

Effect of HR Practices of Organisations on Retention of Gen Z Employees: The Mediating Role of Motivation

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Abstract

The youngest generation, known as Generation Z (Gen Z), is slowly but surely making its way into the workforce. More members of Gen Z are completing college education, and they are entering the next phase of their lives in which they will make up the vast majority of the upcoming workforce. Having grown up in a world dominated by technology, members of Gen Z bring a unique set of traits to the workplace. Employers should recognise the talent of this generational group and provide them with challenging and rewarding jobs. The purpose of this study is to analyse how HR practices affect this generation. Google Forms were used to administer questions in this quantitative investigation. Models were put to the test using data from 1419 members of India's working-age Gen Z population. SmartPLS 3 Software was used to analyse the data. It was observed that HR practices of organisations positively impact the retention of Gen Z employees, and that work motivation significantly mediates the relationship between HR practices and employee retention.

Key Words: -Gen Z, employee retention, HR practices, motivation, generation

1. Introduction

Academics and professionals alike pay close attention whenever a fresh generation joins the workforce (Kirchmayer & Fratričová, 2018). "Generation" refers to "a definable population which shares years of birth, age, place, and important life occurrences at crucial developmental phases" (Kupperschmidt, 2000). Every generation has its own set of ideas, attitudes, actions, and values (Viscogliosi et al., 2020), which are said to be the outcome of members of that group's shared distinctive experiences relating to culture, politics, and economics (McCrindle, 2014). Knowing the unique motivation, mind-set and personality types of the newest generation entering the workforce is essential for drawing in and keeping talented employees, but managers often struggle to do so (Kirchmayer & Fratričová, 2018) since such distinctions also pertain to work and the setting of work (Lyons & Kuron, 2013). People born between 1995 and 2010 are called as Gen Z population (McKinsey & Co., 2023). Gen Z has begun to enter both higher education and the workforce, joining the ranks of the preceding three generations (Tapscott, 2009) of Baby Boomers and Gen X and Y. There is a good chance that this generation, estimated to number over 1.9 billion people (McCrindle, 2014), will significantly alter the labour market in the years to come.

The term "generation" is used both as a method for categorising age grouping, or groups of individuals who share a common date of birth and as a way to analyse and keep tabs on how people of different ages react to certain events and trends. Defining the age bounds of generations is essential for generational studies, although those boundaries that identify the generations need to be viewed as suggestions, not as definitive distinctions, as stated by Pew Research (2015). Connections between individuals, occurrences, and experiences are formed differently throughout generations. Twenge et al. (2010) argued that the shared experiences of members of a single generation have a significant impact on the formation of their worldviews and morals. According to Schullery (2013), there is a direct correlation between a generation's ideals and qualities and its behaviour. Because generational differences may be a predictor of work motivation, employers need to recognise and comprehend them. To fulfil their organisation's goals, employees of different generations must learn to work together through effective communication, engagement, and collaboration. As a result, the growth and performance of a company will suffer if its personnel are not inspired to do their jobs (Mahmoud & Reisel, 2014).

According to research by Bennett et al. (2017), many companies have difficulty identifying with and accommodating employees of different generations. Generation Y's "worldviews, opinions about authority, and perceptions of work" are said to be very different from those of previous generations, according to research (Gursoy et al., 2008). In addition,

according to Gursoy et al. (2008), a growing number of companies acknowledge the significance of recognising the unique traits and tastes of every generation. Organisations gain from improved productivity, motivation, and loyalty when managers can relate to workers across generations and meet their unique requirements. As a result, businesses must consistently alter their methods of operation to accommodate the multi-generational workforce.

Organisational work is growing increasingly virtual, complex, and rapidly changing. A growing body of research indicates that understanding how HR practices affect job satisfaction is crucial for attracting, motivating, and retaining top talent. Therefore, in today's business climate, it is not just about making money, but additionally about making a good impression as an employer and getting along with co-workers. Today's supervisors care about their staff members beyond just their performance at work (Daft, 2015). For the good of the business and its workers, HR managers are currently revising the company's HR procedures and policies. Companies would be wise to invest in employee empowerment because it increases satisfaction with work and staff engagement (Aggarwal et al., 2020; Younis & El-Farr, 2023). When an employee's aims and values are aligned with those of the company, they are more likely to be happy and dedicated to their work there (Aggarwal et al., 2018). Individuals who do not feel welcome will eventually find somewhere else to work. According to the Attraction, Selection, and Attrition (ASA) hypothesis, job seekers look for companies that share their core views and values. In simple terms, ASA is reflective of a two-way process that allows prospective workers to learn about and adjust to the established norms and traditions in the workplace. Particularly with Gen Z, who are quite vocal about their wants and dislikes, businesses need to entice, pick, and retain personnel efficiently. Recruiters working with the millennial age are observing a generational shift from conducting job interviews to conducting interviews with potential clients.

The existing body of literature about Gen Z primarily focuses on examining generational variations (e.g., Grow & Yang, 2018), their values concerning goal attainment (Berge & Berge, 2019; Christensen et al., 2018), educational preferences and learning approaches (Pousson & Myers, 2018; Christina, 2016), career expectations (Dwivedula et al., 2019; Grow & Yang, 2018), the influence of social media on Gen Z (Turner, 2018; Duffett, 2017), technology usage (Andrea et al., 2016; Sung & Choi, 2018), and job expectations (Grow & Yang, 2018). Simultaneously, other investigations were undertaken to comprehend the purchasing behaviours of the aforementioned individuals (Puiu, 2017; Ismail et al., 2020). However, studies related to the influence of HR practices on retention of Gen Z employees in the light of motivation were notably not undertaken, and this study addresses this gap.

Therefore, the objectives of this study are:

- To analyse the effect of HR practices of organisations on the retention of Gen Z employees.
- To evaluate the mediating role of motivation in this relationship.

2. Literature Review

Process and content theories have been given in previous research on motivation, with each attempting to shed light on the mechanism of motivation or describe an individual's intrinsic traits. Significant content theories created to explain motivation include Maslow's hierarchy of requirements and Herzberg's two-factor theory (Pritchard & Ashwood, 2008; Twenge et al., 2010). Self-determination theory (SDT), established by Ryan and Deci (2000), is another approach to the study of motivation. By positioning an SDT continuum from the minimally present condition of amotivation to the maximally present level of intrinsic motivation, SDT offers a multi-dimensional conceptualisation of motivation. Unlike previous motivation concepts, SDT can be used to pinpoint a wide variety of reasons and the resulting behaviours. According to SDT, one can actively foster or dampen an individual's drive. According to SDT's rationale, three primary forms of motivation may be found on a scale of regulatory approaches known as "self-determination" (Niemic et al., 2006). People can be unmotivated, motivated, or motivated by outside factors. Amotivation, extrinsic, introjected, identifiable, and intrinsic regulation are the several types of motivational control. Intrinsic motivation is the highest kind of autonomy and self-determination, while external motivation is the lowest and most constrained. According to Gagné et al. (2015), people cannot function at their best until they meet the basic psychological demands of competency, independence, and relatedness. Another study suggested that the term "autonomy needs" describes people's need for the freedom to think and speak for themselves (Ryan & Deci, 2017).

HR managers interested in attracting members of Gen Z workforces should create a welcoming, structured, and structured atmosphere with clear reward and growth measures (Baum, 2019). Before beginning the hiring process, potential employers should make it clear that they value work-life harmony. Baum (2019) suggests that giving them a "voice" in

job-related dialogue is an effective method. Employers must make an effort to understand what Gen Z wants from their jobs and how their work may fit into their personal lives. Researchers have found that members of Gen Z and Gen Y have many things in common, particularly in terms of their familiarity with and comfort with new technologies (Wood, 2013), but there is also evidence to suggest that members of Gen Z have an even greater capacity for multitasking while being more efficient (Ozkan & Solmaz, 2015).

2.1 Conceptual framework

In this study, the following sub-factors were considered under the independent variable 'HR work practices': Work settings, Learning and development, Performance management, Work-life balance, Teamwork and Work Motivation. Extrinsic motivation and Intrinsic motivation were considered as sub-factors of the mediating variable motivation.

2.1.1 Work settings

Work and setting are the two basic components of the term "workplace." Work encompasses everything from the potential means of completion, actual completion, task variety, and value creation. The second factor is "context," which includes both the physical and social aspects of the workplace (Raziq & Maulabakhsh, 2015). According to Nguyen Ngoc et al. (2022), the second component is of particular relevance to millennials and Gen Z respondents. Generally speaking, a friendly, "work must be fun" atmosphere or a joyful social setting where co-workers commonly hang out with one other is expected. This was also shown by Ozkan and Solmaz (2015). A study demonstrated that members of Gen Z are less concerned with the material perks of a job or organisation and more concerned with its intangible qualities (such as its culture, genuineness, or ethics in the workplace) (Nguyen Ngoc et al., 2022). There could be several factors at play here. First, while instrumental job/organisational features are important in drawing in candidates, most candidates will have no idea what it is really like to work for a given company until they get there. It is possible that an organisation's symbolic meaning is what initially attracts millennials and Gen Z to it. Secondly, the economic well-being of Gen Z is higher than that of any other generation. Salary is less important to them than other factors such as enjoyable culture, social setting, and flexibility (McCrindle, 2014).

2.1.2 Learning and development

HR development aims to assist workers in adapting to changing circumstances in the workplace by encouraging lifelong learning and providing support in the face of occupational uncertainty (Watkins & Marsick, 2016). From the perspective of the company, career development is the process of creating a structure within which employees can meet both the company's and their own professional goals (Shaito, 2019). Increasing workers' proficiency, according to SDT theory, can enhance their happiness on the job. Examples include leadership coaching, employee-to-employee mentorship and knowledge exchange forums. Therefore, businesses now realise its significance to their employees' development as people and as workers. As employees are given opportunities to gain marketable abilities and experience, they respond by becoming more invested in their work (Aggarwal et al., 2022). This new generation, known as Gen Z, has a very different outlook on the workplace than previous generations. Young people of Gen Z are ambitious and eager to forge their paths. To attract and keep this workforce, HR managers must concentrate on career strategy and its management (Santos, 2016). According to research by Rahayu et al. (2018), employees whose jobs provide opportunities for advancement report higher levels of job satisfaction and loyalty to their employers.

2.1.3 Performance management

Gen Z workers value exceptional performance because it contributes to their own growth and professional advancement (Rampen et al., 2023). They do best in high-pressure situations where they can show off their skills and make an impact (Waworuntu et al., 2022). Gen Z workers prefer clear objectives and a sense of accomplishment and seek constant feedback and recognition. They are computer savvy and employ digital tools to improve efficiency and output (Mandagi & Aseng, 2021). Gen Z places a premium on work-life balance since they value time spent on activities other than their jobs. Employers can get the most out of Gen Z workers by offering them growth opportunities, giving them frequent feedback on their performance, and maintaining a positive work environment (Rampen et al., 2023). Aggarwal et al. (2022) observed that since youthful workers are perpetually in a learning state, they desire constant feedback on their work performance. Younger workers from Gen Z can benefit from constructive criticism in order to become more proficient in their chosen fields

2.1.4 Work-life balance

Family responsibilities are getting tougher in today's world. More stress at work and a loss in mental health have been linked to employees juggling parenthood with other responsibilities (Economic_Times, 2020; Azharudeen & Andrew, 2022). Stress in the workplace has been shown to harm productivity and performance (Kluge et al., 2019). Some employees develop mental illnesses and become emotionally drained due to stress on the job (Hsu, 2019). Employees were more likely to resign during the Covid-19 pandemic than at any other time in the company's history due to an unfavourable work-life balance, worry about the future, and other factors (Khalid & Nawab, 2018). Because of the negative effects of emotional tiredness on staff productivity and retention, paying attention to it is crucial (Klusmann et al., 2021). The connection between work-life balance, mental health, and retention of staff is poorly understood. Giaque et al. (2019), for example, investigated WLB's impact on de-stressing workers and retaining talented workers. Schwartz et al. (2019) looked into how WLB affects staff turnover and turnover-related burnout. Kelly et al. (2020) found a link between WLB and issues including burnout, stress, and dissatisfaction with the work. (Ahmad, 2022) describes the connection between WLB and work-related stress, disagreements between co-workers, and staff turnover intent, whereas Gribben and Semple (2021) linked WLB to burnout and job stress.

2.1.5 Teamwork

Businesses may benefit from encouraging diversity across generations and using members of Gen Z as catalysts for change, but doing so is not without its difficulties. In terms of education, communication, and socialisation, Gen Z appears to have an individualistic tendency. This generation may find it difficult to work well in teams (Pichler et al., 2021). Therefore, businesses should implement socialisation initiatives to help employees adjust to environments and organisational structures that place a premium on teamwork and collaboration. For example, socialisation activities that allow Gen Z employees to get to know one another and give Q&A workshops with organisational executives and HR specialists are recommended by experts (Schroth, 2019). Programmes like this are crucial because they help millennials and Gen Zers see themselves as a good match for their companies. Fit between an individual and an organisation can be defined as "the extent to which an individual's characteristics and experiences are consistent with, and contribute to, the values, goals, and practices of the organisation" (Cardy & Selvarajan, 2006). Not only do these types of socialising programmes improve Gen Z employees but also any employee's person-organisation fit, they can help a company's workforce as a whole. When there is a better fit between an individual and a company, everyone benefits (Hoffman & Woehr, 2006).

Therefore, the following hypotheses are proposed:

H₁: HR practices significantly influence employee retention.

H₂: Work motivation significantly mediates the relationship between HR practices and employee retention

Figure 1 depicts the conceptual framework.

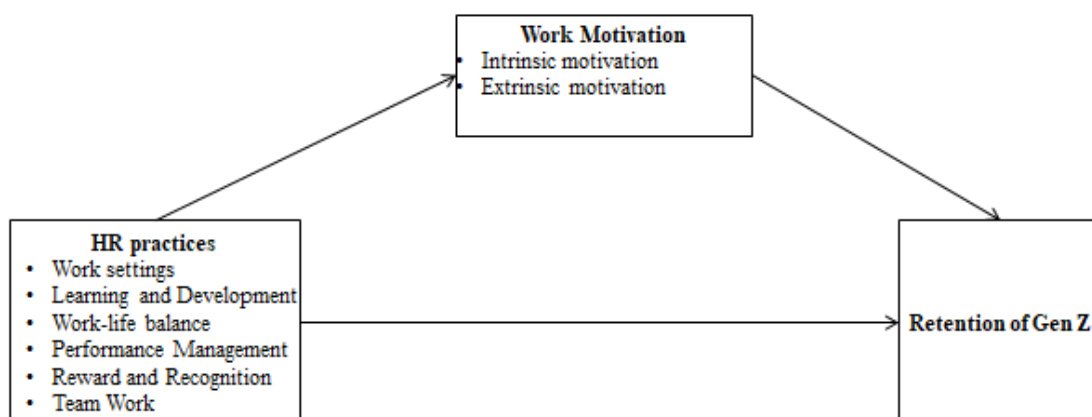


Figure 1 Conceptual framework of the study

3. Results

3.1 Demographics

A total of 1419 Gen Z participants (born 1995 and onwards) and working in different organizations in India took part in this study. In terms of gender distribution, among the 1017 male respondents, a significant majority (89.7%) fell within the 24-28 age range. Similarly, out of the 402 female respondents, a notable portion (88.6%) also belonged to the same age. Among the 477 respondents with postgraduate education, higher proportions (95.6%) were also in the 24-28 age groups. The analysis of marital status showed that among the 1214 single respondents, a considerable majority (88.7%) were aged 24-28. Regarding employment type, among the 1267 respondents in the private sector, a noteworthy majority (89.1%) were within the 24-28 age range. Looking at industry distribution, among the 825 respondents in the services industry, a substantial number (85.2%) were aged 24-28. Considering yearly income, among the 1066 respondents earning less than Rs 5 lakh annually, a significant majority (87.8%) fell within the 24-28 age range. Turning to experience, among the 687 respondents with less than 2 years of experience, 16.4% were aged 20-24. In job switching frequency, among the 637 respondents who had not changed jobs, 11.8% were within the 20-24 age range. Lastly, in terms of ideal workplace preference, among the 659 respondents who favoured established companies, only 8.2% were aged 20-24, (Refer Table 1).

Table 1 Demographic Profile of Gen Z employee's age wise

Demographic details		Age		Total (n=1419)
		20 - 24	24 - 28	
Gender	Male	105 (10.3%)	912 (89.7%)	1017
	Female	46 (11.4%)	356 (88.6%)	402
Highest Education	Under Graduate	130 (13.8%)	812 (86.2%)	942
	Post Graduate	21 (4.4%)	456 (95.6%)	477
Marital Status	Married	14 (6.8%)	191 (93.2%)	205
	Single	137 (11.3%)	1077 (88.7%)	1214
Employment	Public	13 (8.6%)	139 (91.4%)	152
	Private	138 (10.9%)	1129 (89.1%)	1267
Industry	Services	122 (14.8%)	703 (85.2%)	825
	Manufacturing	29 (4.9%)	565 (95.1%)	594
Yearly Income (Rs)	<5	130 (12.2%)	936 (87.8%)	1066
	5 -<10	17 (7.5%)	211 (92.5%)	228
	10 -<20	1 (1%)	99 (99%)	100
	>20	3 (12%)	22 (88%)	25
Experience (years)	<2	113 (16.4%)	574 (83.6%)	687
	2-4	28 (6.1%)	431 (93.9%)	459
	>4	10 (3.7%)	263 (96.3%)	273
Number of times job was switched	Have not changed job	75 (11.8%)	562 (88.2%)	637
	Changed	76 (9.7%)	706 (90.3%)	782
Ideal work place	A start-up company	48 (17.2%)	231 (82.8%)	279
	Established company	54 (8.2%)	605 (91.8%)	659
	Being an entrepreneur	11 (8.6%)	117 (91.4%)	128
	No specific preference	38 (10.8%)	315 (89.2%)	353

3.2 SEM model

Partial least squares structural equation modelling (PLS-SEM) was utilised to assess the impact of HR practices on employee retention, as well as to examine the mediating role of work motivation in the relationship between HR practices and employee retention.

The results show that the constructs used in this study were internally reliable and consistent, with all the constructs having Cronbach's Alpha values above 0.7. The model's composite reliability values, surpassing 0.7 for all factors, confirmed the scale's high internal consistency. Furthermore, the constructs' rho_A values exceeding 0.7 and the indicator reliability values above 0.4 collectively represent a high level of reliability. The construct's Average Variance Extracted (AVE) value was observed to be higher than 0.5, signifying strong convergent validity. When a VIF value is above 5, it suggests collinearity among variables (Table A1). However, the results show that all variables had VIF values below 5, indicating no presence of collinearity among the indicators. The Fornell-Larcker Criterion showed that each factor's value was higher than the strongest correlation of that variable with other variables in the model. This proves that the different constructs are distinct from each other (Table A2). All the HTMT values for the constructs were lower than the threshold of 0.85, confirming that the constructs are indeed different from one another and the variables are reliable (Table A3).

The coefficient of determination (R^2 value) represents the portion of change in the dependent variable(s) that is effectively explained by the predictors (Figure A1). R square value for employee retention is 0.719, implying that 71.9% of the variation in employee retention is accounted for by HR practices and work motivation. In addition, sub-factors of HR practices explain 99.9% of the variation in HR practices, while sub-factors and HR practices explain 99.3% of the variation in work motivation (Table A4). The findings indicated that the model's SRMR value of 0.052 signifies satisfactory model fitness, while an NFI value exceeding 0.90 suggests a well-fitting model. A model is considered strongly predictive when its Q^2 value surpasses 0. The results reveal Q^2 values of 0.711 for employee retention and 0.626 for work motivation (Table A5) (Figure A2). Effect size (f^2) is a measure that shows how much a certain factor influences another. If the value is equal to or greater than 0.35, it means there's a strong influence; between 0.15 and 0.35, it is a moderate influence; and if it is lower than 0.15, it is a weak influence. The results demonstrated that every sub-factor strongly influenced both HR practices and work motivation. Employee retention was notably influenced by HR practices ($f^2=0.417$) with a strong impact, whereas work motivation ($f^2=0.087$) had a weaker impact on employee retention (Table A6).

The structural model was analysed using the bootstrapping technique with 5000 sampling iterations across 1419 observations to get path coefficients and t-values (Figure A3). Based on the results (Table 2), it can be concluded that HR practices strongly affect employee retention ($t=17.368$, $p<0.05$), confirming the acceptance of hypothesis H_1 : *HR practices significantly influence employee retention*. HR practices also significantly influence work motivation ($t=84.298$, $p<0.05$), and work motivation has a significant impact on employee retention ($t=7.060$, $p<0.05$). Moreover, HR practices significantly affect employee retention ($t=7.044$, $p<0.05$) through the work motivation. As a result, hypothesis H_2 : *Work motivation significantly mediates the relationship between HR practices and employee retention* is accepted.

Table 2 Path coefficients

	Path coefficients	T Statistics	p value	Decision
HR practices ->Employee retention	0.612	17.368	0.000	Positive and significant
HR practices ->Work Motivation	0.857	84.298	0.000	Positive and significant
Work Motivation ->Employee retention	0.262	7.060	0.000	Positive and significant
HR practices ->Work Motivation ->Employee retention	0.224	7.044	0.000	Positive and significant

4. Discussion

Keeping staff on board is the toughest task in today's highly competitive business environment. As they enter the workforce, young members of Gen Z have already begun to depart organisations (Kodithuwakku et al., 2018). This research hence investigated the factors of HR practices that influence employees' level of contentment with their jobs and their likelihood of quitting. Employee retention is influenced by how individuals feel about the firm and its processes, incentives, and atmosphere. This study on Gen Z employees observed that HR practices (i.e., work settings, learning and development, performance management, work-life balance, and teamwork) significantly influence employee retention.

Also, work motivation (intrinsic and extrinsic) significantly mediates the relationship between HR practices and employee retention.

When employees enjoy their work environment, they are more likely to stay with the company (Naz et al., 2020). They are more likely to stay with a company if they feel supported in their work (Guchait & Cho, 2010) and have an open line of contact with their superiors. Positive contact with their supervisor and coworkers both within and beyond the organisation promotes a supportive work environment. Thus, a work environment that is both adaptable and welcoming is the best way to recruit, retain, and motivate top talent (Naz et al., 2020).

The members of Gen Z place a premium on self-education and favour autonomous study aided by digital tools (Chillakuri, 2020). Support is needed to improve soft skills like communication, collaboration, organisation of time, and mentoring; and instead of sitting passively through a lecture, they would much rather get their hands working on a group project (Grow & Yang, 2018). Hence, organisations have to be flexible and open to the needs of this mobile, digital generation to fulfil their preferences for how they prefer to learn.

Gen Zs would like to have a thorough overview of the performance management system in the organisation so that it enables them to align their goals with it. Gen Zs adopt technology to achieve these goals; however, when it comes to performance and career progression, they ensure that they take care of all the necessary requirements for the subsequent level (Chillakuri, 2020). They have been raised during recession and economic instability. While they do spend money on travel and other interests, they are also equally cautious about creating wealth for the future, thus they expect higher salaries (Deloitte, 2019). Thus, organisations need to clearly discuss performance management process and explain transparently the career path during the while orienting Gen Z into the organisation.

Gen Zs want more information about the company's performance management system to ensure they can set goals that are consistent with it. Gen Zs utilise technology and shortcuts to get there, but they still want to ensure they check off all the boxes when it comes to their performance and professional advancement. They are a generation raised in an era of economic turmoil. They expect to earn a lot of money since they are careful about saving for the future at a younger age while still spending money on bills, travel, and other interests (Deloitte, 2019). As a result, companies need to have conversations about performance management and lay out the career path for new members of Generation Z in the early stages of their employment.

If a member of Generation Z becomes dissatisfied with his or her work, he/she just will look elsewhere (Suslova & Holopainen, 2019). Moreover, a recent study (Waworuntu et al., 2022) found that, relative to other generations, Gen Zs are the least committed to their careers and place the most weight on a work-life balance. The engagement of staff is significantly impacted by the work-life balance for millennials and those born after 1995 (Rachmadini & Riyanto, 2020). As a result, companies should pay special attention to millennials and those born after 1995 to help them strike a healthy work-life balance by providing benefits like paid time off and flexible work schedules.

Many members of Gen Z are attracted to and thrive in environments that emphasise extrinsic motivation. When it comes to keeping Gen Z, however, the research suggests that, aside from career advancement prospects, extrinsic benefits may play a secondary role. Career advancement prospects are likely more important to Gen Z than other extrinsic benefits because of their pragmatic outlook on life (Dool, 2019). Additionally, for Gen Z, advancing quickly in one's job is analogous to securing one's financial future (Kirchmayer & Fratričová, 2018). Hence, firms that want to attract and retain the best and brightest of the Gen Zers should consider implementing a customised compensation scheme.

5. Conclusions

The youngest and most recent generation to enter the labour field is Gen Z. However, efforts to recruit and retain this generation into public sector companies are hampered by a lack of understanding of how HR practices affect motivation and retention. Therefore, the purpose of this research was to examine HR practices for retaining members of Gen Z on staff. It was seen that HR practices (i.e., work settings, learning and development, performance management, work-life balance, and teamwork) significantly impact their retention. Also, motivation (intrinsic and extrinsic) mediates this relationship.

5.1 Limitations and suggestions for further research

While the resulting model has many useful implications, it also has several gaps that will require future investigation. To begin, the research uses cross-sectional data from Indian respondents to verify the integrated model. To learn more about

the shifts, the inverse relationships, and the causal trends, researchers can conduct longitudinal research over the next years. The results from a study with a large multi-generational sample can help researchers better understand the similarities and contrasts between Gen Z and older generations. Cross-sample research involving numerous settings in other geographies can be undertaken if alternative types of regression-based analysis are taken into account. Second, the research can make use of association rule mining techniques to uncover hidden patterns in the data and meaningful connections between variables. Workplace variables including productivity and worker preferences can benefit from this method of mining data. In conclusion, a quantitative approach was taken to data analysis; future studies could benefit from including both quantitative and qualitative methods. HR managers can benefit from qualitative studies that examine the connection between workplace behaviours and organisational outcomes.

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Appendices

Table A1 Construct reliability and validity

Item	Loadings	Indicator reliability	VIF	Cronbach's Alpha	rho_A	CR	AVE
HR practices							
Work settings				0.885	0.886	0.929	0.814
HR_WS_1	0.913	0.833	2.781				
HR_WS_2	0.884	0.782	2.236				
HR_WS_3	0.909	0.826	2.726				
Learning and development				0.918	0.918	0.948	0.859
HR_LD_1	0.925	0.856	3.215				
HR_LD_3	0.925	0.856	3.276				
HR_LD_6	0.931	0.866	3.376				
Performance management				0.920	0.920	0.943	0.806
HR_PM_1	0.893	0.797	2.898				
HR_PM_3	0.905	0.820	3.219				
HR_PM_4	0.914	0.835	3.443				
HR_PM_5	0.879	0.772	2.618				
Work-life balance				0.946	0.946	0.974	0.948
HR_WLB_1	0.973	0.948	3.518				
HR_WLB_3	0.974	0.949	3.640				
Reward and recognition				0.889	0.889	0.948	0.900
HR_RR_2	0.949	0.900	2.789				
HR_RR_6	0.949	0.901	2.789				
Team work				0.938	0.939	0.956	0.843
HR_TW_1	0.924	0.854	3.904				
HR_TW_2	0.901	0.812	3.309				
HR_TW_4	0.936	0.877	4.544				
HR_TW_5	0.911	0.829	3.501				
Work motivation							
Extrinsic motivation				0.903	0.903	0.932	0.775
WM_EX_1	0.872	0.760	2.486				
WM_EX_2	0.898	0.807	3.300				
WM_EX_3	0.891	0.794	3.147				
WM_EX_4	0.860	0.739	2.347				

Item	Loadings	Indicator reliability	VIF	Cronbach's Alpha	rho_A	CR	AVE
Intrinsic motivation				0.835	0.845	0.923	0.858
WM_IN_4	0.916	0.838	2.053				
WM_IN_5	0.936	0.877	2.053				
Employee retention				0.933	0.934	0.944	0.652
ER_1	0.819	0.670	3.333				
ER_12	0.796	0.634	2.562				
ER_16	0.797	0.634	2.538				
ER_2	0.810	0.656	3.549				
ER_20	0.763	0.581	2.318				
ER_3	0.811	0.658	3.057				
ER_5	0.834	0.696	3.122				
ER_8	0.810	0.657	2.685				
ER_9	0.824	0.680	2.953				

CR: Composite Reliability

Table A2 Fornell-Larcker Criterion

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Employee retention (1)	0.807								
Extrinsic motivation (2)	0.747	0.880							
Intrinsic motivation (3)	0.708	0.716	0.926						
Learning and development (4)	0.725	0.682	0.718	0.927					
Performance management (5)	0.759	0.725	0.728	0.771	0.898				
Reward and recognition (6)	0.739	0.699	0.660	0.720	0.801	0.949			
Team work (7)	0.763	0.681	0.732	0.769	0.795	0.743	0.918		
Work settings (8)	0.746	0.716	0.752	0.754	0.763	0.694	0.769	0.902	
Work-life balance (9)	0.717	0.662	0.667	0.720	0.734	0.709	0.709	0.709	0.974

Table A3 Heterotrait-Monotrait Ratio (HTMT)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Employee retention (1)									
Extrinsic motivation (2)	0.812								
Intrinsic motivation (3)	0.800	0.823							
Learning and development (4)	0.782	0.749	0.818						

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Performance management (5)	0.818	0.795	0.830	0.839					
Reward and recognition (6)	0.810	0.779	0.765	0.797	0.886				
Team work (7)	0.814	0.739	0.824	0.828	0.856	0.813			
Work settings (8)	0.820	0.801	0.873	0.836	0.845	0.782	0.844		
Work-life balance (9)	0.762	0.716	0.750	0.773	0.787	0.773	0.751	0.775	

Table A4 R square

	R Square	R Square Adjusted
Employee retention	0.719	0.718
HR practices	0.999	0.999
Work motivation	0.993	0.993

Table A5 Model summary and predictive relevance

	SSO	SSE	Q ² (=1-SSE/SSO)
Employee retention	1419.000	409.612	0.711
Work motivation	2838.000	1060.604	0.626

Overall model fit indices: SRMR=0.052, d_ULS=2.88, d_G=2.78, $\chi^2=3962.79$, NFI=0.902

Table A6 F square

	Employee retention	HR practices	Work motivation
Work settings		6.077	
Learning and development		14.458	
Work-life balance		9.581	
Performance management		18.676	
Reward and recognition		7.646	
Team work		21.878	
Extrinsic motivation			32.948
Intrinsic motivation			2.204
HR practices	0.417		0.010
Work Motivation	0.087		

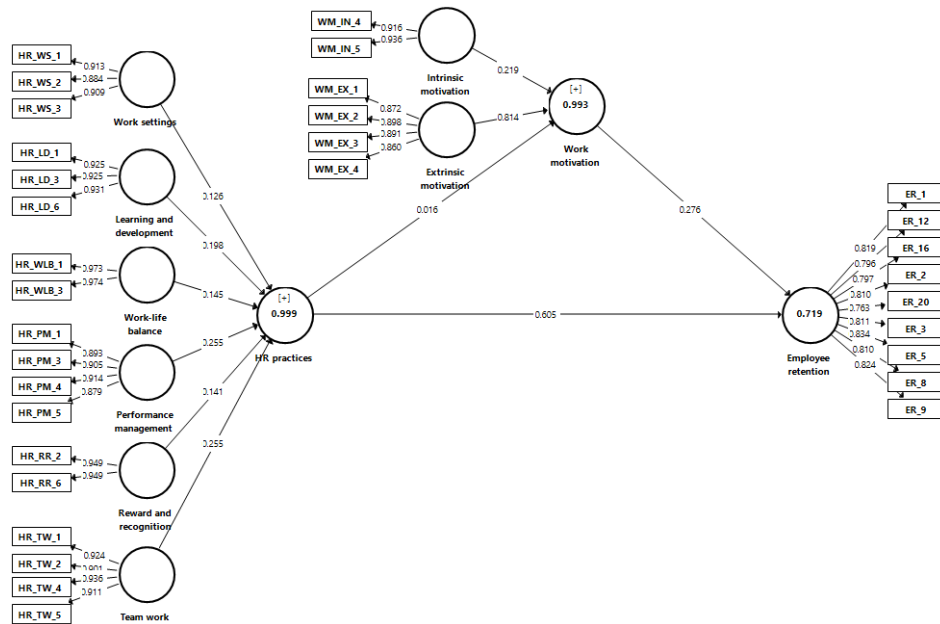


Figure A1 Measurement model

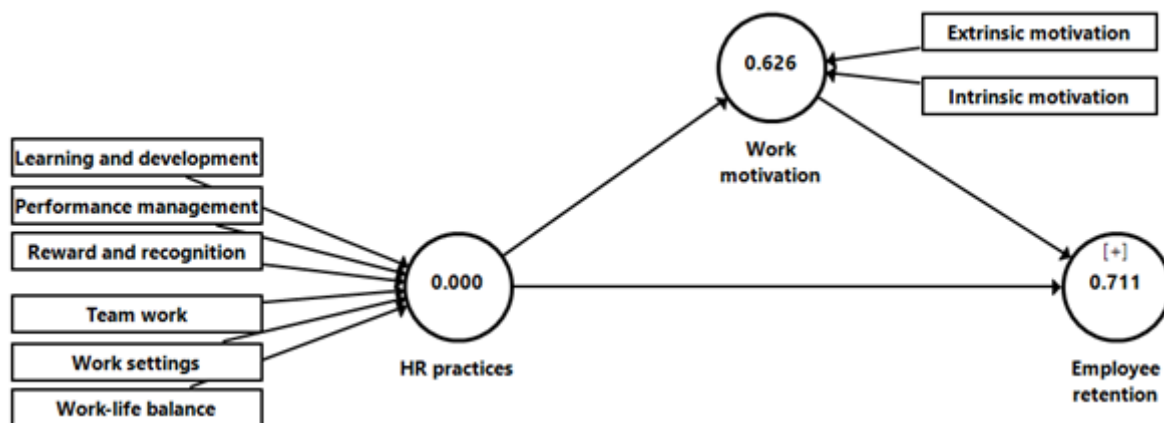


Figure A2 Predictive relevance

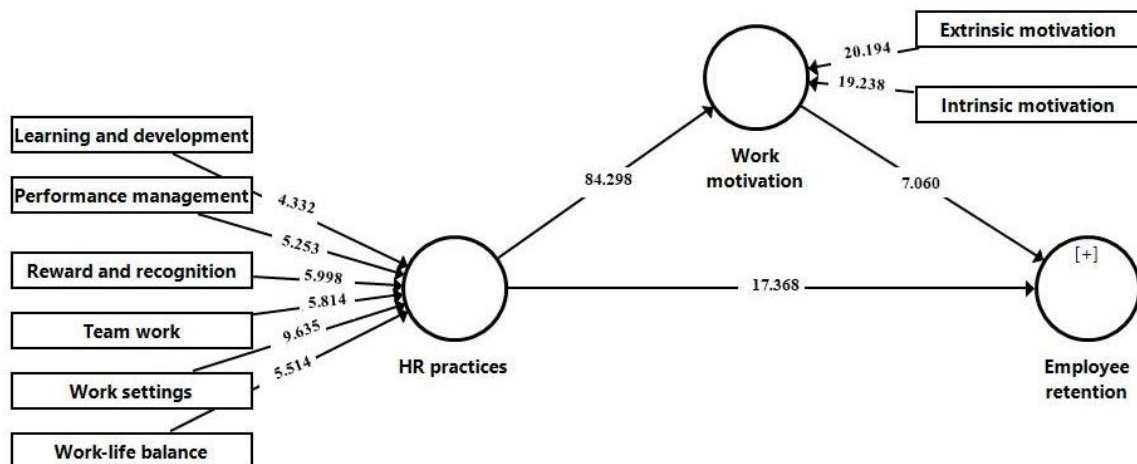


Figure A3 Structural model