

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Management**



**Extended Bachelor Thesis Abstract**

**HRM Practices on Employee Motivation and Retention (A  
Case Study of SAP Č.R., s.r.o)**

**Lennon Tatenda Bera**

Supervisor: Richard Selby Ph.D.

© 2019 CULS Prague

# 1 HRM Practices on Employee Motivation and Retention

## Abstract

The study employed an online survey using a standard Likert-scale type questionnaire. The research design involved hypothesis testing. One hypothesis investigated the relationship between HRM practices and employee motivation. The second hypothesis examined the relationship between HRM practices and staff retention. The final hypothesis sought to determine if staff retention was a result staff motivation. A sample of thirty-four, conveniently sampled out of a target population of 1700 employees provided data for this study. The population was the Prague SAP Global mobility team comprising of thirty-four employees, managers included. The data analysis techniques employed included the following: Cronbach's Alpha (to test internal consistency), regression analysis (to establish the relationship between variables) and ANOVA analysis (to establish model significance). The study found out that a significant relationship exists between HRM practices and employee motivation and also found out the existence of a relationship between employee motivation and employee retention.

A larger population sample would be recommended for prediction purposes. Additionally, the study recommends further studies in a different industry or country.

**Keywords:** Human Resources Management (HRM), HRM Practices, Employee Motivation, Employee Retention, Employee Turnover

## **2 Objectives and Methodology**

### **2.1 Objectives**

This bachelor thesis sought to examine the influence of HRM Practices on employee motivation and retention in the contemporary and dynamic business environment. The thesis evaluated the HRM practices of the company SAP Czech Republic, s.r.o and studied what impact these practices had on employee motivation and retention. The first part of the literature review introduced the concept of motivation and examined two main motivation theories by Abraham Maslow and Frederick Herzberg as they play a significant role in explaining and elaborating the concept of employee motivation. This was followed by an examination of employee retention and a brief discussion on some of the staff retention practices that businesses use. The third part explored HRM Practices in detail and examined how they affect the motivation and retention of employees in the organisation. The final part of the literature review was a brief discussion of the current trends in personnel management practices.

### **2.2 Methodology**

The research was conducted through an online HRM Practice questionnaire comprising of twenty-four questions. The research target population was the employees of the company SAP Czech Republic. The questionnaire helped to obtain opinion feedback from the employees on current SAP HRM Practices on the basis that evaluation of this employee feedback would help to analyse the relationship or impact of HRM practices on employee motivation and then to investigate the relationship between employee motivation and employee retention. Three hypotheses were tested. The first hypothesis investigated a relationship between employee feedback on the questionnaire with employee motivation. The second hypothesis examined HRM practice influence on staff retention. The final research hypothesis sought to confirm if employee retention is an offshoot of sound HRM practices and employee motivation.

### **3 Theoretical Part**

The literature review of this bachelor thesis began with the operational definition of motivation. Two major theories, Maslow's hierarchy of needs and Herzberg's two factor theory were examined as these theories provide a foundation to research on motivation. The concept of employee retention was then introduced as it was a fundamental part of the research examining some of the techniques of employee retention such as hiring talent from within, recognising employee efforts and delegation of roles. Recent trends in personnel management technology, employee engagement and blind hiring were also evaluated since the trends surely have a significant impact on HRM practices. It is highly recommended that firms seeking to gain or maintain competitive advantage keep up with the developments in HRM practices.

Different authorities use different terms to refer to HRM. However, this thesis evaluated the practices using Armstrong 2010's guidelines and these were examined in detail. The practice area examined are as follows;

- Resourcing (recruitment and selection, HR planning)
- Performance and management (Performance appraisals)
- Learning and development (Growth opportunities)
- Pay and reward management
- Employee relations (work environment, relationships between employee and managers etc.)

The literature reviewed in this chapter show that the practice areas mentioned above are therefore fundamental in ensuring that employee motivation and retention can be achieved.

## 4 Practical part

The practical part of this thesis was conducted through an online standard Likert-scale questionnaire in an attempt to prove three hypotheses;

- a. A link between HRM practices and employee motivation
- b. A link between HRM practices and employee retention
- c. A link between employee retention and employee motivation

Cronbach's alpha provided data on internal reliability of the questions based on each practice and the practice areas performance management, learning and development and employee relations had results on an acceptable level.

Null hypotheses implying no statistically significant relationship between the variable were rejected hence the results were as follows;

- a) There is a statistically significant relationship between HRM practices and employee motivation
- b) There is a statistically significant relationship between HRM practices and employee retention
- c) There is a statistically significant relationship between employee motivation and employee retention.

From the results stated above, it can be concluded that personnel practices have a significant impact on employee motivation and retention hence organisations have to take employee welfare into consideration in order to be successful in achieving employee motivation and retention. Employee retention is therefore an offshoot of employee motivation hence it can be concluded that to achieve retention, motivation first has to be achieved. Sound HRM practices have a positive impact on an organisation contributing to motivation and retention whereas bad HRM practices especially in a country with 3.2% unemployment rate would result in excessive turnover.

## 5 Conclusion

This research, focused on SAP Czech Republic s. r. o., sought to investigate the relationships between HRM practices and motivation, HRM practices and retention as well as the link between motivation and employee retention. A brief background of the organisation under study was given to provide a context for the study. A review of related literature clarified the theoretical background to the thesis. The study involved hypothesis testing, employed the online survey technique, eliciting data from respondents through a Likert-scale questionnaire. Data was collected from a purposively selected work team comprising of thirty-four people, workers and managers included.

The data analysis involved a number of techniques and enabled the researcher to arrive at sound conclusions. On the basis of the Global Mobility work team studied, it is concluded that sound HRM practices lead to high motivation which in turn contribute to high employee retention. One major limitation of this study was time. Given more time and other resources, the study recommends a longitudinal study, as opposed to this snapshot. This would yield invaluable insights of changes over time. A study of an organisation in a different industry or geographical location may also provide interesting dimensions.

A recommendation for the case study company and all organisations as a whole is to keep up with the current trends in personnel management. These trends include those mentioned in the trends in HRM for example the trends include, employee engagement, fighting unconscious bias, improvement in people training and expanding employee wellness

## 6 References

**Armstrong, Michael. 2010.** *HUMAN RESOURCE management practice.* 2010.

**Bhatia, Kanchan. 2009.** *Compensation Management.* s.l. : Global Media, 2009.  
9788184885118.

**Branham, F. Leigh. 2000.** *Keeping the People Who Keep You in Business.* s.l. : AMACOM, 2000. 9780814405970.

**CALDWELL, Charles M. 2002.** *Performance Management.* 2002. 9780761213925.

**Chaudhuri, K. K. 2010.** *Human Resource Management : Principles and Practices.* 2010.  
9788184886528.

**DiVanna, Joseph A. and Jay Rogers. 2005.** s.l. : Palgrave Macmillan, 2005. 1403936897.

**MULLINS, L J. 2010.** *Management and organisational behaviour.* s.l. : Harlow: Financial Time Prentice Hall, 2010. 9780273728610..