

The Mediating Role of Organizational Environment in Faculty Talent Retention: A Case Study in Bangladesh

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ABSTRACT

The objective of this paper is to analyze the mediatory role of organizational factors linking the human resource management practices and talented employee retention. To attain this objective, the paper employs the analytical technique provided by Barn and Kenny (1986). Human resource matrix is taken as a function of four variables such as compensation package, person organization-fit, challenging opportunity and training and development. Organizational factors also involve four variables such as working environment, organizational culture and policy, leadership behavior and teamwork relationship. The experiment has been accomplished in a private higher academic environment in Bangladesh collecting data from 54 talented faculty members. The results show that organizational environment plays an important mediatory role in linking human resource management and talent faculty retention. Thus, the findings of the study imply that organizational variables are at least equally important as important as the human resource variables in order to retain the talent retention in an organization. It is also important that this finding will not only contribute to formulate the retention strategy for an academic institution, but also for any non-academic organizations as well.

Keywords: Human Resource Management, Organizational Culture, Faculty Talent Retention, Mediating Effect

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Introduction

The wants and needs of a good job candidate would seem to follow logic. It is what just about every worker craves: competitive pay, solid benefits, a healthy work environment and a chance for raises and promotions (Cassano, 2009). Yet, the best job candidates look for something else and it is the first thing that ought to be offered to them. The best candidates want assignments and responsibilities that match their talent and experience ((Martin and Schmidt, 2010; Grebb, 2008; Goretsky and Pettry, 2007). In attracting and retaining talent today providing competitive compensation package is necessary but not sufficient (Harvey, 2009). Assuming organizations provide good wages and other benefits, proper training and development along with worthy leadership they will either win or lose the war for talent on behavioral culture and policy nurtured in an organization. Practically speaking, a positive and engaging organizational behavior must be viewed and marketed as an integral part of the talent retention (Benest, 2008).

Despite the current economic downturn globally, “talent crunch” continues (Yamamura, Birk and Cossitt, 2010). Manpower Inc.’s 2009 Talent Shortage Survey reported that 30 percent of employers worldwide had difficulty finding qualified candidates for open positions, citing “a lack of suitable talent”. Although more candidates might have applied for positions than in prior years, most did not have the particular skills needed for the job. Manpower predicted that the talent shortage would become “more acute and more widespread” over the next ten years (Yamamura et al., 2010).

In this increasingly global competitive market environment, no function is under greater scrutiny than the human resource function in which organizational behavior posits to be an important mediating component of Human Resource Management (HRM). Among the HRM dynamics, compensation is an important issue that has been proliferating since the early 1900s by the Scientific Management theorists. Taylor, for example, examined the issue of compensation and performance-based pay as one of the primary management tools in controlling employees behavior as means of increasing organization’s productivity and reducing employees turnover (Hausknecht, Rodda, Howard, 2009). Other factors of HRM such as training and development and leadership behavior are equally vital for talented employee retention.

Employee talent retention, particularly in the private higher education sector in Bangladesh bears paramount importance because of immense surplus in demand

and huge shortage in supply of talented faculty ((Mannan, 2009; Heinen and O'Neill, 2004). This predicament becomes worse when private universities witness dramatically increasing growth in Bangladesh over the last two decades. Besides, due to a short life span of these universities, there has been a serious lack in the nurturing and development of healthy university culture and policy as well. For these reasons, the attrition rate of faculty members in private universities is much higher compared to public universities of Bangladesh and faculty retention is, thus, regarded as a core challenge faced by private higher education sector of this country (Ashraf, 2009). Realistically, recruitment, development and retention of faculty members are so one of the most studied research topics in organizational psychology (Stewart and Brown, 2009) as well as in today's competitive knowledge-base environment, where human capital is considered to be a key resource for the overall success of the business (Ashraf and Joarder, 2009; Trotman, 2004).

Objectives of the Study

The overall objective of this study is, therefore, to ultimately gain an understanding of factors that might impact on the faculty talent retention practices in a private university environment. To achieve this objective, a specific theoretical framework has been formulated for this study. The framework uses a set of variables, referred to as dependent variable, independent variable and a mediating variable. However, the specific objectives are as follows:

1. To investigate the direct influence of HRM practices on the faculty talent retention in a private university.
2. To examine the mediating role of organizational culture between HRM and faculty talent retention in a private university.
3. To make some recommendations for improving the faculty talent retention in a private academic environment

Context and Conceptual Basis

During the last two decades of the twentieth century human resource practices witnessed myriads of contemporary trends starting successively right from competitive advantage to training and development, cross training and job rotation, job enrichment and empowerment, teambuilding and leadership

development, flexible work schedules, alternative workplaces and telecommuting, temporary and part-time employees, employee compensation, challenging task analysis, work-environment analysis and ergonomics. By and large, the hub of this rapid transition is consolidated with key employee attracting and retaining to attain the company goal of ultimate success in the competitive global environment (Hausknecht et al., 2009). By the term of key employee, it means the talent pool which makes differences in business competition focusing on a new way to calculate economic profit ((Barber and Strack, 2005), such as:

$$\text{ECONOMIC PROFIT} = \left[\frac{\text{ROI}}{\% \text{ of Return on Investment}} - \frac{\text{COC}}{\text{Cost of Capital}} \right] \cdot \frac{\text{IC}}{\text{Invested Capital}}$$

Replace "return on investment" with its equivalent, "earnings divided by invested capital":

$$= \left[\frac{\text{E/IC}}{\text{Earnings/Invested Capital}} - \frac{\text{COC}}{\text{Cost of Capital}} \right] \cdot \text{IC}$$

Use algebra to arrive at:

$$= \frac{\text{E}}{\text{Earnings}} - [\text{COC} \times \text{IC}]$$

Replace "earnings" with its equivalent, "revenue minus personnel costs minus supplier costs minus depreciation";

$$= \frac{\text{R}}{\text{Revenue}} - \frac{\text{PC}}{\text{Personnel Costs}} - \frac{\text{SC}}{\text{Supplier Costs}} - \frac{\text{D}}{\text{Depreciation}} - [\text{COC} \times \text{IC}]$$

Use algebra to factor in a key people-oriented element, the number of people employed and introduce two metrics, namely, employee productivity and average personnel cost per person employed:

$$= \left[\frac{\text{R-SC-D-[COC} \times \text{IC]}}{\text{P}} - \frac{\text{PC}}{\text{P}} \right] \cdot \text{P}$$

Employee Productivity Avg. Cost/ Person People Employed

The result is a calculation of economic profit that is meaningful to people-intensive businesses:

$$\text{ECONOMIC PROFIT} = [\text{EPR} - \text{ACP}] \cdot \text{P}$$

Employee Productivity Avg, Cost/Person People Employed

This new people-oriented equation replaces the capital-oriented one. Employee productivity corresponds to capital productivity and the average personnel cost per person employed corresponds to the cost of capital. The number of people employed corresponds to the amount of invested capital (Barber and Strack, 2005).

This new algebra of economic profit highlights human resources at the center stage which can be influenced by four variables namely compensation package, person-organization-fit, challenging opportunity and training and development (Ready, Hill and Conger, 2008; Frank, Finnegan and Taylor, 2004). Similarly, organizational factors, which can have mediated to influence the talent retention practices, are categorized as working environment, company culture and policy, leadership behavior and teamwork relationship (Kontoghiorghes and Frangou, 2009; Chew, 2005). Altogether four HR and four organizational factors have been identified which affect the employee talent retention.

Compensation Package

Compensation is the combination of all cash incentives and the fringe benefits mix that an employee receives from a company, which constitutes an individual's total compensation ((Chiu, Luk and Tang, 2001; Shaw, Gupta and Delery, 2002). A total compensation package promotes high levels of individual performance as well as commitment to a company's overall success ((Huselid, 1995; Younger and Smallwood, 2008). In addition to highly competitive package, benefits that start on the first day of employment and other perks such as tuition reimbursement, a retirement savings plan, casual dress code and state-of-the-art fitness and recreation programs now are huge motivating factors for talented employees (Barber and Bretz, 2000; Chiu, 2002). Today's incentives even subsume a host of on-site other conveniences which include cafeterias, post offices, day care centers, company stores, free covered parking and welfare programs of free annual health

risk assessments and clinics, flu shots, preventive care benefits and many more. “Is non-salary compensation is a motivator for every employee? For many employees, it is.” (Harvey, 2009, p. 20). Yet, the extent to which each module of a company's total rewards package motivates employees is unique to each employee talent. A talented graduate fresh out of college will certainly be motivated differently than an individual with a family who is saving for children's college educations and retirement. One should strive to provide a comprehensive total rewards package that can motivate all employees (Harvey, 2009). Although most of the previous studies focused on the level and determinants of compensation, including the relationship between compensation and performance, there is an increasing awareness that the compensation package may have a strong bearing on reducing agency cost associated with managing corporations (McDonough, 2002).

Person-Organization-Fit

One of the most influential concepts in Nobel Prize winner economist Gary Baker's work is the distinction between firm-specific human talent and general human talent based on which Groysberg, McLean and Nohria (2006) examine whether the executive's talent is a good fit with the company. Their conclusions are that companies need to look beyond corporate pedigree when choosing a new leader and that the types of an executive's skills are better indicators of a good match. Deployment of the idea of person-organization-fit matches the correct candidate to an important job or project. A good balance between providing opportunities for employees to find the right fit for their skills and respecting their personal priorities is not always possible. But as the organization hones its talent deployment strategy and approach, it becomes an easier task to provide the right job for the right employee (Sowers and Woody, 2006). Many utilities are exploring nontraditional approaches to ensure that the companies retain and capture knowledge and identify and support critical talent. Knowledge transfer programs not only connect young and experienced talent, but also offer new recruits an insight into a company's operations and help them find a place in the organization that matches their aspirations. Thus, selection of a person whose values, norms and ethics are congruent with those of an organization is necessary to retain (Netemeyer, Boles, McKee and McMurrian, 1997).

Challenging Opportunity

It's very easy to retain employees by giving them more challenging responsibilities and upgrading their designations. The biggest driver of satisfaction is not free bagels or lunches and not even your compensation, but providing more opportunities for people to do what they do best. Rebecca Ryan of Next Generation Consulting says her firm's research has found that for 20- to 40-years old, "pay may be a maintainer but it's not a retainer." (Siegfried, 2008, p.55). The new talent structure will offer the most desirable incentive of challenging opportunities that stretch people's skills and help them build up their personal market value. Skilled staffers remain hard to find and even harder to keep, but one can win them over with reconfigured jobs with challenging tasks, flexible schedules, and unusual perks (Stuart, 2009).

For all that happens under their jurisdiction, one of the biggest challenges for executives is their tough responsibility. It has to be kept in mind that emerging leaders yearn to be challenged and be given assignments that utilize their talent. This is how they learn. In a similar vein, one should take a chance let go and show trust, then there is more likely a possibility that the horizon would be surrounded with a higher performing team-stars (Takash, 2009).

Training and Development

Employees see a lack of growth opportunities in their organizations which do not provide training. Particularly, cross-training and development help retain great employees. Workers covet for opportunities to learn, grow and perform at the highest level. And they think they have a part to play in helping their employer succeed (Goretsky and Pettry, 2009). Nowadays employees see a lack of growth opportunities in their organizations—whether that is in training, promotional opportunities, pay or career advancement. So this is the time for employers to carefully examine any weaknesses in these areas that could be encouraging employee turnover (Mazur, 2009). Companies also can consider providing on-site training programs utilizing leaders from within various departments. These programs can offer insight to workers in departments across the company who may be interested in expanding their skill base. Besides, subsidized attendance at local seminars or online development programs can be arranged.

Everybody is on a different career path at various points during their life and career, but what they come for, what they need and want to have, is a

developmental model. If staffers simply talk about it and don't deliver, the employee will leave. The bottom line is that when employers identify, engage and retain people who enjoy what they do, employees will work with integrity and passion (Siegfried, 2008).

Some companies emphasize career and developmental opportunity. The best are able to turn their commitment to development into a source of advantage in recruiting, engaging, and retaining employees. We call these companies branded talent developers. The exceptional quality of our workforce is a valuable competitive edge. To build on this advantage we will strive to hire and retain the most qualified people available and maximize their opportunities for success through training and development (Younger and Smallwood, 2007).

Organizational Environment

Work Environment

Creating the right work environment is one of the best ways to attract and retain the talent (Siegfried, 2008). As the 21st Century unfolds, major changes are beginning to occur in today's workplace. A growing awareness of unavoidable demographics is creating a greater urgency for HR professionals everywhere to focus more attention and energy on retaining talented employees and keeping them actively engaged in their work (Frank et al. 2004). The flexible environment, the exciting challenges, the great brand, the fun and stimulating work environment can attract a lot of people who have exceptionally great background (Laff, 2005).

University Culture and Policy

Although much can be written about the company, the culture on which it prides itself is very much in evidence to take into consideration. Experts explain that the company culture and policy is always going to be attractive to people (Laff, 2005). Besides, employees – especially young ones – are more likely to stay at a company whose culture and values they enjoy. So, one should conduct regular “culture audits” to measure employees’ connection to the company’s work environment (Lawler, 2008).

Leadership Behavior

Great communication is vital to any organization and often communication is unclear or insufficient. This is always frustrating, but in difficult economies,

mixed signals or misread messages can lead to bigger problems. Take extra steps to make sure your communication is always consistent, crystal-clear and positive. Provide open access to senior leadership and find ways to foster two-way communication (Mazur, 2009).

Teamwork Relationship

Teams have emerged as a critical organizing structure to integrate disparate expertise and to coordinate their talent in today's high speed changing environment (Yun, Faraz and Sims, 2005). Many recent studies have highlighted the value of teamwork (see e.g. Jacobides, 2010; Ashraf and Noor, 2010) which influences organizational culture and policy (Ashraf and Joarder, 2009). Teamwork has also been proven to be a powerful tool for reducing discrimination and team members learn together and are encouraged to help each other (Parker, 2003).

Faculty Talent Retention

Retention is crucial. Successful firms have creative means for inspiring employee loyalty, such as keeping staff challenged and emotionally invested in the company's success. A recent PwC publication noted: "Rather than focusing on incentives and perks to entice and retain employees, organizations operating on this new model will hold on to the most talented workers in their permanent corps by offering them a range of professional experiences, broad functional and geographic exposure within the organization and more targeted leadership opportunities. In essence, this new talent structure will offer the most desirable incentive of all; challenging opportunities that stretch people's skills and help them build up their personal market value." (Siegfried, 2008, p.55). Many companies offer leadership training programs coupled with manager mentoring to prepare junior employees for leadership roles. It is also important to protect employees from being poached by competitors.

Research Methods

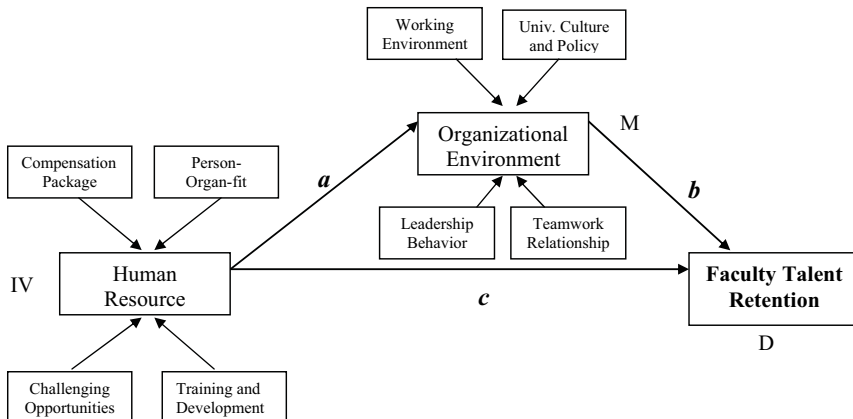
Development of Hypotheses

Although the systematic search for moderator variables is relatively recent, researchers have long recognized the importance of mediating variables (Baron and Kenny, 1986). For instance, Woodworth's (1928) study, which recognizes that an active organism intervenes between stimulus and response, is perhaps the most generic formulation of a mediation hypothesis. In general, a given variable may be

said to function as a mediator to the extent that it accounts for the relation between the predictor and the criterion. Mediators explain how external physical events take on internal psychological significance. This study uses the methodology of Baron and Kenny (1986) in detecting the mediator's role which specifies some conditions for holding the mediation-role.

In the Figure- 1, human resource compact, organization quantum and faculty talent retention are, respectively, taken as independent variable (IV), mediating variable (MV) and dependent variable (DV). According to Baron and Kenny (1986), a variable functions as a mediator when it meets the following conditions: (i) variations in levels of the independent variable significantly account for variations in the presumed mediator (i.e., Path a), (ii) variations in the mediator significantly account for variations in the dependent variable (i.e., Path b), and (iii) when Paths a and b are controlled, a previously significant relation between the independent and dependent variables is no longer significant, with the strongest demonstration of mediation occurring when Path c is zero. When the relation between independent and dependent variables is reduced to zero, it holds strong evidence for a single, dominant mediator. If the Path c is not zero, this indicates the operation of multiple mediating factors. Because most areas of psychology, including social phenomena that have multiple causes, a more realistic goal may be to seek mediators that significantly decrease the condition described in Path c rather than eliminating the relation between the independent and dependent variables altogether. From a theoretical perspective, a significant reduction demonstrates that a given mediator is indeed potent, albeit not both a necessary and a sufficient condition for an effect to occur.

Figure- 1: Research Framework of the Study



An appropriate practices of human resource management, which includes compensation package, person organization-fit, training and development and challenging work opportunities, was said to have a significant impact on organizational culture (Joo and Shim, 2010), and in turn can influence the employee retention. The ability of organization to nurture the healthy cultural structure based on proper compacts such as working environment, leadership behavior, teamwork relationship and its culture and policy, has an important effect on talent retention (May et al., 2002). However, based on this argument and the conceptual framework, the following hypotheses are developed in order to examine the mediating role of organizational culture in the faculty retention policy of the university:

H1: Human resource management is significant to influence organizational cultural structure.

Besides, Steers (1977) contended that those individuals, who are satisfied with an organizational culture, are more likely to reciprocate by developing more commitment to that organization. The research of Deshpande (1996) indicates that when employees show enhanced satisfaction with the organization and culture and policy, their commitment to stay is also enhanced. Thus, the following hypothesis is drawn:

H2: Organization cultural structure is significant to influence faculty talent retention.

However, study on employee reaction and an attitude toward organizational commitment to stay is based on the expectation that work-related outcomes were mediated by attitudes toward organizational culture and policy (Williams, McDaniel, & Nguyen, 2006). Yet, talent retention is the function of maintaining proper human resource management and healthy organizational culture (Ashraf and Joarder, 2009). Thus, a hypothesis can be drawn as follows:

H3: Human resource management practices in the presence of organizational cultural structure significantly influence faculty talent retention.

Data Collection and Sampling

This objective is achieved through primary data collected from the high caliber faculty of one of the top most private universities in Bangladesh. In the data collection process, a structured questionnaire was used in the survey. The

respondents (faculty members) were asked to what degree the faculty retention policies practiced by the university corresponded to their expectations on the 24 items of the HR factors and 24 items of the organizational variables related talented employee retention model. Here in the study, organizational behavior has been taken into consideration as the mediating variable between HR factors and talent faculty retention. The questionnaire was sent to the population size of 60 full time faculty members of a private university located in Dhaka city, of which 54 faculty members responded resulting in 90% participation rate. The convenience sampling procedure was followed for this data collection. The study used seven point Likert Scale with closed ended questions ranging from “strongly agree” to “strongly disagree”. The researcher assigned numeric values to those options ranging from 7 to 1. A total of forty eight questions were asked for this survey.

Analysis of Data

The statistical package for social science (SPSS, Version 16) was used to analyze the quantitative data. For testing the mediation effect, the study uses the methods of Baron and Kenny (1986) which manifest to fulfill three conditions: first, the independent variable must affect the mediator in the first equation; second, the independent variable must be shown to affect the dependent variable in the second equation; and third, the mediator must affect the dependent variable in the third equation. If these conditions all hold in the predicted direction, then the effect of the independent variable on the dependent variable must be less in the third equation than in the second. Perfect mediation holds if the independent variable has no effect when the mediator is controlled.

The reliability test has also been conducted to verify the internal consistency of the variables obtained in the sample. The Cronbach's alpha value is found 0.8982, which is much higher than the minimum acceptable level suggested by Nunnally (1978). Several statistical analytical techniques such as Hierarchical Regression Analysis, ANOVA and correlation analyses have been used to measure the level of incentives of the talent faculty rendered by the concerned university.

Results and Discussion

Reliability Analysis and Correlations

The means, standard deviations, Cronbach's alpha and zero order correlation of all studied variables are presented in Table 1. The means for all the variables studied

are reported to be in the range of 4.3 to 6.1 in which leadership behavior scores the highest level ($\mu = 6.1$) and training and development is in the low rating ($\mu = 4.3$). These imply leadership behavior or mentorship is in considerably good condition, but the training and development opportunities are poor which needs to be improved. The standard deviations are ranged from .74 to 1.6. The results of reliability analysis are shown in italic and bold on the diagonal. The result shows that all variables are in the range between .64 and .89 which are in the acceptable standard of reliability analysis (Nunally, 1978). The reliability coefficient of human resource management practices is .89 which is the highest one. Organizational culture and faculty retention show the reliability coefficients of .64 and .86. Overall, the reliability coefficient for the model is .88 which is considerably high in comparison to Nunally (1978).

Table- 1: Mean, Standard Deviation, Cronbach's Alpha and Correlations Analysis

	1	2	3	4	5	6	7	8	9	10	11
HR (1)	.89										
CP (2)	.76**	.80									
LB (3)	.22	.31*	.86								
UCP (4)	.69**	.47**	.27	.85							
TD (5)	.75**	.45**	.21	.48**	.80						
ORG (6)	.58**	.56**	.57**	.64**	.29*	.64					
WE (7)	.26	.40**	.15	.16	-.01	.73**	.75				
POF (8)	.87**	.51**	.15	.62**	.51**	.47**	.14	.67			
TR (9)	.45**	.27	.25	.39*	.23	.68**	.33*	.42**	.78		
CO (10)	.82**	.47**	.03	.65**	.42*	.56**	.31*	.75**	.54**	.77	
FTR (11)	.61**	.45**	.22	.69**	.36**	.68**	.42*	.52**	.49**	.63**	.86
Means	4.6	4.8	6.1	5.2	4.3	5.7	5.7	4.8	5.6	4.9	5.6
SD	.86	1.1	.86	1.1	1.1	.74	1.6	1.0	.85	1.1	1.0
Items	23	7	4	8	4	19	7	3	5	4	6

**p<.01, *p<.05; Cronbach alpha coefficient shown in italics and bold at diagonal; n = 54

The results of correlation analysis show that human resource management practice is significantly correlated with compensation package ($r = .76$), university culture and policy ($r = .69$) and training and development ($r = .75$) at .01 level. The correlation coefficient between human resource practices and leadership behavior is ($r = .22$). Organizational culture is significantly correlated with all its factors of working environment ($r = .73$), person organization-fit ($r = .47$), team relation ($r = .68$) and challenging opportunities ($r = .56$) at the level of .01. Human resource management practice and organizational culture are significantly correlated ($r = .58$) at .01 level. The correlation between organizational culture and faculty talent retention is $r = .68$ which is significant at .01 level. Human resource management and faculty talent retention are also highly significantly correlated ($r = .61$).

Tests for a Mediator Effect

A mediator effect can be tested with hierarchical regression analysis (Judd and Kenny, 1981). However, mediator effects should only be tested if there is a significant direct association between an independent variable and an outcome variable, otherwise there is no relationship to mediate. An important assumption of this method is that the outcome variable does not predict the mediator variable. Based on the Figure 1, first, the single order relationships among the variables are confirmed by statistically significant Pearson correlations in the expected direction. As predicted, human resource management practices and organizational culture are correlated ($r = 0.55, p < .001$), organizational culture and talent faculty retention are correlated ($r = 0.68, p < .001$) and human resource management practices and talent faculty retention are correlated ($r = 0.62, p < .001$)

Next, three regression analyses are performed, following the method specified by Baron and Kenny (1986) based on hierarchical regression analysis. The first equation regresses organizational culture on human resource management practices ($F(1,52) = 26.96, p < .001$ & $t = 5.192, p < .001$). Human resource management practices explained 34% of the variance in organizational culture. Thus, $H1$ is accepted.

The second equation regresses talent faculty retention policy on human resource management practices ($F(1,52) = 31.09, p < .001$ & $t = 5.576, p < .001$). Human resource management practices explained 37% of the variance in talent faculty retention. Thus, $H2$ is accepted.

The third equation regresses faculty talent retention on organizational culture ($F(1, 52) = 44.76, p < .001$ & $t = 6.690, p < .001$). Then, another equation regresses talent faculty retention on both human resource management practices and organizational culture. This final equation met the two requirements for a mediator effect: (a) The hypothesized mediator, organizational culture, was a significant predictor ($t = 4.152, p < .001$) and explained 24% of the variance in faculty retention and (b) the variance in faculty retention explained by human resource management practices was reduced from 37% in the second equation to 10% in the third equation. Thus, the reduced direct association between human resource management practices and talented faculty retention, when hopefulness was in the model, supported H3 that organizational culture was at least one of the mediators in the relationship between human resource management practices and talented faculty retention.

The results revealed some significant findings of the relationship between human resource practices which align with the earlier findings that appropriate allocation of compensation structure and other variables have a significant effect on organizational culture and environment (Bloom, 1999; May et al., 2002). The results also show that human resource factors have a significant effect on talent faculty retention with organizational factor to mediate. From the result, it shows that the inclusion of organizational variables has contributed to the significance of talent retention. The results support the earlier findings that organizational milieu which is influenced by the organizational culture and environment tends to influence the talents to be committed and loyal to the organization (Silverthorne, 2004).

Conclusion

The main objective of this study is to explore the mediatory role of organizational cultural environment linking the human resource management and talent faculty retention. Keeping this aim at the center, the study also endeavors to provide some insights into how human resource and organizational culture would be considered in designing them to support an organization in order to achieve its goals. It is suggested for the organization to consider four variables such as compensation package, person organization-fit, challenging opportunity and training and development in managing human resources as the results of this study shows all these variables have influences on the organization and talented employee retention. In addition, organizational factors are shown to play a significant role in mediating human resource management in the talent retention as well. The effect

of the presence of organizational factors has increased the performance of the relationship between human resource management and human capital retention process. Employees who are satisfied will be more committed to the organization they are working with. Hence, it suggests that organization focuses more on to what employees aspire from their job, instead of what is already being practiced in the organization.

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