

Expatriate perceptions towards commitment based HR practices: impact on job retention in Indian IT industry

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Abstract: *This study evaluates the insights of expatriates on job retention working in 20 Bangalore-based IT organizations using Commitment-based Human Resource practices (CBHR). This study is relevant in Indian and global context as there is a boost in terms of total expatriates working in IT companies in India and Bangalore being the IT hub of India. The objective of this research paper is to investigate the associations among the traditional HRM practices and CBHR on satisfaction in job (JS) and its retention through mediating studies. The participants intended for this study included 220 expatriates working at different levels of management and their perception on CBHR and general HR practices on JS and overall job retention was examined using correlation and regression analyses. The model developed for CBHR practices for understanding job retention of the expatriates within IT industry, also proved JS mediated the relationship of CBHR and retention of expatriates.*

Keywords: Expatriate; job retention; commitment-based HR; job satisfaction; organizational commitment

Introduction

In today's world of globalization, the Indian economy has emerged as the evolving market for the continual source of migrating workforce. Along with this, there has been an exponential boost in the amount of expatriates (Pereira *et al.*, 2016). The term expatriates refer to any individual who works in foreign locations either on a temporary or a permanent basis and adapt themselves as per the host country's culture environment (Ott and Michailova, 2016). The mode of sending the employee to another country is called expatriation (Muthiah and Santosh, 2017). However, it is not an easy task for the employee and requires a series of acclimatization by them for increased efficiency of the organization.

Therefore, to expedite the necessary adjustments crucial for the expatriate in order to evade any negative impact in the organizational productivity, the aspect of Human Resource Management (HRM) attains a level of supreme relevance (Vijayakumar and Cunningham, 2016). Incorporating effective Commitment-based Human Resource practices (CBHRP) by the organization underpins the rationale that this paper seeks to address. Basically, CBHR is known to improve the overall competency of the organization (Ghosh and Gurunathan, 2015), which is possible through the adoption of the high-performance work practices (Huselid, 1995).

In this context, India is recognized globally for its high work standards in terms of IT industry, which has been responsible for its accelerated growth in economy (Rao, 2016). One of the leading source of expatriates is the presence of a large pool of English-speaking engineering manpower, inexpensive labor costs, strong set up of satellite links for data transmission abroad, thereby leading to the prosperity of many Indian IT companies

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(Vijayakumar and Cunningham, 2016). The businesses of global IT giants are intertwined with the major Indian IT organizations as one in every three Indian IT/BPO employees of these companies' works overseas and one out of five of the personnel in the global giants work in India (Pereira *et al.*, 2016). Usually, there are a lot of disparity in the work style and HR practices followed by the expatriate's own country and the place where he is going (Vijayakumar and Cunningham, 2016). These disparities are likely to cause challenges to the expatriates. This is due to the hierarchical nature of the Indian firms which have a high collectivistic approach and a high-power distance that favors personal relationships over work outcomes (Gomes *et al.*, 2014, Vijayakumar and Cunningham, 2016). In India, the group acts as the primary entity and not individuals which is the reverse for US.

Literature review

Expatriation

Broadly, expatriates can be of two kinds: The traditional expatriate (also called organizational expatriate), who is allocated by the company typically for a term from 2 to 5 years (Recihe and Harzing, 2011) whereas anything lesser than 2 years constitute the non-traditional expatriates with temporary projects (Andresen *et al.*, 2014). Research on expatriates goes back to more than 30 years (Hippler *et al.*, 2015). Some of the other types of expatriates that are being considered in literature include self-initiated (Al Ariss, 2010), stealth (McEvoy and Buller, 2013) and traveller (Meyerhofer *et al.*, 2004).

The main reasons that motivate expatriation can be: a) to escape from boredom or any uncomfortable situation at home; b) to improve financial conditions; c) to explore the world and search for new challenges; and d) to augment their professional growth (Vijayakumar and Cunningham, 2016). Fulfillment of these motives gives rise to satisfaction at the professional front; which makes the employees extra committed towards the organization. Thus, job satisfaction can be defined as the amount of fulfillment and content that the employees personally feel towards their jobs (Agarwal and Mehta, 2014).

Organizational expatriates are provided compensation along with allowances, premiums and insurance to sustain a certain standard of living (Vijayakumar and Cunningham, 2016). Even though, these assignments involve a considerable investment from the organizations and act as a mode of unique opportunities for the growth and progress of expatriates to develop into global managers and transfer valuable know-how (Freeman and Olson-Buchanan, 2013), the expatriates face certain difficulties in the host nation, such as, language barrier, culture shock and distance from family. Along with that, significant cultural adjustment challenges linked to new roles, challenges, opportunities, greater responsibilities and pressure also needs to be overcome (Vijayakumar and Cunningham, 2016).

Black and Gregersen (1991) described a model utilizing social learning theory on experience encountered by the expatriates and their reaction in response to it. This has four successive phases, beginning with honeymoon, then culture shock, followed by adjustment, and eventually mastering it with a trajectory that look like a U-curve. The first honeymoon phase starts with the positive response, after which the level of adjustment rises. In the second phase, the expatriate experiences a 'culture shock' by facing the hurdles and barriers of the host nation and subsequent decrease in adjustment. This is followed by increase in performing capabilities with acclimatization to the host country, by adapting particular skills pertaining to the host nation. The last phase is mastery, which signals the conclusion of the expatriate's overseas experience. At this stage, there is a minimal degree of adjustment by the expatriate. From now on, the expatriate can perform efficiently, devoid of any anxiety occurring because of cultural differences. Moreover, Hippler *et al.*, (2015) implied that these changes occur gradually over a period of time (Hippler *et al.*, 2015).

CBHR practices and expatriates

The expatriate adjustment to the host country culture is facilitated and governed by the HR policies of the organization. Schuler and Jackson (1987) defined traditional HR practices as a means of attracting, motivating, developing and retaining employees to guarantee a successful survival of the company and its members. The common HR practices involve hiring, selection, training, induction, pay and rewards, employee development policies, etc. are instrumental in retaining jobs as part of HR policies (Agarwal and Mehta, 2014, Pokharel, 2016).

The organization plays a principal part in helping the expatriate to accommodate to the new culture, particularly through mediating the adjustment phases discussed above (Hippler *et al.*, 2015). The duty of HR primarily involves supporting the expatriates with the help of the HR practices and policies (Pereira *et al.*, 2016; Vijayakumar and Cunningham, 2016). Country specific briefings and tailor made soft-skill trainings are provided to overcome the culture adjustment issues. When considering as HRM opinion while sending an employee as an expatriate to another country, HR manager should help the expatriate to get settled in the new country and is having no problems in performing the tasks. The subsidiary firm, where the expatriate is currently working should be in continuous touch with the headquarters from where the expatriate was sent (Freeman and Olson-Buchanan, 2013).

There is powerful influence of socio-cultural, political and economic factors on HRM practices and policies of Indian firms. Research on International HRM practices prevalent in Indian circumstances suggests certain context-specific features of Indian management (Budhwar and Baruch, 2003, Chatterjee, 2007, Budhwar and Varma, 2010, Pereira and Anderson, 2012, Pereira *et al.*, 2016;). This conveys that there is a culture specific influence on HR practices in India (Pereira and Malik, 2013, Laleman *et al.*, 2015, Malik and Pereira, 2015), predominantly in the areas of pay, employee communication, training, recruitment, and growth. Therefore, to reduce this cultural specificity global HR practices are adapted to standardize, integrate and control the organizational practices (Rao, 2016). Previous research (Srivastava and Panday, 2012) has focused on the cross-cultural adjustment of Indian expatriates. However, there are hardly any studies on the challenges encountered by Indian expatriates in the other countries (Vijayakumar and Cunningham, 2016).

The incorporation of the company's and the host country's organizational practices was reported to be successful. Rao's study (2016) involving four Indian IT companies in Mexico, Mexican and Indian agencies suggested that the cross-cultural trainings provide a better outlook of common business practices of both the cultures.

The strategic HR management (SHRM) is a step ahead of traditional HR practices where the professionals are recognized as strategic partners within the company. It was found that the companies practicing SHRM used Commitment-Based HR practices that improved the overall capability and competence of the organization (Ghosh and Gurunathan, 2015). The use of CBHRP had a higher job satisfaction, enhanced employee performance, low attrition, and better decision-making capabilities in comparison to companies following traditional HR practices (Huselid, 1995; Collins and Smith, 2006; Chadwick *et al.*, 2008). Sun *et al.*, 2007 and Nishii *et al.*, 2008 compared and analyzed the two practices, viz., traditional and CBHRP. The commitment-based practices highlight on building critical long-term mutual exchange relationships among the employee and the organization through team building, job rotation, and mentoring (Collins and Smith, 2006; Chadwick *et al.*, 2008) and heighten the level of innovation, abilities, firm specific skills, knowledge, motivation and empowerment (Ceylan, 2013; Ghosh and Gurunathan, 2015). Several methods of CBHRP include job selection, recruitment, communication, job description, cross-cultural training, employee security, participation, compensation, internal career opportunities, performance evaluation, incentive pay, and teamwork (Huselid, 1995; Collins and Smith, 2006; Sun *et al.*,

2007). Brito and Oliveira (2016) reviewed the methodological issues involving the relations among the HR and the efficiency of the organization. The benefits of CBHRP are multi-oriented. They permit the implementation of profit sharing incentives and focus on providing extensive training to create an internal labor market, offer career development and long-term growth opportunities, and increase social interactions and group motivation (Arthur, 1994; Collins and Smith, 2006). They also inspire the team based on work style, rewards and compensation, which further motivate employees to aim on organizational and team achievements based on organizational performance, thereby enhancing the frequency of shared values and goals (Collins and Smith, 2006; Ghosh and Gurunathan, 2016). These practices provided symbolic value to the employees and help strengthen in gaining a competitive edge to the firm and its reputation among its customers.

Strategic HRM (SHRM) is continuing in a nascent stage in India. There are hardly any studies on Commitment-Based HR practices reported in the Indian background (Ghosh and Gurunathan, 2015). At global level, the pioneering studies on commitment-based human resource began with Arthur (1994), where strong correlations between employee's job retention and productivity in high-commitment HR systems were observed. A field study of six high-tech US firms demonstrated that CBHRP were positively connected to the organizational social climates of cooperation, trust, shared codes and languages (Collins and Smith, 2006). Similarly, an empirical study by Ceylan, 2013 in 103 Turkish firms showed these practices promoted the process, marketing and, eventually, the organization. However, Nishii *et al.*, (2008) stated that the positive response by the use of CBHRP happens only as a result of an organization's dedication to employee well-being and the company has willingly selected to introduce CBHRP. The model conceptualized by Kim and Wright (2010) offers alternative views on the within-country variations in HRM effectiveness with regard to changing Chinese economy applying trust and regulations. CBHR generated higher energy in the workers along with increased initiative and engagement in the people working in the pharmaceutical company, thereby being helpful in the health care industry (Glavin and Chilingirian, 2010). In other industries such as banking, CBHR reduced the intention to resign from the job (Ghosh and Gurunathan, 2015).

Expatriate Selection and Job Retention

Recruitment of the expatriate is the primary critical steps in the process of successful expatriation. The employees are retained via different HR measures. Expatriate recruitment can be defined as the method of assembling information for the testing and determining the suitable candidates (Shen and Edwards, 2004). It includes educating, evaluating, and selecting who may be sent on international assignments. Ott and Michailova (2016) observed a paradigm swing in decision-making while reviewing the chronological progression of the selection of expatriates from prior to 1970 until 2016. The reputation of the organization also was vital for recruitment and retention (Pereira *et al.*, 2016). Vahdani *et al.*, 2014 developed a process using Interval-Valued Fuzzy Preference Selection Index (IVF-PSI) based on the candidate's performance to find the best possible candidate ready to be an expatriate. Organization philosophy, relational abilities, gender, personal traits, technical competence, between HR manager and expatriate and situations pertaining to their partners and family play a vital part in the criteria of selecting expatriates (Ott and Michailova, 2016; Pokahrel, 2016).

According to Vahdani *et al.*, 2014, selection is decided through recognition of the following five main criteria. They include, personal factors (foreign experience, promising personality behaviors); competencies (technical skills, language savvy and adjustable); job characteristics (skill variety, task identity, task significance, autonomy and feedback) with their interrelationships, and their influences on employee productivity, motivation and

satisfaction; family factors (marital status, children, partner's attitudes, their employment status and adjustments; environmental factors (cost and standard of living, medical and educational amenities); and organization relocation support activities (adequate training, benefits, family support, repatriation and career planning). These play a critical role in job retention.

Studies exploring age as a factor influencing HR practices to help in adjustments are rare (Pereira *et al.*, 2016). The gender studies by Tharenou (2010) reported that women initiate an expatriation to enhance their careers. This was corroborated by Vance and McNulty's (2014) study, where the women expatriates witnessed a lower amount of bias overseas than in their home location. Moreover, study by Cole and McNulty, (2011) indicated that the females undergo increased levels of international work modifications than their male colleagues.

In terms of CBHR practices, it facilitates in selecting people who have an overall internal fit with the organization (Ghosh and Gurunathan, 2015). The fit part of the individual can be developed in sync with the fitness parameters of the organization such as personal values, career goals, and understanding of the larger corporate culture leading to job retention (Collins and Smith, 2006; Ghosh and Gurunathan, 2015). Job retention can be demarcated as the capability of a firm to retain its employees (Reddy and Srinivasa, 2016). It is the primary factor to estimate the well-being of any organization as the employee attrition leads to loss of manpower, as well as loss in knowledge, relationships and investments (Ghosh *et al.*, 2013).

Even if the method of selecting the best expatriates among a group of aspirants can be simplified by assessing several attributes related to finding practical solutions to complicated matters related to expatriation (Vahdani *et al.*, 2014), expatriate failure may occur due to low job retention. Primary causes include the inability of expatriates in adjusting themselves culturally to the host country's environment (Freeman and Olson-Buchanan, 2013 and Pokharel (2016). The researchers evaluated the relations between personality features, namely, agreeableness, extroversion, emotional stability, conscientiousness, and openness to experience, and host country language fluency with cultural adjustment aspects, namely, general culture, interaction culture and work culture. All these aforementioned personality and cultural adjustment factors must be kept in mind at the time of expatriate selection. Therefore, understanding the factors of expatriate failure can enhance job retention.

Job retention can be measured as employee turnover. Employee turnover refers to the degree at which employees quit their employers, willingly or unwillingly (Agarwal and Mehta, 2014). This makes job attrition as one of the major challenges confronted by the HR (Rao 2016). Apart from being a measure of the morale and efficiency, attrition is the cause and effect of the uncertainty of employment from the individual side. This was proven by Agarwal and Mehta (2014) through studying the factors affecting job retention in 250 IT professionals from Bangalore, Delhi NCR and Pune, where the HR practices performed an instrumental role in job retention of software professionals. Ghosh *et al.*, 2013 reviewed the factors regulating job retention in IT industry; including job enrichment, promotion in terms of decision-making roles, financial rewards, job stress, worker benefits, lack of recognition, support and growth opportunities, training and growth prospects, work culture, organizational commitment, work-life balance and communication leading to general dissatisfaction. There was an increased level of agreement to employee retention strategies for women than men (Reddy and Srinivasa, 2016). Chatterjee (2007) elaborates on some of the policies and approaches to retain employees in Indian IT companies.

Muthiah and Santosh (2017) reviewed the factors pertaining to job turnover in the context of expatriates and identified low organizational commitments, difficulties in adjustment, career prospects, compensation, status in the company, other job proposals outside the company, the lack of any transparency of position in the company and

Expatriate perceptions towards commitment based HR practices: impact on job retention in inappropriate repatriation behavior as the causes for job attritions within expatriates. A model was further developed by them indicating the psychological variables on turnover intention between repatriates employed in IT companies in India.

Research Objectives and Hypothesis

The leading goal of this research paper is to find how job retention of expatriates, working in Bangalore-based IT organizations, is impacted by various CBHRP. It also intends to examine the association of the traditional HRM practices with CBHR on JS and job retention through mediating studies. The following hypotheses were formulated to accomplish the above-mentioned objectives.

H₁: CBHR significantly influences job satisfaction of expatriates.

H₂: CBHR significantly influences job retention of expatriates.

H₃: The relationship between CBHR and retention is mediated by Job satisfaction.

Scope of our Study

Our study targets the perceptions of expatriates working on international assignments in 20 Bangalore-based IT companies. This study is relevant in Indian and global context because of the growing number of expatriates in IT companies in India, Bangalore being the IT hub of India. There is limited empirical research regarding the optimum design and application of CBHRP globally (Ceylan, 2013) and at the Indian level (Ghosh and Gurunathan, 2015, Pereira *et al.*, 2016). Most of the studies had a limitation of being a single case study; therefore, their findings could not be extended to the extensive population. This gap in research on CBHRP for expatriates in IT industry gives a lot of scope for research in this zone.

This paper covers the following sections. The first section introduces the current area and scope of investigation, followed by the review of literature regarding expatriates, cross-cultural adjustments, expatriate selection, job retention, methods of CBHRP and other HR methods are discussed. Detailed methodology includes data collection and identification of objectives and hypothesis to be tested. The obtained empirical data of the HRM practices has been analyzed and presented with the theorized findings. Finally, managerial implications for HR practices and forthcoming research prospects while noting the current limitations of the current study have been proposed.

Research Methodology

An investigative research was considered to recognize the multiple factors behind job retention of expatriates and their impact on possible components.

Sampling Type / Size & Data collection

The participant size intended for this study was 220 expatriates working in 20 different IT companies based in Bangalore, India at different levels of management. Demographics with respect to age, gender, area of work and education qualification of expatriates that acted as control variables were also studied to comprehend the background of their perceptions.

Statistical Design

The survey model used for this study was an online questionnaire. This method was appropriate because the individuals intended to receive the survey had ready access to this technology and was an easier method to get permission from officials and decreases the amount of wastage that could happen with a normal survey questionnaire. Because of the geographic distance to be covered, the cost of travelling, and the time frame to conduct the study, an online questionnaire permitted the greatest response rate for the employees. The

survey platform used was Google forms, which is a web-based survey tool and is an acceptable online assessment tool. Content validity of the questionnaire was done by our guide with professional expertise. The format, wording, length of the questionnaire, item content, and general overall ease of use was examined. Several questions were defined with multiple choices and respondents were requested to select one option. The Likert scale technique was used in formulating the questions commonly used in social science survey research. It consists of multiple items such as [1- Strongly disagree; 2-Disagree; 3-Neutral; 4-Agree; 5- Strongly Agree].

The survey questionnaire administered to the expatriates was used to test the hypotheses. The relationship between the various variables and its impact on Job retention was studied using correlation and regression analysis. The hypotheses were tested using linear regression. The hypotheses are accepted when the standardized coefficient (β) is significant, i.e., the p-value is < 0.05 at 95% confidence level. This was further evaluated using Structural equation model (SEM) with Analysis of Moment Structures (AMOS version 21) and Statistical Package for the Social Sciences (SPSS version 21) software.

Analysis and Findings of the study

Demographics of the Participants

The age group of the participants ranged from 19 years to above 38 years, with maximum (53.6%) respondents belonging to the age group of 19-28 years, followed by 40% of them belonging to 29-38 years age group and only 6.4% were above 38 years. The survey population was skewed towards the male population with about 55% and the remaining, 45% were females. In terms of area of work, mostly (39.1%) belonged to software; about 23% to hardware, 16.8% were into networking, 13.2% into operations, 7.7% into HR and only 0.5% in finance. The majority (46.8%) of the surveyed expatriates were postgraduates, whereas the rest 43.6% were undergraduates and about 9.5% had doctorate degrees.

Correlation Studies

Table 1 demonstrates the mean, standard deviation, and correlation between all study variables viz., demographics, CBHR, compensation, career plan, training, performance appraisals, skill recognition and skill development, work environment, organization with respect to culture and commitment, job satisfaction (JS) and job retention. Statistically significant correlations at varying degrees were observed between the variables.

Among the demographic factors, age, gender, area of work and educational qualification in the surveyed expatriates, area of work and educational level of the expatriates, there was lack of any significant correlation with any of probable variables related to JS and Job retention. Gender too was only weakly correlated, however, negatively with age of the expatriates ($r = -0.137$, $p < 0.05$) and unrelated to any of the other factors. Age was observed to be significantly positively correlated only with the work environment ($r = 0.143$, $p < 0.05$) and job retention ($r = 0.20$, $p < 0.01$).

CBHR positively correlated with the compensation benefits (includes salary, bonus and incentives) given by the organization to the expatriates ($r = 0.257$), EHR ($r = 0.239$), multiple career opportunities provided by the company ($r = 0.267$), training programs on team building and teamwork skills, social events for expatriates to get to know each other and orientation programme offered to train expatriates on the history and processes of the organization ($r = 0.248$), performance appraisals for personal and skill improvement ($r = 0.294$), skill recognition and skill improvement ($r = 0.398$), job satisfaction ($r = 0.213$) and importantly job retention ($r = 0.303$). All the correlations observed above have the significance level of $p > 0.01$.

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Along with CBHR, a positive correlation between Satisfaction related to job and compensation ($r = 0.164$, $p < 0.005$), EHR ($r = 0.174$, $p < 0.01$), performance appraisal ($r = 0.241$, $p < 0.001$), skill recognition and skill improvement ($r = 0.314$, $p < 0.01$), organizational culture ($r = 0.17$, $p < 0.05$), and Job retention ($r = 0.243$, $p < 0.01$) was observed. It was realized from this study that organizational commitment was negatively correlated with job satisfaction ($r = -0.183$, $p < 0.001$).

As discussed earlier, that job satisfaction has an impact on job retention. Our studies also show a similar trend. However, it is not the only factor deciding job retention. Some components such as organizational culture is correlated only to job satisfaction, whereas age of the expatriate, training specialized for expatriates ($r = 0.148$, $p < 0.005$) and work environment ($r = 0.192$, $p < 0.001$) only relates to job retention and not job satisfaction.

This study primarily aimed at finding the factors impacting job retention. Along with age, CBHR and job satisfaction, job retention were observed to be positively and significantly related to many factors, such as, EHR ($r = 0.239$, $p < 0.01$), compensation ($r = 0.285$, $p < 0.001$), performance appraisal ($r = 0.263$, $p < 0.001$), skill recognition and skill improvement ($r = 0.314$, $p < 0.001$).

Table 1: Means, Standard Deviations, And Correlations of the Study Variables

Variables		Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1	CBHR	3.96	0.62	1											
2	HER	3.79	1.05	.239**	1										
3	Compensation	3.9	0.54	.257**	.208**	1									
4	Career plan	3.95	1.01	.267**	.241**	.145*	1								
5	Training	3.94	0.59	.248**	0.123	.266**	.142*	1							
6	Performance appraisal	3.9	0.95	.294**	.258**	.151*	.166*	0.126	1						
7	Skill recognition & develop	3.85	0.59	.398**	.248**	.229**	.278**	.322**	.265**	1					
8	Work environment	4.03	1.03	0.078	.145*	.278**	-0.060	0.077	-0.039	0.054	1				
9	Organizational Culture	4.16	0.59	-0.051	-0.064	-0.070	0.032	0.040	0.097	.137*	0.034	1			
10	Organizational commit	3.96	0.96	-0.108	-0.049	-0.032	0.003	-0.109	-0.044	-0.052	-0.031	-0.122	1		
11	Job Satisfaction	4.04	0.54	.213**	.174**	.164*	0.102	0.008	.241**	.314**	0.089	.170*	-.183**	1	
12	Job Retention	3.87	0.57	.303**	.239**	.285**	0.082	.148*	.263**	.345**	.192**	-0.056	0.029	.243*	1

* Correlation is significant at the 0.05 level (2-tailed),

** Correlation is significant at the 0.01 level (2-tailed), CBHR- CBHRP, EHR- HR with regards to expatriates

Hypothesis Testing

Regression analysis revealed a positive and highly significant relationship between CBHR (independent variable) and job satisfaction (dependent variable) at $p = 0.000$ (Table 2). The hypothesis, H_1 : CBHR significantly influenced job satisfaction, was accepted, with an F change value of 6.396 ($p = 0.000$). Only overall fit and consideration of internal over external candidates for job openings had a positive significant impact on job satisfaction.

Along with this, the overall CBHR benefits were observed to have a significant ($p=0.000$) impact on job retention (Table 2). CBHR, the independent variable contributed to 12% variance in job retention (dependent variable). It had an F change value of 9.779, which was significant at $p = 0.000$. Job retention was positively and significantly affected only by the consideration of internal over external candidates for job openings.. The positive influence was characterized by unstandardized coefficient, $\beta = 0.161$ at $p = 0.000$. Hence, H_2 : CBHR significantly influences job retention, also was accepted.

Table 2: Coefficients for influence of CBHR on Job satisfaction and Retention of expatriates

CBHR	Job satisfaction		Retention	
	β	SE	β	SE
Selection	0.092*	0.032	0.161**	0.033
Overall fit	0.128*	0.041	0.07	0.043
Potential	-0.022	0.036	0.023	0.037
R^2	0.082		0.12	
F	6.396		9.779	

N=220

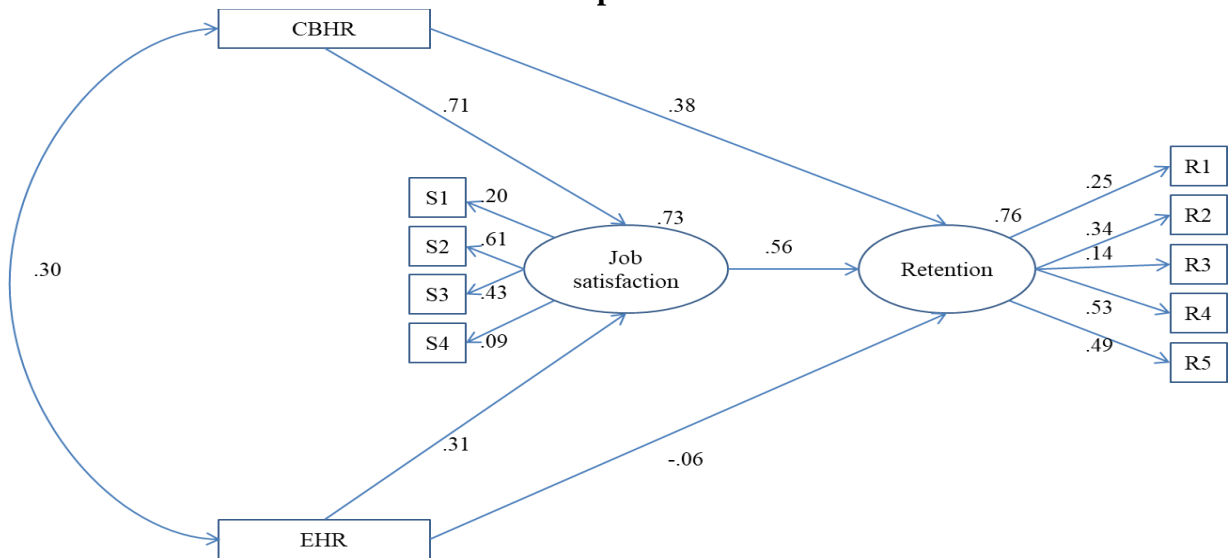
* $p < 0.05$

** $P < 0.01$

Structure Equation Modeling

Figure 1 illustrates the results obtained for the SEM model using Maximum Likelihood Estimator. The basic fit statistics of the model propose that the model has a good fit. Although the chi-square was significant ($\chi^2 = 264.327$; $df = 186$; $p = 0.000$), the minimum fit chi-square statistic was also found to be significant ($\chi^2 = 85.251$; $df = 40$; $p = 0.000$; $N = 220$). According to Fan, Thompson and Wang (1999), sample size and normality could influence the chi-square significance, hence we have taken the ratio of chi-square and degrees of freedom ($\chi^2/df = 2.131$) for fitting the model (Browne and Cudeck, 1993; Kelloway, 1995). Other fit indices were also in the acceptable range (RMSEA=0.072, CFI=0.943, NFI=0.951, IFI=0.951, TLI=0.884). From the figure, it is also evident that CBHR positively and significantly influence the Job satisfaction (JS) ($\beta = 0.709$, $p < 0.05$). Similarly, HR practices for expatriates (EHR) also had a positive influence on JS ($\beta = 0.307$, $p < 0.05$). In contrast, the direct relationship between CBHR ($\beta = 0.383$) and EHR ($\beta = -0.062$) on job retention were not significant. Further, the magnitude of effect of CBHR on JS is high, wherein one point increase in CBHR increased 0.709 point increase in Job satisfaction. However, the extent of other relationship was not as large as CBHR. Further, the results demonstrate that 73% of the variation in JS is explained by CBHR and EHR, while 76% of the variations in the retention of expatriates were explained by CBHR, EHR, and JS suggesting the significance of the role played by these variables.

Figure 1: Conceptual model for the Job retention and JS of expatriates due to CBHR and EHR practices



R1: Career advancement; R2: Challenging work; R3: Salary; R4: Employee benefits; R5: Management; S1: Recognition; S2: Career satisfaction; S3: Participation; S4: Freedom

The structural model was later tested for mediation effect using the bootstrap estimation method through Process Macro, as it is considered to be suited well for the proposed structural model (Byrne, 2009; Hair *et al.*, 2009).

Table 3 provides the estimates along with its unstandardized regression (*b*) values and confidence interval (CI) and *p* values. Exclusion of zero between the upper and lower limit of CI suggests that the direct or the indirect effect is significant, which was tested by analysing the direct and indirect effect of JS on Retention of expatriates. From the table, the direct and indirect effects of CBHR and EHR on JS and Retention can be referred. CBHR ($\beta = 0.1319$, $p < 0.01$) and EHR ($\beta = 0.1251$, $p < 0.01$) had significant direct effects on Retention with CIs for CBHR [0.1967, 0.3168] and EHR [0.0349, 0.179] suggesting the significant relationship between these variables. However, the indirect effects of JS on CBHR and EHR were also significant, suggesting a partial mediation effect of JS. Thus, the hypothesis, H_3 : JS mediates the relationship between CBHR and retention, was accepted.

Table 3: Standardized direct effects with lower and upper bound limits

Direct effect	R ²	β	t	CI	p
CBHR → Retention	0.0743	0.1319	8.426	[0.1967,0.3168]	0.000
EHR → Retention	0.0584	0.1251	3.6761	[0.0349,0.179]	0.003
Indirect effect	Effect	SE	CI		
CBHR → JS → Retention	0.0148	0.0093	[.0000,.0384]		
EHR → JS → Retention	0.259	0.132	[.0072,.0616]		

CI: confidence interval; *b*: unstandardized regression Weight, *b*-values are computed through bootstrapping procedure

Discussion

Work environment and performance appraisal are assumed to be strongly linked to JS, which in turn has an impact on job retention. This has also been summarized in Ghosh *et al.*, 2013 and justifies the correlation study performed on the variables in retrospect with JS and its retention.

The positive relation between age and job retention was also found by Govaerts *et al.*, (2011). It can be suggested that the retention strategies need to be developed with respect to the age group to which the expatriates belong. This can be explained with the help of the age group of the majority (below 28 years) in question. It has been commonly observed that the employees of this age group in general are competitive, love to explore and try out new job offers, thereby leading to loss in retention power (Agarwal and Mehta, 2014).

It can be derived from Table 1 that there is a direct relationship between CBHR and job retention along with JS among IT expatriates, which complement the studies conducted by Ghosh and Gurunathan (2015), where empirical evidence on the usefulness of CBHRP using 19 Indian banks was provided. Glavin and Chilingirian, 2010 also reported the importance of CBHR in providing JS to the pharma employees.

The positive significant relation of JS with compensation was also supported by Shaikh, (2007) by adoption of reward systems to the expatriates. In our study, there was no relation between work environment and JS. This was similar to the results obtained by Agarwal and Mehta (2014), however, with regards to performance appraisal they were unable to find any relation with JS which is contradictory to our results. The negative relation between JS with firm commitment was also confirmed by Muthiah and Santosh (2017) where there was a significant inverse relationship of organizational commitment to turnover intention in expatriates of the IT industry.

Training and career growth has been positively related to organizational commitment (Agarwal and Mehta, 2014, Majumdar *et al.*, 2010). Therefore, these were included in our study. However, no relation was observed between organizational commitment and any other variable than JS of the expatriates involved.

Ghosh *et al.*, 2013 also supported that compensation affects job retention. Performance appraisal and good working environment have been considered as a part of general HR practices, which act as hygiene factors (Agarwal and Mehta, 2014). Thus, lack of these will be a source of demotivation for the employees. Shahnawaz and Jafri (2012) had reported that organizational culture has no influence on job retention, similar to our results, but contradictory to the studies done by Ghosh *et al.*, 2013.

The model suggests that CBHR has a greater influence on the retention of the expatriates than the EHR. From the findings as given in Table 3, it is evident that CBHR is able to facilitate retention of employees directly and JS is able to mediate the relationship between CBHR and retention. Thus, it can be comprehended that if the organization invest more on the components of CBHR, like the process used for selecting the internal employees for expatriate assignments, the overall fit of the employees for impending assignments, and assessing the potential of the employees to be successful in the employees, would pay dividends by enabling the employees to be successful as well as retention of the employees as it may also increase the JS. Earlier studies have also shown that intention to quit, otherwise can be looked upon as retention, have been considered as the best predictor of actual turnover, more than JS or organizational commitment (Kumar and Singh, 2012; Zimmerman and Darnold, 2009).

Further, as suggested by Baker *et al.* (1998), organizations must design appropriate compensation benefits to attract and retain employees. The results suggest that EHR which was

measured through Compensation, Skill development, Performance appraisal, Career plan, Training and Work culture influenced Retention of the employees. As recommended by Govaerts *et al.* (2011), the results suggest that employees should be given the opportunity to learn and develop their skills which would help in retaining employees. By investigating on the fundamental reasons of employee retention, the organization can remove issues that develop undesirable effect in the work. Taylor and Posner (2008), who examined employee retention problems, recommended the construction of current and future reality trees to assess and solve the issues.

Conclusion and Managerial Implications

In conclusion, our study elaborates that Commitment-Based HR practices can be considered as a major employee retention strategy strong enough for expatriates in the IT industry of India. This service industry is convoluted with multiple dynamic factors controlling the job retention in expatriates. Typically, lower job retention is a loss to the company itself in terms of manpower, monetary and knowledge. Therefore, HR policies should be created to ensure retention to avoid such losses. Our study also shows that CBHR in addition to general HR practices can have a dramatic impact on the JS and its retention. Therefore, it is imperative to formulate the strategies of job retention by companies keeping in mind the components shown in the developed model.

The findings of this study provide primary indications that the traditional HR practices of ensuring stable work force are insufficient for managing expatriate workers. The organizations need to have practices that give value and support to the employee in terms of expatriation.

Since JS and job retention was found to be correlated in our study, an increase in JS should ideally increase the chance of job retention (Agarwal and Mehta, 2014). However, HR recruitment of the companies should keep in mind that elements of JS and job retention is totally dependent on the individual involved. Therefore, communications between employer and employee hold one of the key features to control attrition.

Our findings are not only useful for expatriate researchers, but also for managers and HR division in the IT companies to start practicing CBHR to attain greater advantages in retaining expatriates in comparison to others not adapting CBHR.

Limitations and directions for future studies

There are no studies where CBHR has been used with respect to expatriates working in the IT industry. As per the best of our knowledge, this is the first study empirically showing the integral relations between job retention, JS and CBHR practices in expatriates working in the software industry. A model for CBHR practices was developed for understanding job retention in the expatriates within IT industry which indicates that JS partially mediates the relationship between CBHR and retention of expatriates.

This research was restricted to typical issues related to single-source data collection and common method bias. Regrettably, viable alternative methods for obtaining information on personal attitudes for expatriation and their perceptions are unavailable. The level of communication between the organization and expatriate was not included in this study. Other factors such as leadership, the position of the expatriate in the company and other expatriate conditions may have been missed due to restriction of time and information. This study was confined to only 20 IT companies within Bangalore alone.

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Factors need to be studied in detail in terms of career, compensation, leadership, position of the expatriate in the company and other expatriate conditions. Moreover, cross-cultural adjustments among the expatriates on job retention also warrant an exhaustive research.

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