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Evaluating Moderating Effect of Organizational Transformation on Relationship of Strategic HRM Practices and Employee Retention

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Abstract

Turnover is a symptom of a critical structural issue such as inadequate retention management, companies should consider what makes people commit to being loyal and successful. The easiest way to retain employees is to increase their level of satisfaction, but this will only be effective if properly performed. To retain skillful employees, Strategic Human Resource Management (SHRM) practices are required. The purpose of study is to examine the moderating effect of organizational transformation on SHRM practices and employee retention in manufacturing area. Data is collected from employees of textile sector through questionnaire consisted 384 responses. Data statistically analyzed through structural equation modelling using Warp PLS. Results shows that SHRM practices and its dimensions have a significant impact on employee retention, and organizational transformation has a moderating role in the impact of SHRM and on employee retention. The results of study are useful for management of the companies by way of improving the employee retention. This study contributes in the body of knowledge by way of testifying the hypothesized relationships.

***Keywords*:** Strategic human resource management, recruitment & selection, training & development, employee retention and organizational transformation

1. Introduction

The field of Strategic Human Resource Management (SHRM) was developed in 1970s. The basic premise of SHRM is to manage employees according to fast changing environment. Explicitly, it is linked with financial performance of company (Fahim, 2018). Researchers have defined SHRM as making of policies for human resource deployments to achieve goals of an organization (Fahim, 2018). In simple words, implicitly, SHRM is associated with employees within an organization. Basically, employees are the key for the success of any company. It is obvious that if company will not be able to manage its employees effectively then company may have to bear cost and it may also vicious for the existence of company (Fahim, 2018).

All in all, this is the brief introduction of SHRM. There are different researchers who put effort in this regard. For example, studied SHRM in supply chain. These researchers highlight that previously this area was neglected by the researchers (Lengnick-Hall et al., 2013) Moreover, Mitchell et al. (2013) investigate the impact of SHRM on financial performance of the company. Martin et al. (2016) introduce the new typology that link SHRM practices with corporate governance at firm level. Fahim (2018) highlight that SHRM practices enhance employee retention. However, literature clearly neglect the catalytic role of organizational transformation in the association between SHRM practices and employee retention. Employee turnover results in company downsizing due to the employee morale which is lowered. The lowered morale results in decreased retention rate of employees. Here exists a study gap on the concept of what SHRM practices needs to consider that aid in retaining the employees of the organization especially in the context of voluntary and involuntary turnover. Most of the studies have surpassed on the issue but still there exists a gap for investigating the issue of employee retention. In particular, the role of organizational transformation moderating the relationships of different constituent variables of job retention was the research gap found (Fahim, 2018).

High employee turnover in private sector organizations is a major problem (Rasal, 2019). Management of the corporations is keen to understand the dynamics of employee retention. Employee retention is a serious agenda of HRM research (Hassan & Govindhasamy, 2020). Lot of research has surpassed on the issue but still there is lot of room for investigation of the issue of job retention. Particularly the moderating role of organizational transformation on the relationships of different constituent variables of job retention (Fahim, 2018). Therefore, the study is designed to address this critical issue. By considering this catalytic role of corporate governance in fact this is the first study, in which it is studying that organizational transformation moderates the association between Strategic Human Resource Management Practices and employee retention.

2. Literature Review and Hypotheses Development

The main purpose of this review is to develop a theoretical background of this study and identify SHRM practices, employee retention, and organizational transformation. Firstly, it reviews literature on relevant theories, and relationship related to

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SHRM practices, employee retention, and organizational transformation. Moderation effect of organizational transformation on the relationship between SHRM practices and employee retention.

2.1. Strategic Human Resource Management (SHRM)

Fahim (2018) posited that Human Resource Management (HRM) is the best practices for the retention of employees. Besides it Delery and Roumpi (2017) indicates that HRM practices do not simply contribute to the sustainable competitive advantage like SHRM researches hypothesize. HRM practices help in reducing constraints of demand and supply with increasing level of motivation. It is also suggested that human resource practices are the controller for making knowledge management system more effective (Delery & Roumpi, 2017). To obtain a competitive benefit in market, HRM is a crucial part (Nanyangwe & Phiri, 2021). Employees who working in implementing the mission of the company and their turnover puts the company's identity and guiding principles at jeopardy. In relationships of theory and planning, SHRM is such an area who is accountable in maintaining strategies in the ground of strategic human resources maintenance in accordance with the organization's general strategies. Whereas, HRM is tasked with implementing the developed strategies in the form of SHRM to maintain these types of employees. In actuality, HRM is pragmatic and objective while SHRM is theoretical and subjective (Sepahvand & Khodashahri, 2021). Greer (2021) states human resources are much important now a day as organizations are growing faster and they have to compete their advantage. So, it is key that distinctive proficiencies are only gained through when an organization have skillful personnel, well reputed organizational culture. Early HRM is considered as a strategic and logical approach for the management of organization. And is identified as the most valuable asset of organization where employees work and they contribute to the achievement of the organization’s objectives (Armstrong, 2006). Currently organizations are become move towards the concept of “strategic management” instead of HRM.

2.2. Employee Retention

Retention of employees means "the various policies and practices that let employee stick to an organization for the long period of time" (Kloutsiniotis & Mihail, 2020). According to Choy and Kamoche (2021) here are some factors that effect on employee turnover as compensation and benefits, location of work place, environment of work place, administration, high customer communication, work relations with other workers. Employee retention generally influenced by the policies of recruitment and human resource practices. Worldwide huge number of organizations facing the challenge to retain their most skillful employees. Nowadays, organizations can involve their employees by enhancing their talent and progressively it can be tradition of an organization to enhance and promote human capital. Ultimately this is helpful in retention of employees (Radadiya & Pandey, 2020). Maintaining competent employees and passing along their expertise and knowledge to individuals is crucial given the significance and necessity of training and empowerment of persons to enter the labor market as well as advancement of their career anchors and job careers. Kloutsiniotis and Mihail (2020) emphasized that governments are facing problems not just in the private sector but also in maintaining their professional workers. Employee retention within the organizations is an important parameter for assessing any organization's success (Hassan & Govindhasamy, 2020). According to Malik et al. (2020) now a day, companies are focused on managing human resource. HRM practices and employee retention has significant relationship. The turning of employees is a critical challenge for organizations, but companies’ employees leave are closely related to HR practices and therefore a holistic understanding of the relationship between HRM and retention of employees would help companies make the right decisions to achieve business results while maintaining an appropriate level of resources (Hassan & Govindhasamy, 2020). Parmenter and Barnes (2021) suggest that a culturally capable initial workforce, culturally suitable support instruments and access to proficient expansion of prospects are significant retention aspects. According to Malik et al. (2020) now a day, companies are focused on managing human resource. HRM practices and employee retention has significant relationship. By implementing HRM practices employees get motivation and positive attitude towards work which can ultimately reduce the turnover rate of employees within organization. Since qualified employees are one of the company's most valuable intellectual capital, employee retention aims to keep them on board for as long as possible. Employee retention is the method by which a company is able to keep its prospective workers in order for them to stay loyal to the company for a longer amount of time. More specifically, HR professionals need to deal with dysfunctional turnover in a proactive manner (Fernando & Wulansari, 2020). Retaining staff in a business is a crucial factor in determining that organization's success rate. The industrial sector has been expanding toward worldwide, which has changed how employees interact with their employers. Therefore, businesses must find ways to keep skilled and educated individuals on staff when there is a huge turnover ratio (AlQershi et al., 2022).

2.3. Organizational Transformation

Process of transformation associated with the change of business model. Whenever challenges related to behavioral management are took to light outcomes of transformational process cannot be achieved. Mostly the employee resists in the process of transformation in organization (Buschmeyer et al., 2016). Attitude at the organizational and individual level has strong and basic impact in the success of transformation from a constructor to a solution provider (Buschmeyer et al., 2016). Kumar Basu (2015) states that transformational leadership boost up change in organization by inducing personnel behaviors

and raising stages of work engagement. Many of the research has surpassed on transformational leadership as it is important and vital key in the change process of organization (Middleton et al., 2015). Digital transformation (DT) is increasingly establishing itself as a persistent theme in existing theoretical and expert discussions (Hanelt et al., 2021). Moreover, it is a deliberate significance (Nadkarni & Prügl, 2021) and digital transformation influencing and become a challenge for HR with in organization (Andriole, 2017; Benner & Waldfogel, 2020; Correani et al., 2020). In the context of identifying new approaches and current research on global digitalization, the most important aspect of digital transformation is a radical shift in thinking generalizations, work methods, and organizational management that meets the goals and objectives of the digital paradigm of economics and management. As previously highlighted, the major objective in implementing the digital paradigm of business and finance should be on the execution of business operations, which will allow organizations to stay competitive with competing brands in a growingly "digital" world; to convert the structure and restructure the organization as a whole to effectively adjust to new digital environment; to try to escape from the gravity of conventional methods to business process organization and maximize the potential of modern digital technology (Voronkova et al., 2021). A numerous financial institutions are trying to adopt the changes which are banking sector in Bangladesh has adopt and go through a big transformation as upgradation of IT system, execution of globally friendly banking systems and customer service developments (Julia et al., 2019). IT-business alignment and digital transformation are among the many concepts that are closely related to IT-enabled organizational transformation (Vial, 2019).

2.4. Hypotheses Development

2.4.1. Strategic Human Resource Management Practices and Employee Retention

Nowadays human resource management has purpose to create strategic capabilities. By creating these strategies, they attract experienced, competent and proficient employees in their organization. However, management of organization always put effort to its valuable employees to avoid voluntary turnover. Organizations which provide their employees training and development, reward system employees get satisfied and subsequently their retention (Shirazi & Hosseini Robat, 2015). There are a lot of HRM practices which can be introduced as several HRM practices can be introduced as its aspects. By introducing these HR practices aspects can motivate employees, satisfied them, and they can feel committed with the organization. Ultimately, it helps from leaving the organization (Aburumman et al., 2020). Thus, hypothesize that:

H_1: SHRM practices are positively related to Employee Retention.

H_2: The outbound open innovation has a significant association with strategic innovation.

2.4.2. Recruitment and Selection and Employee Retention

Selection is a method to choose a suitable candidate to fill the vacant position. Selection of candidate is done through a required and proper procedure who is traced to the required procedure of the organization. Selection process is a wide range process and it can be more extend in large companies. According to Dany and Torchy (2017) selection process is a method to select the person who are fit to job position. Selection of right and match to job position employee is necessary for the execution, costs, and legal obligations (Brown et al., 2019).

H_2: Recruitment and selection has significant impact on Employee Retention.

2.4.3. Training and Development and Employee Retention

Training and development has relation with employee retention. Organization gives opportunities to their employees to enhance their skills through training and it gives them a level of satisfaction from the organization, which leads to stay with organization. It is a challenge for the HR authorities is to advance and recognize the career development strategies. With the implementation of these strategies employees get motivation to put their least effort in organization, they feel to face challenges and work with enthusiastically. On the other side with the great motivation of employees' organizations able to its targeted purpose and can achieve their goals (Jeffrey & Prasetya, 2019). Based on the above discussion, we hypothesize that:

H_3: Training and Development has impact on Employee Retention.

2.4.4. Performance and Appraisal and Employee Retention

Performance appraisal can also be considered as bridge of communication in management and employees. So, it is directly linked with retention. Organizations needs to understand that employees take it into serious for a positive employee performance analysis Jeffrey & Prasetya, 2019). HR managers need to retain those employees who perform efficiently and whereas employees which are showing low performance improve them through appraisal system. Kim and Rhee (2011) posit that through a proper and effective appraisal system a business can flourish and employees get development. Based on the above discussion, the following hypothesis is given;

H_4: Performance appraisal has impact on employee retention.

2.4.5. Compensation and Benefits and Employee Retention

Organizations have to plan such type of direct and indirect methods of employee benefits and their contribution for the high retention. Employers not only can rely non-financial incentives but need to give them financial incentives as compensation (Khalid & Nawab, 2018). These financial incentives give to their personnel commitment, satisfaction and it became the persuasive factor for personnel to stay with organization. If it is decided that only monetary compensation is main factor

that give to employees and they wiling to retain in organization is not true. Because many of the other competitors gives high salary packages and high monetary benefits. Many other factor should be take into account for the retention (Sepahvand & Bagherzadeh Khodashahri, 2021). These factors are important that promotes commitment of employees. Human resource managers need to focus on these factors (Vu & Nwachukwu, 2020). Based on the above discussion, the following hypothesis is given:

H_5: Compensation and Benefits has impact on Employee Retention.

2.4.6. Moderating Role of Organizational Transformation SHRM Practices and Employee Retention

For an organization to achieve their goals effective human resources are essential and important. However, organizations always cannot stop to leave their valuables employees but obviously adopting efficient human resources policies and procedures management can severely reduce its occurrence (Shirazi & Hosseini Robat, 2015). Regarding all phases of talent management, including recruiting, selecting, compensating and rewarding, developing, and retaining the right people, the managers and employees values directly influence how they think (Kamel, 2019). For the retention of employees' strategic human resource management is important and has a big impact. In some studies, employee retention is viewed by Iranian Journal of Management Studies Sepahvand and Bagherzadeh Khodashahri (2021) as the outcome of the application of strategic human resource strategies and policies that help employees stay with the organization by offering a work environment that satisfies their demands.

$H_{1.1}$: Organizational transformation moderates the relationship between strategic human resource management practices and employee retention.

H_6: Organizational transformation moderates the relationship between Compensation and benefits and employee retention.

H_7: Organizational transformation moderates the relationship between Performance appraisal and employee retention.

H_8 Organizational transformation moderates the relationship between training and development and employee retention.

H_9: Organizational transformation moderates the relationship between recruitment and selection and employee retention.

3. Research Methodology

Philosophy of this research is positivism. As term research philosophy refers to a system of beliefs and assumptions about the development of knowledge (Ryan, 2018). This research is a deductive approach to test the relationships among SHRM practices, employee retention and as moderator organizational transformation. As this research is deductive in nature thus used the quantitative approach including well-structured questionnaires. Population under study is employees of manufacturing sector. Data is gathered through top and middle level employees working in textile companies in Lahore. The sample size was 384. Sample size is selected by using Krejcie and Morgan (1970) sample size determination table. It is used because in this study total number of population is unknown. Convenience sampling is used with web intercept, in which initially population members are approached to identify next members that help the researcher for collection of data because no data of employees is available. Email and face-to-face employee meetings were used to collect data. Through a self-administered survey, data are gathered. Current study has 31 items in the construct. Response rate was 70% as total 470 questionnaires were distributed out of which 390 were taken back. Out of 390 questionnaires, some were not filled properly. So those were obsoleted, and 330 questionnaires were used as a sample. Data is gathered from 330 respondents; employees working in textile company in Lahore, Pakistan. Companies in Lahore and Raiwind were visited for this purpose. The data is collected from 4 textile companies. Data was mainly gathered from Kohinoor Textile Mills, Kohinoor Mills Limited, and Aashiana Fabrics Lahore Aashiana Silk Fabrics Lahore.

4. Analysis and Result

The following section of this research consists explaining techniques which are used by researcher to perform the analysis of the study. Data is analyzed through a statistical tool Warp PLS. Tables, models, and visual representations of the data that are simple for the researcher to read and understand make up statistical analysis. One goal is to use the same method of analysis throughout so that the researcher who is now working on the subject and other researchers worldwide can understand it.

4.1. Data Analysis

The data analysis is done on the basis of the views of employees of textile industry. It is probable to find suggestions for new insights allied to strategic human resource management practices in the Pakistani textile industry and further studies about this subject. The data gathered through questionnaires is analyzed through Warp PLS Structural Equation Modeling. Warp PLS is used to obtain correlations, Cronbach's alpha, composite reliability, and factor analysis and test the hypotheses. Following are the analysis through which gathered data is analyzed.

1.Assessment of Measurement Model

A. Outer model assessment

I. Reliability test

- Composite reliability
- Indicator reliability (CFA)
- Indicator weights (VIFs)

II. Validity test

- Convergent validity
- Discriminant validity
- Normalized combined loadings and cross loadings

B. Inner model assessment

III. Coefficient of determination (R^2)
IV. Path coefficients (PLS-SEM)
V. Predicative relevance (Q^2)
VI. Effect size (f^2)

2.Overall model fit
3.Multivariate regression analysis

4.2. Assessment of Measurement Model

The size of model tried to analyze whether or not theoretical constructs (variables inside the study) have been efficiently measured by way of the objects. Model of this study used a reflective measurement model. The model (reflective model) of this study assessed through internal consistency reliability i.e. composite reliability, Confirmatory Factor Analysis (CFA), and validity test as convergent validity, discriminant validity. Convergent and discriminant validity is analyzed through the factor loadings and Average Variance Extracted (AVE) and discriminant validity is also evident through square root of AVEs.

4.3. Framework at abstract level

H_1: Strategic human resource management has impact on employee retention
$H_{1.1}$: Organizational transformation moderates the relationship between strategic human resource management practices and employee retention.

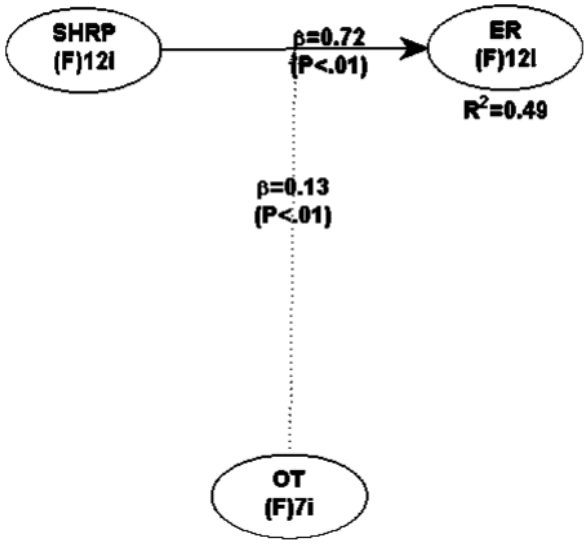


Figure 1: Output at Abstract Level

4.4. Conceptual framework at manifest level

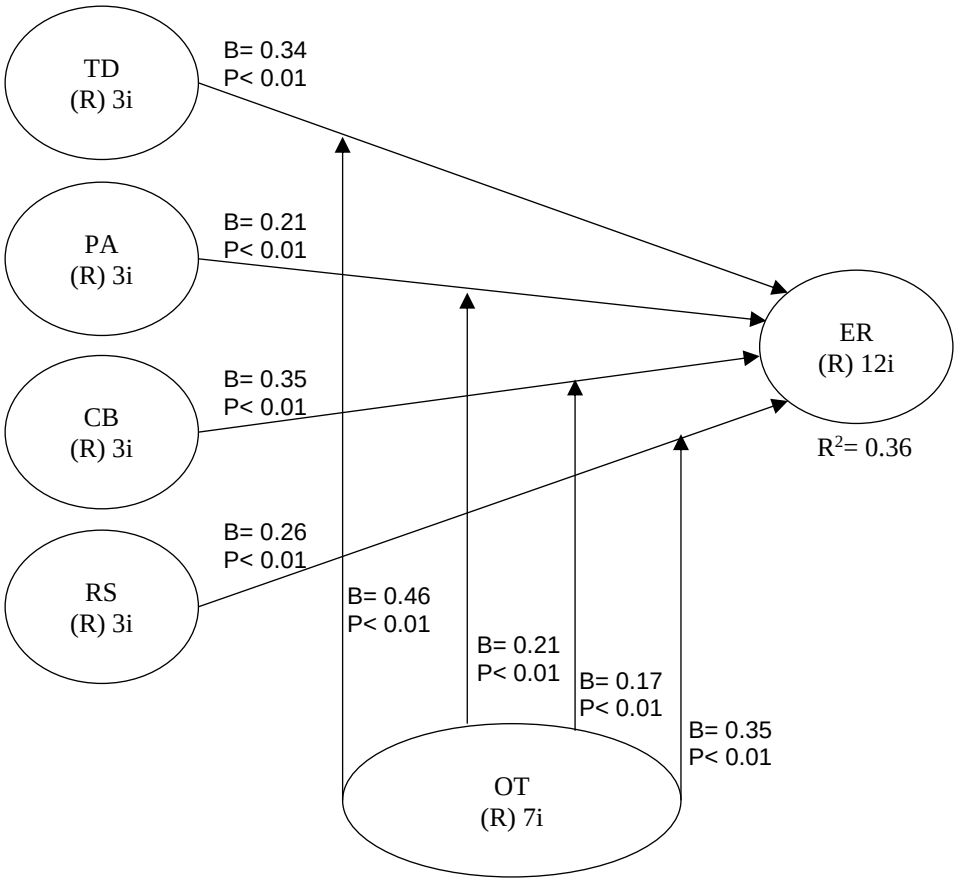
H_2: Recruitment and selection has impact on employee retention.
H_3: Training and development has impact on employee retention.
H_4: Performance appraisal has impact on employee retention.
H_5: Compensation and benefits has impact on employee retention.
H_6: Organizational transformation moderates the relationship between compensation and benefits and employee retention.
H_7: Organizational transformation moderates the relationship between performance

appraisal and employee retention.

H_8: Organizational transformation moderates the relationship between training and development and employee retention.

H_9: Organizational transformation moderates the relationship between recruitment and selection and employee retention.

Figure 2: Output at Manifest Level



5. Outer Model Assessment

While stating a measurement model form of relationship between construct and measurements must be taken into. Using a model like a common factor model can help with latent variable measurement, which is the process of ensuring that local independence is met for a particular collection of observable variables or indicators. Measurement model are categorized into two types as reflective and formative (Richter et al., 2015).

5.1. Reliability

Relaibility is the extent to which the aptitude of a factor produce the same or extensively similar results on repeated data. CFA is conducted as it is the requirement for the calculation of factor analysis. Hair et al. (2012) suggested that the validity of the latent construct can be calculated by undertaking convergent validity and discriminant validity. Therefore, reliability and validity of the data is examined.

5.2. Composite and Indicator Reliability

To measure the reflective model composite and indicator reliability is assessed. Indicator reliability shows that how much of each indicator's variance is explained by its construct. It is examined through the square root of indicator loading. Through Composite reliability it is measured how much a scale or survey has internal consistency (Na-Nan et al., 2018).

In following table; Composite reliability = CR

Cronbach's alpha = C.Alpha

Avg. variances extracted = A.VE

Full collinearity VIFs= VIFs

Minimum values= Min

Maximum values = Max
Median = Med
Mode = Mode
Skewness = Skew
Exc. Kurtosis = E.Kur
Unimodal- RS = RS
Unimodal-KMV = KMV
Normal-JB = JB
Normal-RJB = RJB

Table 1: Latent Variable Standardized Coefficients

Des.	R&S	T&D	PA	C&B	ER	OT	OT* R&S	OT* T&D	OT* PA	OT* C&B
CR	0.767	0.92	0.885	0.897	0.904	0.93	1	1	1	1
C.Alph	0.748	0.87	0.805	0.827	0.883	0.912	1	1	1	1
A.VE	0.548	0.794	0.721	0.744	0.54	0.655	1	1	1	1
VIFs	1.914	2.309	2.96	2.383	3.051	2.179	3.423	5.808	5.482	3.879
Min	-3.25	-3.15	-3.62	-2.47	-4.14	-3.74	-1.728	-2.463	-1.47	-2.44
Max	1.52	1.28	1.367	1.46	1.891	1.511	6.566	5.877	5.86	6.673
Med	0.11	0.18	0.121	0.29	0.119	0.2	-0.264	-0.29	-0.34	-0.24
Mode	1.27	0.18	0.502	0.29	0.501	0.2	1.16	-0.262	-0.34	-0.38
Skew	-0.62	-0.86	-1.02	-0.46	-0.76	-1.57	3.47	2.995	3.301	3.37
E.Kur	0.28	0.31	1.52	-0.35	1.15	2.74	17.90	14.05	14.02	18.70
RS	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
KMV	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
JB	No	No	No	No	No	No	No	No	No	No
RJB	No	No	No	No	No	No	No	No	No	No

Aforementioned table represents composite reliability CFA. Cronbach's alpha, average variances extracted and full collinearity VIFs is also examined. According to Ahmad and Ahmad (2019) value of composite reliability significant if value is 0.70 to 0. 90. Through the Cronbach´s alpha internal consistency of the variables is measured that the how are close to each other. It provides prediction of reliablity (Hair et al., 2014). It's accepted minimum value is 0.70 whereas .60 is also acceptable in social sciences. The reciprocal of tolerance is defined as multi collinearity. Some studies suggest that the acceptable value of VIF is less than 10, whereas some argue and suggests maximum value is 10 (Henseler et al., 2015). According to Ahmad and Ahmad (2021) acceptable value of AVE is 0.5. Table 1 presents that variable has significance reliability. Value of every construct is above 0.70, as the value of recruitment and selection is 0.767 which shows that variable has good reliability. As it is also proved through the value of Cronbach´s alpha is also significant. Overall results show that the values are significant and construct has reliability.

5.3. Indicator weights

Variance Inflation Factor (VIF) measures the impact of multi collinearity between variables in multiple regression variables. Multi collinearity occurs when independent variable has correlations with each other. Presence of multi collinearity affect regression analysis. VIF for a regression model variable is capable the magnitude relation of the model variance to the variance of a model that has only independent variable. A high VIF indicates that the linked independent variable has high collinear with the other variables.

Table 2: Variance Inflation Factors (VIFs)

	RS	TD	PA	CB	ER	OT	OT*R	OT*T	OT*P	OT*C	P value	VIF	ES
RS1	0.524										<0.001	1.511	0.451
RS2	0.529										<0.001	1.522	0.46
RS3	0.233										<0.001	1.027	0.089
TD1		0.364									<0.001	2.059	0.316
TD2		0.385									<0.001	2.801	0.353
TD3		0.373									<0.001	2.359	0.331
PA1			0.4								<0.001	1.992	0.352
PA2			0.41								<0.001	2.022	0.355

PA3	0.37							<0.001	1.5	0.293
CB1		0.398						<0.001	2.368	0.354
CB2		0.404						<0.001	2.479	0.364
CB3		0.356						<0.001	1.524	0.282
ER1			0.108					0.027	1.49	0.061
ER2			0.145					0.005	2.551	0.11
ER3			0.132					0.009	2.27	0.092
ER4			0.111					0.024	1.92	0.065
ER5			0.13					0.01	2.158	0.089
ER6			0.138					0.007	2.349	0.101
ER7			0.13					0.01	1.813	0.089
ER8			0.117					0.018	2.28	0.073
ER9			0.121					0.015	2.27	0.077
ER10			0.125					0.013	2.757	0.082
ER11			0.115					0.02	1.782	0.07
ER12			0.13					0.01	2.341	0.089
OT1				0.18				<0.001	2.637	0.15
OT2				0.17				<0.001	2.477	0.137
OT3				0.19				<0.001	3.982	0.162
OT4				0.18				<0.001	2.755	0.144
OT5				0.16				0.002	1.829	0.12
OT6				0.18				<0.001	2.517	0.143
OT7				0.18				<0.001	2.545	0.145
OT*R					1			<0.001		1
OT*T						1		<0.001		1
OT*P							1	<0.001		1
OT*C								1 <0.001		1

Notes: P values < 0.05 and VIFs < 2.5 are desirable for formative indicators; VIF = indicator variance inflation factors, WLS = indicator weight-loading sign (-1 = Simpson's paradox in l.v.); ES = indicator effect size.

Table 3: Block Variance Inflation Factors

	RS	TD	PA	CB	OT*RS	OT*TD	OT*PA	OT*CB	
ER	2.031	2.068	2.63	1.988	3.768	12.548	8.368		1.3

Variance inflation factors range from 1 is considered that is VIF is not correlated, between 1-5 is correlated, and greater than 5 highly more multi collinearity is exist between variables. Some authors suggest a more conservative level of 2.5 or above. As Table 3 represents the variance inflation factors. Most of the variables has significant value of VIF and as well also their p value is also significant. Recruitment and selection has VIF 1.51 which tells that multi collinearity inflates the variance by a recruitment and selection of 50% compared to a model with no multi collinearity.

5.3.1. Convergent Validity

Convergent validity refers to how closely the new scale is related to other variables and other measures of the same construct. Not only should the construct correlate with related variables but it should not correlate with dissimilar, unrelated ones. Convergent validity is a measure of the quality of a measurement instrument where the instrument itself is usually a set of statement questions (Rasoolimanesh, 2022). Convergent validity is an extend how the measurement constructs are relating with other constructs and other measures the equivalent variables statements (Rasoolimanesh, 2022). Convergent validity is assessed through the links between question statements and latent variables on the basis of loadings and cross-loadings. The coefficients of the question-statements with the primary latent variable are called factor loadings or loadings while the coefficients of the question-statements with the other latent variables are called cross loadings.

Factor loading indicates up to which context a factor explains a variable. It explains inconsistency of the variable on a specific factor. In the SEM analysis, equal or greater to 0.7 factor loading shows that the factor extracts sufficient variance from that variable. According to state that factor loadings greater than 0.30 considered as acceptable at minimum level, 0.40 are acceptable as an important and factor loadings are 0.50 or higher is considered significant.

Table 4: Factor Loadings (at Abstract Level)

	SHRP	ER	OT	OT*SHRP	
RS1		0.749			
RS2		0.597			
RS3		0.319			
TD1		0.699			
TD2		0.804			
TD3		0.774			
PA1		0.701			
PA2		0.767			
PA3		0.784			
CB1		0.686			
CB2		0.749			
CB3		0.698			
ER1			0.569		
ER2			0.764		
ER3			0.699		
ER4			0.584		
ER5			0.687		
ER6			0.732		
ER7			0.685		
ER8			0.621		
ER9			0.639		
ER10			0.659		
ER11			0.609		
ER12			0.687		
OT1				0.83	
OT2				0.792	
OT3				0.862	
OT4				0.812	
OT5				0.741	
OT6				0.809	
OT7				0.815	
OT*SHRP				0.412	1

Table 5: Factor Loadings (At Manifest Level)

	R&S	TD	PA	CB	ER	OT
RS1	0.861					
RS2	0.869					
RS3	0.383					
TD1		0.867				
TD2		0.917				
TD3		0.888				
PA1			0.872			
PA2			0.876			
PA3			0.796			
CB1				0.889		
CB2				0.901		
CB3				0.794		
ER1					0.569	
ER2					0.764	
ER3					0.699	
ER4					0.584	

ER5	0.687	
ER6	0.732	
ER7	0.685	
ER8	0.621	
ER9	0.639	
ER10	0.659	
ER11	0.609	
ER12	0.687	
OT1		0.83
OT2		0.792
OT3		0.862
OT4		0.812
OT5		0.741
OT6		0.809
OT7		0.815

Table 6: Normalized Combined Loadings and Cross Loadings (At Abstract Level)

	SHRP	ER	OT	OT*SHRP
RS1	0.772			
RS2	0.809			
RS3	0.519			
TD1	0.74			
TD2	0.706			
TD3	0.716			
PA1	0.662			
PA2	0.711			
PA3	0.713			
CB1	0.665			
CB2	0.649			
CB3	0.72			
ER1		0.668		
ER2		0.727		
ER3		0.707		
ER4		0.718		
ER5		0.705		
ER6		0.713		
ER7		0.682		
ER8		0.696		
ER9		0.712		
ER10		0.677		
ER11		0.749		
ER12		0.706		
OT1			0.693	
OT2			0.768	
OT3			0.711	
OT4			0.743	
OT5			0.705	
OT6			0.763	

OT7						0.742						
OT*SHRP						0		1				

Table 7: Normalized Combined Loadings and Cross Loadings (At Manifest Level)

	RS	TD	PA	CB	ER	OT	OT* RS	OT* TD	OT* PA	OT* CB	SE	P value
R1	0.861										0.05	<0.001
R2	0.869										0.05	<0.001
R3	0.383										0.053	<0.001
T1		0.867									0.05	<0.001
T2		0.917									0.049	<0.001
T3		0.888									0.049	<0.001
P1			0.872								0.05	<0.001
P2			0.876								0.05	<0.001
P3			0.796								0.05	<0.001
C1				0.889							0.049	<0.001
C2				0.901							0.049	<0.001
C3				0.794							0.05	<0.001
E1					0.569						0.052	<0.001
E2					0.764						0.05	<0.001
E3					0.699						0.051	<0.001
E4					0.584						0.052	<0.001
E5					0.687						0.051	<0.001
E6					0.732						0.051	<0.001
E7					0.685						0.051	<0.001
E8					0.621						0.052	<0.001
E9					0.639						0.051	<0.001
E10					0.659						0.051	<0.001
E11					0.609						0.052	<0.001
E12					0.687						0.051	<0.001
O1						0.83					0.05	<0.001
O2						0.792					0.05	<0.001
O3						0.862					0.05	<0.001
O4						0.812					0.05	<0.001
O5						0.741					0.051	<0.001
O6						0.809					0.05	<0.001
O7						0.815					0.05	<0.001
O*R							1				0.049	<0.001
O*T								1			0.049	<0.001
O*P									1		0.049	<0.001
O*C										1	0.049	<0.001

Cross loading is examined if the loading of external constructs is higher with loadings of other. If constructs have cross loadings, then their external loadings exceed and show convergent validity between constructs. Output is used for results of the convergent validity of the measurement instrument. Combined loadings and cross-loadings computed from the two matrices as one is the loadings of un-rotated matrix as structure matrix and the loadings of rotated matrix as pattern matrix. The value of loadings always lies between -1 to 1 (RVSPK et al., 2020). For the reflective model loadings are high whereas the cross loadings are low. Table 7 present Warp PLS output of normalized combined loading and cross-loadings, and factor loadings. The latent variables i.e. R&S, T&D, PA, ER are listed at the top of the column and their indicators names are on each row. By analyzing their values overall construct has convergent validity and are statistically significant. As the value are according to the criteria that the loadings are less than < 0.70 and the (p-value < 0.05) and cross loadings are low (RVSPK et al., 2020).

5.3.2. Discriminant validity test

Discriminant validity measures whether the constructs are theoretically highly related to each other or not related each other. Discriminant validity coefficients smaller in degree than the coefficients of convergent validity. According to (Khan

et al., 2019) convergent validity and discriminant validity calculations can be used to determine the validity of the latent concept. As a result, in this study, the validity and reliability of the derived data were assessed before the data were analyzed.

Table 8: Correlations among l.vs. with sq. rts. of AVEs (At Abstract Level)

Description	SHRP	ER	OT	OT*SHRP	
SHRP	0.705				
ER	0.748	0.664			
OT	0.554	0.617	0.81		
OT*SHRP	-0.34	-0.201	-0.412		1

Table 9: Correlations among l.vs. with sq. rts. of AVEs (At Manifest Level)

	RS	TD	PA	CB	ER	OT	OT* RS	OT* TD	OT* PA	OT* CB
RS	0.74									
TD	0.628	0.891								
PA	0.602	0.647	0.849							
CB	0.515	0.534	0.682	0.863						
ER	0.52	0.633	0.666	0.67	0.664					
OT	0.339	0.452	0.496	0.534	0.617	0.81				
OT*RS	-0.11	-0.19	-0.29	-0.23	-0.09	-0.352	1			
OT*TD	-0.18	-0.23	-0.37	-0.27	-0.2	-0.324	0.814	1		
OT*PA	-0.24	-0.32	-0.40	-0.26	-0.25	-0.391	0.753	0.86	1	
OT*CB	-0.16	-0.25	-0.25	-0.24	-0.157	-0.42	0.677	0.785	0.819	1

Discriminant validity concept introduce by (Campbell & Fiske, 1959) in his study arguing on assessment of validity test. Inter correlations between measures estimate through the correlation coefficient. Correlations between measures can be high or low. AVE is computed for the assessment of discriminant validity. Square root of every AVE is calculated. Test is applied to see the square root of each AVE value with each constructs and it must be larger than the correlation among any pair of constructs.

Table 10: P Values for Correlations (At Abstract Level)

Description	SHRP	ER	OT	OT*SHRP	
SHRP	1	<0.001	<0.001		<0.001
ER	<0.001	1	<0.001		<0.001
OT	<0.001	<0.001	1		<0.001
OT*SHRP	<0.001	<0.001	<0.001		1

Table 11: P Values for Correlations (At Manifest Level)

	RS	TD	PA	CB	ER	OT	OT*R	OT*T	OT*P	OT*C
RS	1	<0.001	<0.001	<0.001	<0.001	<0.001	0.052	0.001	<0.001	0.005
TD	<0.001	1	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	-<0.001
PA	<0.001	<0.001	1	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001
CB	<0.001	<0.001	<0.001	1	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001
ER	<0.001	<0.001	<0.001	<0.001	1	<0.001	0.093	<0.001	<0.001	0.005
OT	<0.001	<0.001	<0.001	<0.001	<0.001	1	<0.001	<0.001	<0.001	<0.001
O*R	0.052	<0.001	<0.001	<0.001	0.093	<0.001	1	<0.001	<0.001	<0.001
O*T	0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	1	<0.001	<0.001
O*P	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	1	<0.001
O*C	0.005	<0.001	<0.001	<0.001	0.005	<0.001	<0.001	<0.001	<0.001	1

AVE measures the detail difference of the construct. The value of AVE for every measure should be at least 0.50 whereas 0.70 is considered as good. A comparison of the square root of AVE and factor correlation coefficients is given the table. Similarly, it is concluding by seeing the results that there that there is no correlation value greater than the square root of AVE. it shows that all the variables are valid. Diagonal column must be higher than the correlation between latent variables

in same column (Sholihin & Dwi, 2013). Table shows that the AVE on diagonal column is higher than the correlation between same constructs so it indicates that criteria of discriminant validity is fulfilled.

For the fitness of model adjusted R^2 is considered best way. It is computed by adjusting sample size and number of predictors. It is used to compare the R^2 values of different models. In this study the value of adjusted R2 is 52 % which means 52% changes in employee retention (dependent variable) is due to the recruitment and selection; training and development, performance appraisal, compensation and benefits. Other 48% variation is due to the other variables not included in this research.

5.4. Inner Model Assessment

Regression analysis is performed to test hypothesis. Structural model inner assessment is done through path coefficient, $F^{2,}$ P and T-values. These values determine the whether the hypothesized constructs are significance or not. Significant values show that there is correlation between hypothesized constructs. T value should be of ≥ 1.96 in significance level 0.05. Effect size (f^2) is change in R^2 when an exogenous variable is adding or removed from the model. It evaluates that which extent each variable is contributing in model fitness (Cho et al., 2020). Analysis presents that are path coefficient are statistically significant.

Table 12: Regression analysis

Path	F^2	T	B	P-Value
SHRMP	0.542	14.09	0.716**	<0.001
OT* SHRMP	0.047	2.389	0.133**	<0.001
RS → ER	0.033	1.107	0.26**	<0.001
TD →ER	0.225	6.351	0.34 **	<0.001
PA →ER	0.141	6.548	0.21 **	<0.001
CB →ER	0.242	3.810	0.35 **	<0.001
OT*RS →ER	0.113	6.447	0.35**	<0.001
OT*TD →ER	0.126	8.655	0.46**	<0.001
OT*PA→ER	0.069	-3.797	0.21 **	<0.001
OT*CB→ER	0.049	3.131	0.17 **	<0.001

Table 12 summarizes the regression analysis of each latent variable. Analysis present all hypotheses are accepted. The relationship between recruitment and selection and Employee Retention is significant. Recruitment and selection has direct effect on employee retention. Organizations should perform some strategic measures to retain it competent (Kundu & Lata, 2017). The outcome of this objective can be deduced as, selection and recruitment practices of HRM results to an improvement in employee retention (Mihes et al., 2019). Organizational transformation also moderates the relationship between strategic human resource management practices and employee retention. As Sepahvand and Bagherzadeh Khodashahri (2021) suggest that strong SHRM practices increase the socialize new employees, it increase its commitment with organization, their values. For the assessment of inner model, further two quality fit indices are take into consideration.

Table 13: Q^2, R^2 Coefficients

Path	ER
R-squared coefficients	0.356
Q-squared coefficients	0.684

Q2 measures predictive validity of a model. It evaluates the model that values are corresponding according to expectations (Hair Jr. et al., 2014). It measures the predictive relevance of the dependent variable. Q-square values above zero reflects the values of endogenous variable has predictive relevance for the structural model. Values 0.02, indicates that endogenous variable has small, 0.15 medium, and 0.35 high predictive relevance (Hair Jr. et al., 2014). In this study endogenous variable employee retention has $Q^2 = 0.684$, which represents that this model has high predictive relevance.

5.5. Overall Model Fit

Fitness of model indicates that the data of proposed model is fit well. These indices are Average Path coefficient (APC), Average R^2 (ARS), Tenenhaus goodness of fit (GoF). As suggested by (Kock & Lynn, 2012) values of APC and ARS must be significant if the value of P is less than 0.05. Whereas, Tenenhaus' GoF should be above 0.36. Results obtained in the analysis shows that the value of APC, ARS, and Average adjusted R-squared (AARS) are significant has the P value less than 0.05. Through GOF descriptive power of model is measured Cohen's (1988) thresholds for small, medium, and large effect sizes. According to Tenenhaus et al. (2005) if the value of GOF is lower than 0.1 it suggests that the descriptive power of model is too low for consideration.

Table 14: Model Fitness Indices (At Abstract Level)

Model fit and quality indices	Score	Criteria	Information
Average path coefficient	(APC)=0.424, P<0.001	P<0.05	Significant
Average R-squared (ARS)	(ARS)=0.495, P<0.001	P<0.05	Significant
Average adjusted R-squared (AARS)	(AARS)=0.491, P<0.001	P<0.05	Significant
Average block VIF	(AVIF)=1.105	Acceptable if AVIF ≤ 5 ideal if AVIF ≤ 3,3	Acceptable
Average full collinearity VIF	(AFVIF)=2.103	Acceptable if AFVIF ≤ 5 ideal if AFVIF ≤ 3,3	Acceptable
Tenenhaus GoF (GoF)	(GoF)=0.566	Small if GoF ≥ 0.1 medium if GoF ≥ 0.25 large if GoF ≥ 0.36	Large
Sympson's paradox ratio (SPR)	(SPR)=0.500	Acceptable if the SPR ≥ 0.7 ideal if SPR = 1	Rejected
R-squared contribution ratio (RSCR)	(RSCR)=0.920	Acceptable if RSCR ≥ 0.9 ideal RSCR = 1	Acceptable
Statistical suppression ratio (SSR)	(SSR)=1.000	Acceptable if SSR ≥ 0.7	Acceptable
Nonlinear bivariate causality direction ratio (NLBCDR)	(NLBCDR)=0.500	Acceptable if NLBCDR ≥ 0.7	Rejected

Table 15: Model Fitness Indices (At Manifest Level)

Model fit and quality indices	Score	Criteria	Information
Average path coefficient	(APC)=0.269, P<0.001	P<0.05	Significant
Average R-squared (ARS)	(ARS)= 0.356, P<0.001	P<0.05	Significant
Average adjusted R-squared (AARS)	(AARS)= 0.339, P<0.001	P<0.05	Significant
Average block VIF	(AVIF)= 4.338	Acceptable if AVIF ≤ 5 ideal if AVIF ≤ 3,3	Acceptable
Average full collinearity VIF	(AFVIF)= 3.339	Acceptable if AFVIF ≤ 5 ideal if AFVIF ≤ 3,3	Acceptable
Tenenhaus GoF (GoF)	(GoF)= 0.530	Small if GoF ≥ 0.1 medium if GoF ≥ 0.25 large if GoF ≥ 0.36	Large
Sympson's paradox ratio (SPR)	(SPR)=0.500	Acceptable if the SPR ≥ 0.7 ideal if SPR = 1	Rejected
R-squared contribution ratio (RSCR)	(RSCR)= 0.678	Acceptable if RSCR ≥ 0.9 ideal RSCR = 1	Rejected
Statistical suppression ratio (SSR)	(SSR)= 0.875	Acceptable if SSR ≥ 0.7	Acceptable
Nonlinear bivariate causality direction ratio (NLBCDR)	(NLBCDR)=0.500	Acceptable if NLBCDR ≥ 0.7	Rejected

Analyzed results show the value of GOF is 0.530 which represents that model has high explanatory power of model. According to feasibility test results of the model as a whole, all of the criteria reached the expected value limit and meet the recommended goodness of fit indices critical limit so that the modeling results could be accepted or worthy of analysis. Whereas on the other hand value of Sympson's paradox ratio (SPR), R-squared contribution ratio (RSCR) and Nonlinear bivariate causality direction ratio (NLBCDR) not meet according to the criteria. SPR measures that the how much level of model is free from Simpson's paradox instances (Kock, 2015). An instance of Simpson's paradox means the sign difference between the path coefficient and a correlation associated with a pair of linked variables. It indicates the causality problem, suggesting that a hypothesized path is either immutable or reversed. Standardized SPR is considered if it is equal to 1 that shows there is no instances of Simpson's paradox in a model. Analyzed results shows that model has Simpson's paradox instances (SPR) =0.500 which means 50 percent of paths in a model are free from Simpson's paradox instances. The RSCR

index measure up to how much level R-squared contributions is free from negative and it comes R-squared contributions (Kock, 2015). When the independent variable creates negative contribution to the R-squared of dependent variable then this contribution shows that the independent variable is reducing the ratio of discrepancy explained in the criterion. This key is similar to the SPR. SPR is calculated on the basis of actual value of R squared contributions. Whereas RSCR is calculated by dividing the total of positive R-squared contribution on total of absolute R-squared contributions whether the positive or negative in the model. Ideal value of RSCR is 1 which means that there are no negative R-squared contributions in a model, acceptable values of RSCR are equal to or greater than 0.9, represents that the sum of positive R-squared contributions in a model makes up at least 90 percent of the total sum of the absolute R-squared contributions in the model. SSR measures up to which extent a model is free from statistical suppression instances (MacKinnon et al., 2000). When the path coefficient is greater than the correlation of pair linked variables then statistical suppression follows. So, Simpson's paradox instance is a statistical suppression occurs when there is causality problem. It suggests that the hypothesis either reversible or implausible

The NLBCDR measures the support of the causal links in a model which is provide by bivariate nonlinear coefficients of association. Acceptable ratio of NLBCDR is equal to or greater than 0.7 .7 means 70% of path-related instances in a model the support for the reversed hypothesized direction of causality is weak or less. The analyzed model shows that (NLBCDR) =0.500 so 50% path-related instances in a model the support for the reversed hypothesized direction of causality is less. Less means causality direction of hypotheses is sustained.

It can be stated that this test resulted in a fairly good confirmation of the variables and the causal relationship between variables. So, the overall model test shows fairly good results or following expectations, meaning that the empirical data (field data) is sufficient to support the developed theoretical model.

Table 16

Hypotheses	Statement	Beta coefficient	Status
H_1	Strategic human resource management has impact on employee retention	0.72 (**)	Accepted
$H_{1.1}$	Organizational transformation moderates the relationship between strategic human resource management practices and employee retention.	0.13 (**)	Accepted
H_2	Recruitment and selection has impact on employee retention.	0.26(**)	Accepted
H_3	Training and development has impact on employee retention.	0.34 (**)	Accepted
H_4	Performance appraisal has impact on employee retention.	0.21 (**)	Accepted
H_5	Compensation and benefits has impact on employee retention.	0.35 (**)	Accepted
H_6	Organizational transformation moderates the relationship between Compensation and benefits and employee retention.	0.17 (**)	Accepted
H_7	Organizational transformation moderates the relationship between Performance appraisal and employee retention.	0.21 (**)	Accepted
H_8	Organizational transformation moderates the relationship between training and development and employee retention.	0.46 (**)	Accepted
H_9	Organizational transformation moderates the relationship between recruitment and selection and employee retention.	0.35 (**)	Accepted

Note(s): *p < 0.05, **p < 0.01, ***p < 0.001

6. Discussion Summary of Results

Summary of result shows us about the results obtained from testing hypothesis. First hypothesis tells us that SHRM practices has strong relationship with employee retention. By applying the effective strategic HRM practices employees can retain. First hypothesis statement is "Strategic human resource management has impact on Employee Retention". Testing proves that hypothesis 1 is supported (β =0.72 1, t = 14.09 p < 0.01). Hypothesis $H_{1.1}$ also support that "Organizational Transformation moderates the relationship between SHRM practices and Employee Retention". Through test it proves (β =0.13, t = 2.389 p < 0.01).

The second hypothesis after analysis suggested that, recruitment and selection has strong relationship with employee retention. It shows focusing on competent recruitment can retain employees in organization. Highly competent and skillful recruitment ultimately have impact on employee retention. H_2 is stated as follows, "Recruitment and selection has impact on employee retention." Results tells us that H_2 is supported and it proves (β = .357, t = 1.107p < 0.01).

The third hypothesis explores through the training and development employee retention can be controlled. As to train the employees is necessary (Elnaga & Imran, 2013). Organizations should provide such an environment where employees can train and develop their skills and professional level. H_3 is "Training and development has impact on employee retention." Hence, H_3 is supported by results ($\beta = 0.34$, $t = 6.351$ $p < 0.01$).

The fourth proposed hypothesis is also supported. It tells us the relationship between performance appraisal and employee retention. And it suggested that performance appraisal play vital role and it has significant role to enhance employee retention (Aleem & Bowra, 2020). H4 is written as follows, "Performance Appraisal has impact on Employee Retention." ($\beta = 0.21$, $t = 6.548$ $p < 0.01$).

The fifth hypothesis in this research thesis states that, "Compensation and benefits has impact on employee retention." The result also shows ($\beta = 0.35$, $t = 3.810$ $p < 0.01$). It means compensation and benefits has strong impact on employee retention with in organization. Because by providing good compensation, and care about employees, it makes employees satisfied with their job and they will stay for a longer period of time within organization.

Hypothesis sixth show the moderating effect of organization transformation on the relationship between compensation and benefits and employee retention. Through results moderating effect is shown ($\beta = 0.17$, $t = 3.131$ $p < 0.01$).

Seventh Hypothesis indicates the moderating relationship between strategic human resource management practices and employee retention, organizational transformation is acting as a moderator in suggestion. Organizational transformation strengthens the relationship between performance appraisal and employee retention. Statement of H_7 is, "Organizational Transformation moderates the relationship between Performance Appraisal and Employee Retention". Whereas, results shows that ($\beta = 0.21$, $t = -3.797p < 0.01$).

Furthermore, H_8 through result moderating effect of organizational transformation has been proved. During transformation when an organization develop such type of practices through which employees can train then it's ultimately cause to stay employees with in organization. Hypothesis is, "Organizational transformation moderates the relationship between training and development and employee retention" and the results are, ($\beta = 0.46$, $t = 8.655p < 0.01$).

6.1. Discussion of Results

In a fast and growing and competitive economic change to retain a skillful and talented employee is a crucial challenge for organizations. As it is a key factor for the success or failure of organizations. Therefore, through effective and creative policies employees can be retained. In previous studies relationship of strategic human resource management practices with the relationship of employee retention has been studied. Through research it is found that the strategies of human resource management are most crucial and effective to retain the employees within organization. Through a remarkable and best strategic HRM practices retention of employees can be done at NBE (Fahim, 2018). In present study impact of strategic human resource management practices and employee retention is analyzed. As well as also investigate the moderation effect of organizational transformation on employee retention and SHRM practices. And the results obtained from testing the first hypothesis confirmed SHRM practices has impact on employee retention. Findings of this study is also confirmed the moderation effect of organizational transformation on the relationship between strategic human resource management practices and employee retention. Organizational transformation moderates and have positive impact on Employee retention.

In addition, it confirmed the H_5 and H_6 that there is a strong positive relationship of compensation and benefits with employee retention 0.35. 0.35 showed that the compensation and benefits had a greater value of variance and high effect with regard to affecting the employee retention, which are consistent with the theoretical foundations of the research. According to Irabor and Okolie (2019) compensation and benefits is a major aspect that shows how much an organization is committed to its employees. And it is the persuasive cause for an employee to retain in organization. However, only pay or salary is not enough to motivate and retain the employees in organization. So, many of the other factors are counted that makes an effect the decision of employee to retain with in organization. These factors effect in employee commitment in organization and there must be put an effort to encounter these factors sideways with compensation. The results obtained from testing the hypothesis confirmed the moderating role of organizational transformation in the relationship between employee retention and strategic HRM practices, which is consistent with the theoretical foundations of the Elacio et al. (2020). Findings of this study is consistent with the results of Piol et al. (2021) and it supported the hypothesis. Their results show organizations should use and apply an upscale workplace strategy, it can increase to retain employees and the business of organization ca be avoiding from interferences.

During a transformation with in organization an effective leadership can be reform and influence the transformation period. In result it enhances effectiveness of organization, their satisfaction level, and it obviously retain the employees. Testing the moderating effect of organizational transformation on the relationship between recruitment and selection and employee retention, which is consistent with the theoretical foundations of the research. Findings of this study are consistent with the results obtained by (Elacio et al., 2020; Fahim, 2018). An organization should take certain steps to maintain its valuable employees since it recruits new personnel. In order to achieve this, organizations should have competitive advantages in tempting and staying their competent employees. They should also offer opportunities to current employees and job

candidates that comparable. Findings of this study are consistent with (Fahim, 2018; Reina and Scarozza, 2021) purpose of training is to acclimate new hires to the workplace, boost commitment, and introduce values, strategies, and objectives. A suitable training program should offer opportunities for learning and development and, as a result, it enhances efficiency of employee and organizational competitiveness.

6.2. Theoretical and Practical Contribution

As in fast growing economic conditions Employee Retention is a very sensitive aspect for the management research during last few decades. The main contribution of this study is to investigate the effect of organizational transformational on relationship of strategic human resource management practices and employee retention. Whenever an organization brings transformation in any terms as digital transformation, updating new software, or transformation in culture then management has to face the challenge to retain its employees. So, results of this study has shown that strategic human resource management practices have relationship on employee retention. With the help of HRM strategies competent employees can be retained. The study has many contributions to literature as well as a practical guidance to HR managers, policy makers and top management of organizations. This study concludes that during transformation periods HR managers making ways to retain the employees must focus on implementing strong HRM policies. Findings of this study provides some important aspects related to employee retention in Pakistan's manufacturing sector by applying strong HRM strategies during transformation period. Due to its practical value in improving HRM practices that can affect retention, the study offers useful information for HRM and development practitioners.

6.3. Practical Implication

This study put attention to the advancement of HRM strategic practices and recommends strong HRM practices are crucial during turnover procedure as an antecedent of its components (recruitment and selection, training and development, performance and appraisals, compensation and benefits). And as a fundamental connection between organization and the employees' turnover at the person level. Advance, counting organizational transformation in relation with turnover, provides greater understanding of the method by which company's influence the turnover procedure. Typically, a critical finding for organizations looking for ways of tending to worker retention.

7. Conclusion

In this study, examined the moderating effect of organizational transformation on SHRM practices and employee retention. Also detail researched on the dimensions of SHRM practices with the relationship of employee retention. Findings of this study gives contribution to the managerial level implications in decision making. This study helpful to understand to retain employees within organization. We tested our data on SPSS and Warp PLS that was collected through textile companies in Pakistan. All the hypothesis also accepted as the p-value of all variables is less than .05. The results show strong reliability due to composite reliability (CR) is greater than 0.80. The past studies have researched on the relationship of HRM and employee retention. Findings of our study is consistent with (Karimi & Parsafar, 2017; Shirazi & Hosseini Robat, 2015). Their study reveals that the granting payments to employees helps them to enabling the efficiency of organization, it controls costs, and furthermore it attracts new vigilant employees and also in retain them. Organizations which provides rewards to their employees, get satisfied, motivates them (Sepahvand & Bagherzadeh Khodashahri, 2021).

In addition, our research findings provide other valuable insights into how strategic HRM practices interact with organizational transformation in influencing employee retention. That is, we found strategic HRM practices to be positively related to employee retention when employees perceived organization as a place with high participation, high level of commitment, brand reputation for competitive advantage, communicating effectively with colleagues and their superiors as encouraging, and enabling them to engage in expressing their comments and suggestions for addressing and solving critical work problems and issues. The study also showed that the performance appraisal of valuable employees is usually carried out through self-monitoring. In this hypothesis, the moderating role of job engagement has less strength and intensity. This research has both theoretical and practical implications, as it contributes to literature as it introduced new conceptual framework by studying strategic human resource management practices with relationship of employee retention but also further studied the dimension of strategic human resource management practices separately with the relationship of employee retention. All findings are based on information taken from respondents.

7.1. Limitation of Study and Future Recommendation

Similar to earlier investigations, the current study had some limitations. The following are the study's main limitations: First off, this study only includes limited firms, it does not include data from all industrial industries or other textile companies. Data is gathered from four textile businesses. And everyone who was currently employed was the target. Additionally, even though this study only looks at a small portion of employee retention and organizational transformation, many other factors exist that are also important but are not examined, such as job engagement, job security, job assignment and opportunities, work environment, telecommunication and participation. The study is conducted in a limited time frame and limited resources. Study cannot be generalizing to other manufacturing sector due to sample constraint and their culture variations. This study only conducted on private sector business not includes government sectors. If the research is

conducted on broader level and also include private and government both sectors, then results may vary significantly. Therefore, further investigation is required to check icluding more factors on a broader level. If the research is carried out by using other sampling technique by adding more factors then results can vary and genralize on broeader level.

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