | Percentage | Overall quotes 120 |
|---|-----------------------|------------|---------------------------------------|
| <i>Reward and compensation</i> If the organization provides high rewards to the employees, they will not easily switch frequently/ The organizations giving high rewards will have more productive employees that, in turn, improve organizational performance | 18 | 90% | 22% of the quotes supported the theme |
| <i>Low absenteeism</i> Employees who love to work and enjoy doing work will be more productive and positively contribute to the organization's development. | 15 | 75% | 18% of the quotes supported the theme |
| <i>Training and development</i> When the organization provides training to its existing employees, it will decrease their cost in new hiring and will have more motivated and productive staff. /Organization tries to develop its employees by providing effective training that contributes positively towards performance. | 16 | 80% | 20% of the quotes supported the theme |
| <i>Employee retention</i> the organizations with high turnover will face economic losses/ low turnover rate demonstrate the effective employees' participation in economic activity, leading to high organization growth. | 12 | 60% | 16% of quotes supported the theme |
| <i>Organization performance.</i> High Organizational Performance, High ROI, high shareholder value. | 19 | 95% | 24% supported the theme |
| | | | 100 % |

Study 1 explored the HR practices having an economic impact on Organizational Performance. To ascertain the direction of the relationship, the researcher conducted study 2 to quantitatively determine the degree and direction of the economic effects of HR practices on performance.

3.3 Method study 2

Self-administered questionnaires were disseminated to Saudi Arabian telecom sector employees. Two sections were included in the questionnaire. The first section of the survey was designed to capture the respondents' age, marital status, and gender. It asked about the respondents' age, marital status, and gender. In contrast, the second section contained queries regarding the study's variables. This second-section questionnaire was created using a 5-point Likert scale from 1 to 5. On the other hand, the questionnaire items were derived from a literature review of previous studies.

Simple random sampling was used to disseminate this questionnaire to 312 respondents. The researcher received 196 valid questionnaires with a response rate of 62.82 percent for further analysis. 94% of the 196 respondents were male, while 6% were female. 68.27% of respondents were married, whereas the remaining respondents were single. 54.21% of respondents were between 18 and 30, 31.86% were between the ages of 31 and 40, and the remaining employees were older than 40.

This data was analyzed using Smart PLS 3 and the SEM methodology. This analysis was divided into internal evaluation and external evaluation sections. Utilizing discriminant validity, convergent validity, and reliability analysis, Hair et al. (2014) conducted the external evaluation. Nonetheless, the internal model analysis was performed to evaluate the coefficient of determination and to test the hypotheses.

3.4 Results Study 2

To obtain results of quantitative data, Smart PLS 3.3.9 was used in this study.

The significance of the proposed relationship was assessed based on P values, and t-values, see table 3. According to the statistical findings ER has significant positive effect on OP, having t value more than 1.67 i.e. 19.667. Thus, H1 is accepted. Similarly, H2 of the study is accepted as well showing T&D have positive significant effect on ER, having t= 4.062 accepting H2. Likewise, H3 is also accepted showing LA having significant positive effect on ER, as t=3.411. The statistical findings show that CaR directly positively affects ER having t=2.476. Therefore, H4 of the study is also accepted.

In the end, the results of the mediating hypothesis were assessed. The statistical findings showed that ER mediates the relationship between T&D, LA, CaR and OP. Thus, H5, H6 and H7 of the study are accepted statistically also (Table 4).

4. Discussion and Conclusion

Sustaining competitiveness in the telecommunications industry necessitates consistent enhancement of organizational performance. Human resource factors such as training and development, reduced absenteeism, and compensation and rewards are crucial elements for enhancing organizational performance in terms of cost reduction and revenue growth. Therefore The present research was devised to evaluate the impact of various Human Resource Management (HRM) factors, namely training and development, reduced absenteeism, and compensation, on Organizational Performance while considering the mediating role of employee retention. Moreover, enterprises may incur economic losses due to an elevated rate of employee absenteeism.

Table 2. Measurement Instruments

| Variables | Items | Measures |
|--|-------|---|
| Compensation & reward (Yamin, 2019) | CaR1 | Our organization improves working conditions to recognize employee quality improvement efforts. |
| | CaR2 | Our organization has a salary promotion scheme to encourage employee participation in quality improvement. |
| | CaR3 | Employees' rewards and penalties are clear |
| | CaR4 | The compensation is directly linked to my performance. |
| Employee retention (Najam ul Hassan & Siddiqui, 2020) | ER1 | In your organization, management can retain most employees by practising succession planning. |
| | ER2 | I would definitely be working for this company for the next five years if it were up to me. |
| | ER3 | A sense of being in management encourages you to stay in the organization. |
| | ER4 | The existing succession plan in your organization motivates employees to consider working until retirement age. |
| | ER5 | I see a future for myself within this company. |
| | ER6 | Within this company, my work gives me satisfaction |
| Lower absenteeism (Bayram & Burgazoglu, 2020) | LA1 | A decrease in absent time results from accidents and diseases in our workplace. |
| | LA2 | A decrease in absent time results from machine and equipment failure in our workplace. |
| | LA3 | There has been a decrease in sick leave in our workplace. |
| | LA4 | Unpaid and hourly leaves are higher in workplaces with inadequate working conditions. |
| Performance (Jyoti, Chahal, & Rani, 2017) | OP1 | The competitive position of your organization strengthened as compared to last year. |
| | OP2 | Profitability has increased as compared to last year. |
| | OP3 | Sales volume has increased as compared to last year. |
| | OP4 | Market Share has increased as compared to last year. |
| | OP5 | organization's reputation has increased as compared to last year. |
| Training & development (Njeri & MOSE, 2021) | T&D1 | Training helps improve my performance, quality of work and skills in the organization. |
| | T&D2 | The training addresses all performance gaps/issues identified during performance appraisal. |
| | T&D3 | Without training, employees will perform poorly or not perform at all. |
| | T&D4 | Employees are emotionally attached to the organization and have a strong sense of belonging. |
| | T&D5 | Training guarantees high levels of job satisfaction. |
| | T&D6 | Even without training and development programs in the organization, I would be reluctant to leave |
| | T&D7 | I would be reluctant to leave. |

Table 3. Results of Direct Relationships

| | Relation | B | SD | T value | P Values | Decision |
|----|-----------|-------|-------|---------|----------|----------|
| H1 | ER -> OP | 0.762 | 0.039 | 19.667 | 0.000 | Accepted |
| H2 | T&D -> ER | 0.363 | 0.089 | 4.062 | 0.000 | Accepted |
| H3 | LA -> ER | 0.347 | 0.102 | 3.411 | 0.000 | Accepted |
| H4 | CaR -> ER | 0.174 | 0.070 | 2.476 | 0.007 | Accepted |

Note: OP= Performance; ER= employee retention; CaR= Compensation and benefits, LA= lower absenteeism, T&D= training and development

Table 4. Mediating Results

| | | B | SD | T value | P Values |
|----|-----------------|-------|-------|---------|----------|
| H5 | T&D -> ER -> OP | 0.277 | 0.069 | 4.021 | 0.000 |
| H6 | LA -> ER -> OP | 0.265 | 0.081 | 3.253 | 0.001 |
| H7 | CaR -> ER -> OP | 0.053 | 0.051 | 2.490 | 0.007 |

In the event of an employee's absence, the task originally assigned to them will be delegated to another individual who may not possess the same level of expertise in the given task. Consequently, the outcomes will lack efficiency and efficacy. This scenario could contribute to an employee's decision to switch their intentions. To achieve optimal outcomes and foster employee dedication, organizational decision-makers must prioritize strategies that maintain employee commitment even during their absence. Khan et al. (2016) reported similar findings in their research.

Moreover, implementing training and development programs is a crucial strategy for fostering employee engagement and retention within an organization. This particular endeavor fosters a sense of affiliation and inclusion among the workforce. Furthermore, it leads to an enhancement in the employee's performance. As a result, employees experience a sense of contentment and exhibit a preference for remaining within their present organization. The findings presented by Thomas et al. (2017) are consistent with previous research. Implementing compensation and reward systems is a crucial strategy that can significantly influence an employee's decision to remain with their current organization. When job seekers consider a career transition or seek initial employment, they prioritize compensation and non-monetary incentives as the

most significant factors. In the present scenario, it is imperative for telecommunications companies operating in Saudi Arabia to offer a compensation package that is competitive within the market. The findings of Syahreza et al.'s (2017) study were consistent.

The implementation of HR strategies within the telecommunications industry can have a substantial economic impact on the organization. Telecommunication companies can benefit from increased economic productivity when their employees receive training. Their technical expertise in the system facilitates high-quality services, thereby influencing revenue and profitability. Conversely, the employee who consistently attends the organization and demonstrates a strong work ethic can benefit the organization economically. An employee who demonstrates commitment is likely to deliver high-quality services. The retained employees are considered valuable assets for the organization as it obviates the need for expending economic resources to pursue new hires.

Furthermore, training a new employee also involves considerable economic resources. Conversely, the trainee employee's economic viability is comparatively lower than their predecessor due to their subpar performance, which is yet to meet the average standards. Moreover, employees who receive

adequate compensation in rewards are economically advantageous as they exhibit unwavering dedication and commitment towards organizational responsibilities.

5. Limitations and Implications

Few limitations exist in this investigation. This investigation was conducted on the Saudi Arabian telecom industry. However, identical theoretical models can be applied to other sectors, such as Saudi Arabian education. In addition, there is only one mediator in the proposed study paradigm. During their qualitative data collection, future studies can also evaluate any moderating variable from respondents' interviews. Similar models can be assessed in any other telecom sector organization in a different region, such as India. Ultimately, any technological variable is an exciting addition to the current paradigm.

This research also has managerial and theoretical implications. This research is one of a very small number of studies that have used a mixed-method approach to identify HR factors that can subsequently aid in enhancing organizational performance. This study assists HR decision-makers in the Saudi telecom industry implement various HR strategies to increase employee retention and economic performance.

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