Impact of Human Resource Management Practices on Employees’ Turnover Intention in United Arab Emirates (UAE) Health Care Services

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ABSTRACT

The article aims to examine the relationship between the human resource practices and employees’ turnover intention in United Arab Emirates health care sector. This quantitative study utilized a structure equation model (SEM) technique with Analysis of Moment Structures (AMOS) 18 software package to analyze data and to investigate the impact of human resources practices on employees’ turnover intention in United Arab Emirates health care services. Results of the study showed that human resources (HRM) practices in health care sector (recruitment and selection, performance appraisal, compensation, and career development) have significant relationship with turnover intention. However, this research was limited to the Public Health Care Sector in UAE and it is recommended to include Private health care sector. Moreover, inclusion of health care workers from different emirates such as Dubai and Sharjah will be needed in future researches. Health care facilities management should have a closer look at the significant human resource practices as an initiative to restructure HRM practices, policies, procedures to increase staff satisfaction, reduce employees’ turnover intention and retain its valuable health care professionals. This article is among the first and most exhaustive ones carried out in health care sector in UAE. It explores the relationship between the human resource management practices and the employees’ turnover intentions.

KEYWORDS


INTRODUCTION

Turnover has been defined by (Thwala et al., 2012; Price, 2001), as the movement of the employees out of the organization boundaries, while the intention reflects the employee declaration about specific behavior of interest (Berndt, 1981). Studies have shown that turnover is one of the top studied issues in organizational behavior (Price, 2001). The widespread range of turnover studies is a sign of the importance of the phenomena.

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The Psychological aspect, organizational significance, and economic aspect of the turnover phenomena are the main factors beyond the great amount of studies done about the issue. Therefore, it is very crucial for HRM executives to realize that there are several causes to counter employee’s turnover intention; such as: employees “perceived ease of movement,” which reflect the assessment of perceived substitutes or alternative opportunity and employees’ “perceived desirability of movement,” which is impacted by other factors such as job satisfaction (Morrell et al., 2004; Abdullah et al., 2012). Therefore, it is very important for the organization to balance between work and compensation in order to be able to reduce the turnover among employees.

Human resource mismanagement may negatively influence both; employee and organization. Loss of professionals and talents, loss of reputation, financial impact and the negative effect on the organization productivity and performance are some of the examples of the effects of turnover on organizations. While, loss of prestige, adjusting to new employer, cost of job search and cost of geographic relocation are an example of the effect turnover on employees, (Liu et al., 2010; Weisberg & Kirschenbaum, 1991; Loi, Hang-yue & Foley, 2006). On the other hand, other studies reported that individuals’ turnover is not considered to be always negative. For instance, Mohammad & Nathan (2008) pointed out that turnover has positive effect for both employer and worker. For the employer, turnover might be a successful tactic to shift the poor performers, inject fresh blood in to the organization. Whereas, for worker turnover could lead to better chances of higher prestige extra payment, minor workload and healthier working environments.

Turnover indicators show a high rates across the globe. Hay Group (2014) stated that the average of personnel turnover rates over the next five years across the globe are forecast to rise from 20.6 percent in 2014 to 23.4 percent in 2018. In European Union an average of 4.8% of employees’ turnover has been reported in 2008 (Buzeti et al., 2016), whereas in 2010 the Brazilian ministry of labor reported significant turnover rates of up to 19% in the retail sector (Ferreira & Almeida, 2015). Hong Kong and Singapore reported turnover rates of up to 10% in 2011, whilst China reported a shocking rate of 20% in the same year (Anvari et al., 2014). Similarly, in United Arab Emirates the ministry of labor reported staff turnover rate of 21% among the UAE work force which cost the business market around Dh$ 2.7 billion annually (Gulf news, 2008).

Health care service experience an alarming rate of employee turnover across the world; for instance, the average turnover rate at the national level of the health care sector in United States recorded around 15.6% and in some states it reached more than 30%. This alarming and continuously increasing rate of turnover will cost the health care organizations a huge amount of money and will form a very significant threat to the health care services worldwide (Johns, 2000).

United Arab Emirates (UAE) is a rapidly growing country which is strongly dependent on expatriate health care professionals. It is estimated that around 82% of the health care workers in UAE are expatriates whereas the nationals form around 18% of the total number of health care workers (El-jardali et al., 2008). Yet, Movement of expert professionals remains one of the main challenges encountered by UAE organizations.

In spite of the abundant studies about HRM practices and its impact on employee turnover (Barney and Wright, 1998), still most of these studies were done in the western context and the developed countries, while they are very limited in non-western context countries such as UAE. Moreover, most of these studies were done in the manufacturing and construction sectors but very little had been done in health care services sector. So, this study aims to fill this gap in literature.

This study is expected to enrich the studies and the knowledge about the UAE health care services and will help the decision makers in UAE health care organizations to develop the most suitable HRM practices to retain talents and reduce turnover rate among the health care professionals across the UAE health care facilities. At this context this study aims to:

- Identify the most significant human resource practices affecting turnover intentions in the UAE health care service sector;
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