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## Effectiveness of Human Resource Management Practices on Employee Retention Among Cooperatives

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### Abstract

This study explored the effectiveness of human resource management practices on employee retention among cooperatives in Poblacion, Impasugong and Kisolon, Sumilao, Bukidnon. Particularly, it examined how several HRM practices – career development opportunities, compensation, employee engagement, working environment and work-life balance – influence the retention of employees. A quantitative research method was employed, specifically descriptive-correlational design. Entire population of 59 employees from the five cooperatives were included as respondents. A modified structured questionnaire, validated by expert was used. It contained three parts: demographic profile, human resource management practices and employee retention, and was measured through a five-point Likert scale. Data were analyzed using mean and standard deviation for descriptive, and Spearman Rho test for the correlation. Findings revealed that employees perceive human resource management practices as very effective, particularly the employee engagement, working environment and career development opportunities. Employee retention was correspondingly very high indicating that employees positively perceive employee retention. Results also reveal a positive significant relationship between HRM practices and employee retention. This study concludes that human resource management practices are critical in determining employee retention in cooperatives. Thus, it is recommended that cooperatives maintain their high levels. It is also crucial to adopt effective HRM practices that emphasize career development opportunities, a supportive working environment, work-life balance, competitive compensation, and fostering employee engagement.

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### 1. Introduction

Employees are a significant asset to any organization. They are not only involved in their duties but also contribute to the business's success. The success of organizations depends not only on their financial status but also on their ability to appreciate and encourage employees to deliver their best, thereby benefiting both the employees and the organization. It has been established that employee retention is a key to an organization's productivity and overall performance (Sorn *et al.*, 2023)<sup>[27]</sup>. Employee retention has been a concern in the Philippines, as employee turnover across industries has continued to increase. According to Marquina (as cited in WTW, 2024)<sup>[30]</sup>, voluntary turnover and attrition can be driven by employees seeking better pay and developmental opportunities, work flexibility, work-life balance, or family migration. This stood at 15.9 and 14.2 in the years 2023 and 2022, respectively. These points also reflect the changing priorities of modern workers. The transforming

environment and changing technology trends are making employees more sustainable. Therefore, they will decide to remain in their organizations based on the efforts and the benefits provided to them (Murtiningsih, 2020) <sup>[18]</sup>.

Moreover, in situations with high turnover across both the company and personnel, several problems arise that affect operational and financial costs. Operation issues are also encountered because not many workers will be left to handle the regular workload, leading to delays and lower production. Recruiting and training new staff are also more expensive, as these processes are resource-intensive (Aeppli, 2024) <sup>[11]</sup>. This implies that employee retention has been a significant challenge that firms should address (Bengfort, 2024) <sup>[4]</sup>.

Employee retention is one area that has been extensively studied across various sectors. In a study conducted by Mahadi *et al.* (2020) <sup>[13]</sup>, among Malaysian organizations, it was found that compensation, career advancement opportunities, relationships with the supervisor, managing work-related stress, being able to take up learning and development, and short-term incentives are the factors that directly influence the desire of employees to remain long in the organization. These aspects help companies develop strategies that lead to higher retention practices. In another study, Devi and Reddy (2025) <sup>[8]</sup> also indicated that several viable strategies have been successfully adopted to retain employees. These are comprehensive health benefits, rewards packages, and retirement plans, which are much-needed elements to support the retention strategy.

Additionally, Tolentino (2021) <sup>[29]</sup> emphasized that, as a behavioral specialist, human resources are the most important assets at the workplace, and human resources development is a key to faster business growth and the national economy. It is not just that these resources should be fostered through education, training, and skill development, but also because it would lead to business success and the country's economic development.

This topic has been extensively researched by various scholars who have investigated the relationship between human resources management practices and employee retention across diverse organizations, including financial institutions, educational institutions, retail organizations, multinational corporations, the technology industry, and the hospitality sector. However, these studies yield inconsistent results, and there has been little research conducted on the relationship between HRM practices and employee retention in cooperatives.

The human resources owned and headed by members make cooperatives unique in their human resource issues, as compared with traditional organizations, which are managed as profit-making entities. This paper aims to bridge this gap by examining the human resource management practices specific to employee retention in the cooperative model. The paper will analyze the connections between HRM practices and employee retention in cooperatives, as well as the efficiency of career development opportunities, pay, employee involvement, working conditions, and work-life balance.

Further, the fact that this study closes the gap helps incorporate Sustainable Development Goal 8 (SDG 8) Decent Work and Economic Growth into practice. One of the 17 Sustainable Development Goals proposed by the United Nations in 2015 is SDG 8 (Patel, 2025) <sup>[24]</sup>. It aims at guaranteeing inclusive and sustainable growth, sustained economic growth, and full employment for everyone (Nema

& Verma, 2019). Cooperatives are easily accessible to the concepts of equality and inclusiveness through their member-owned structure, but their human resource management practices have not been extensively researched. In addition, the study supports the socio-economic agenda of promoting productive and decent employment in cooperative settings, thereby facilitating economic development and workforce sustainability.

### 1.1. Objectives of the Study

The purpose of this study is to determine the effectiveness of human resource management practices on employee retention among cooperatives. It also aims to investigate how HRM practices – career development opportunities, compensation, employee engagement, working environment and work-life balance influence the retention of employees. Specifically, this study will:

- Assess the level of human resource management practices in terms of career development opportunities, compensation, employee engagement, working environment and work-life balance.
- Assess the level of employee retention among cooperatives.
- Examine the relationship between human resource management practices and employee retention.

### 1.2. Significance of the Study

The purpose of this study is to investigate the relationship between human resource management practices and employee retention in cooperatives. The findings of the proposed study will elucidate the specific human resource management (HRM) practices that can be successfully adopted to enhance employee retention levels in cooperatives. Employees will be taught the value of good human resource practices in talent retention and a healthy work environment in cooperatives. This aspect ultimately helps them increase job satisfaction and enhance career development. This study aims to help cooperatives understand the importance of implementing effective HR practices to retain skilled and competent workers, thereby sustaining their long-term growth. The study's results would provide considerable insight to businesses, particularly in areas or business sectors where cooperatives are prevalent. By studying effective HRM practices in retaining employees in cooperatives, traditional businesses can adapt and apply the same methods to increase their employee retention rates and enhance their competitive advantage.

### 1.3. Conceptual Framework

The study was grounded in the concepts of Human Resource Management Practices and Employee Retention in Cooperatives, aiming to understand the effects of various HRM practices on employee retention in this industry. The various HRM practices, including career development opportunities, compensation, employee engagement, working environment, and work-life balance, are among the independent variables in this research. The dependent variable, on the contrary, is employee retention.

The research variables in this study were formulated based by earlier research by Krishna *et al.* (2019) <sup>[12]</sup> in their project, "The Effectiveness of Human Resource Management Practices on Employee Retention: An Empirical Study of Commercial Bank of Ethiopia, Hawassa City." The

measurement of the HRM Practices in this research was based on five indicators: career development opportunities, compensation, employee engagement, working environment, and work-life balance. These variables were used to investigate the effectiveness of HRM practices in retaining employees in commercial banks.

#### 1.4. Social Exchange Theory

This study is grounded in the Social Exchange Theory (SET), developed by George Homans in 1958 (Emerson, 1976)<sup>[9]</sup>. According to Homans (1958)<sup>[10]</sup>, humans engage in social exchange, in which they are willing to return resources — particularly effort and loyalty — in exchange for rewards and benefits (Crossman, 2020). The SET framework explains the key aspects that mediate a social interaction among people. These aspects will include rewards and resources that encourage social exchange (Davlembayeva & Alamanos, 2025)<sup>[7]</sup>. The outcome of a positive social relation is a reward, and the qualities that enable people to obtain rewards are resources; therefore, they initiate an exchange relation (Emerson, 1976)<sup>[9]</sup>.

In the article by Kilroy *et al.* (2023)<sup>[11]</sup> titled "Embedding Reciprocity in Human Resource Management," a social exchange theory of the role of frontline managers was applied. The study examined the role of frontline managers in influencing employee performance outcomes through the implementation of the Social Exchange Theory. This study proposed the concept of the zone of reciprocity, a zone where causal interaction between managers and employees occurs. In this regard, the study examined the positive effects of various types of frontline management on employee productivity.

Moreover, Alnajim (2021) also used this theory. It argued that workers tend to feel an obligation to give back to their organization when they believe the organization is concerned with their well-being and has provided adequate and relevant support and resources. This theory, in relation to this study, implies that when human resource management practices are adequate for employees, employees develop a sense of responsibility to give back to the organization by staying

long-term.

Using the Social Exchange Theory, human resource management practices can proactively create a mutually beneficial relationship in which employees are encouraged to work and devote themselves to the organization's long-term success, as they feel fully appreciated and regularly encouraged within it. Thus, the Social Exchange Theory is a critical theory that can be applied to societal research on relationships between employees and organizations. In the workplace, this framework is well-suited for investigating the effects of HRM practices, career development opportunities, compensation, employee engagement, the working environment, and work-life balance on employee retention.

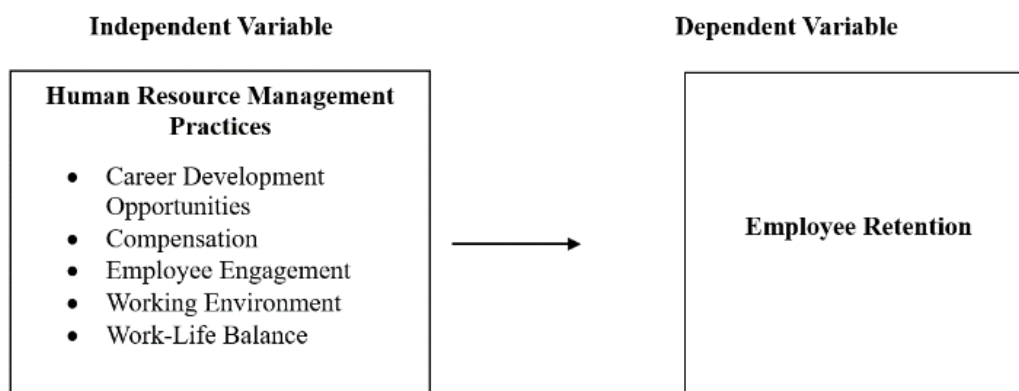
#### 1.5. Statement of the Problem

This study aims to identify the effectiveness of human resource management practices and employee retention in cooperatives. It also seeks to determine the relationship between the independent and dependent variables. In particular, it seeks to answer the following questions:

1. What is the level of human resource management practices among cooperatives in terms of:
  - Career Development Opportunities;
  - Compensation;
  - Employee engagement;
  - Working Environment; and
  - Work-life balance?
2. What is the level of employee retention among cooperatives?
3. Is there a significant relationship between human resource management practices and employee retention?
4. What recommendations can be derived from the study's findings to improve human resource management practices within cooperatives and enhance employee retention?

#### 1.6. Hypothesis

**H01:** There is no significant relationship between human resource management practices and employee retention.



**Fig 1:** Schematic Diagram of the Study

## 2. Methodology

### 2.1. Research Design

The research employed the quantitative research method and the descriptive correlational research design through which the research question was examined by assessing the human resource management practices that affect employee retention among cooperatives. Quantitative research was

selected on the basis of its objective measurement and statistical analysis of variables, which presents accurate numerical data to comprehend patterns and relationships. Descriptive design was used to summarize and describe the properties of the variables in the study such as employee retention and human resource management practices and give an overview of their levels and distributions. Correlational

research design was used to analyze the relationship between human resource management practice and employee retention, which allowed identifying the relationship between the variables alongside assessing their strength.

## 2.2. Participants of the study

The participants of the study were the employees of Kauyagan Savers Multi-Purpose Cooperative, Aim Cooperative, Bukidnon Government Employees MPC, First Community Cooperative, and Bukidnon Pharmaceutical Multi-Purpose Cooperative Pharmacy Kisolon Branch. The study included all employees regardless of their position, job role, or length of service.

## 2.3. Population Sampling

This study used a census sampling method, meaning that every employee within the cooperatives was surveyed without exclusion. This approach is convenient due to the relatively small size of the employee population, which makes it feasible to collect comprehensive data from the entire workforce. Including all employees ensures that the study captures a complete and accurate representation of the workforce's experiences and perspectives. Importantly, the census sampling covered employees across all levels and job types, regardless of their position or length of services. This broad inclusion means that roles such as managers, security guards, cashiers, tellers, utility staff, and salesmen were all part of the study. By incorporating employees from diverse roles and varying tenures, the study could comprehensively assess human resource management practices across the entire cooperative, leading to more large and generalizable findings.

## 2.4. Data Analysis

The data from this study were analyzed using descriptive and correlational analysis. Descriptive analysis included mean and standard deviation, while the Spearman Rho Test was utilized in the correlation analysis.

Problem 1 and 2 statements were analyzed using descriptive analysis. The level of human resource management practices and employee retention was assessed through the calculation of mean and standard deviation. It helped determine the current levels of human resource management practices and employee retention within the cooperative organizations.

Problem 3's statement was analyzed using the Spearman Rho Test to determine the strength and direction of the relationships between the independent and dependent variables. Spearman's Rho was used because the data were non-normally distributed, making it more appropriate than parametric tests.

## 2.5. Research Instrument

A structured survey questionnaire was used in this study. It was based on the previous study "*The Effectiveness of Human Resource Management Practices on Employee Retention - An Empirical Study of Commercial Bank of Ethiopia, Hawassa City*" by Krishna *et al.* (2019)<sup>[12]</sup> and "*An Effectiveness of Human Resource Management Practices on Employee Retention in Institute of Higher Learning: A Regression Analysis*" by Ng *et al.* (2012). The questionnaire was adjusted to the particular context of cooperatives and aligned with the variables that concerned the current study. Particularly, some items in the Human Resource Management Practices section were adjusted in accordance

with the peculiarities of the practice and conditions in cooperative organizations.

The questionnaire was categorized into three sections. The first section included a demographic profile. The second section covered human resource management practices and each variable was given six items: Career Development Opportunity, Working Environment, Work-Life Balance, Compensation, and Employee Engagement. Employee retention was discussed in the third section, with ten-item questions. The questions were responded upon the basis of a 4 point Likert scale with 4 denoting strongly agree, 3 denoting agree, 2 denoting disagree and 1 denoting strongly disagree.

**Validation of Instrument:** A validation process was carried out to ensure the reliability and validity of the survey instrument. Internal consistency was confirmed through Cronbach's Alpha with all the constructs surpassing the recommended benchmark of 0.70.

**Expert Evaluation:** To be appropriate for the educational context of the university, the expertise of the domain in technology-enhanced education and academic achievement were engaged to review the questionnaire for conceptual relevance. Their input led to better item formulation or the respondents targeted that was correct and unambiguous.

**Data Collection:** The researchers obtained the consent of the campus to carry out the study. Subsequently, there was a content validity certification that was attained to be assured that the survey instrument was appropriate and relevant. This was followed by a pilot test involving a group of 30 sample target population participants. The pilot test gave the researchers an opportunity to test the clarity, comprehensiveness, and reliability of the survey instrument and a certification of reliability test was also received.

The researchers also obtained the consent of the managers of the cooperative organizations to survey their employees. This is necessary in order to make sure that the research is approved and upheld by leaders of the cooperatives. The questionnaires completed were subsequently distributed to the study participants together with consent form. This consent form explained the purpose of the study, underlined the fact that the participation is voluntary, and described the steps required to guarantee the confidentiality as well as privacy of respondents' information. The study included only those individuals who gave an informed consent.

## 2.6. Ethical Consideration

Before the actual gathering of data, the researchers ensured that the participants understand that they are taking part in a study, the purpose of the research, the methods being used, and made sure that no material information that they need to know was left out of the participants' knowledge. They are also made aware that their decision whether to participate or not to participate in the study was respected and valued, and they have the right to withdraw anytime their participation in the study. All information gathered was held with the out most confidentiality and used only for the completion of the study. This study will undergo plagiarism detector test like the plagiarism checker for the students to avoid indications of owning other authors or researchers' ideas and words without proper acknowledgement. This study did not add or construct inaccurate facts or observation in the data gathering. No

claims were made based on incomplete or assumed results. This study has no trace of misinterpretation or manipulation of results in order to fit a theoretical expectation, neither was there any evidence of exaggeration. Conflict of interest was not evident in this study. There was no intent by the research to disclose any information detrimental to the welfare of the participant. This study did not invade participants' privacy or coerce them into acting against their own will, and ensured no damage in any way to the participants' self-esteem is done. The researchers document went through a series of the

revisions as per advice and recommendations of their adviser and panelists. It followed the standard of Bukidnon State University Ethics Review Committee for the guidelines and ethical considerations of the study.

### 3. Results

In this section presents the result of the data collection and discussion of the conducted study. The discussion of the results and the data interpretations will answer the problem statements stated in the previous chapters of this paper.

#### 3.1. Descriptive Statistics

**Table 1:** Descriptive Statistics for Career Development Opportunities

Career Development Opportunities	Mean	Std. Deviation	Qualitative Interpretation
1. I am provided with training and career development opportunities from time to time by the cooperative.	3.49	.65	Very Effective
2. I have been assigned a mentor by the cooperative who assists me with my career development plans.	3.25	.80	Very Effective
3. My supervisor actively contributes to my professional growth and development.	3.37	.67	Very Effective
4. The sponsors of the program effectively participate in shaping the future of the cooperative.	3.36	.61	Very Effective
5. I have received sufficient training to perform my job effectively.	3.39	.70	Very Effective
6. I recognize that there are opportunities available to me that I should pursue to enhance my journey toward personal development.	3.51	.57	Very Effective
Mean	3.40	.53	Very Effective

Note: (N=59)

Based on the table shown above, the most common response of the respondents on human resource management practices in terms of career development opportunities is "very effective" with ( $M = 3.40$ ,  $SD = 0.53$ ). Consecutive, the majority of respondents agree with statement "I recognize that there are opportunities available to me that I should pursue to enhance my journey toward personal development." ( $M = 3.15$ ,  $SD = 0.57$ ) followed by "I am provided with retaining and career development opportunities from time to time by the cooperative." ( $M = 3.49$ ,  $SD = 0.65$ ). The findings of this study show that

employees perceive career development opportunities as very effective, suggesting that the cooperatives are effectively implementing this specific human resource management practice. The findings also indicate that cooperatives are effective in creating a workplace where the career growth of every employee is encouraged. This result is supported by the study of Mwangi and Kombo (2023) [20], which states that career development, incorporating training, equity in career treatment, career advancement, and workforce development, increases employee performance in areas such as quality, responsibility, and initiative.

**Table 2:** Descriptive Statistics for Compensation

Compensation	Mean	Std. Deviation	Qualitative Interpretation
1. I earn more than others who occupy similar positions in other cooperatives.	2.88	.74	Effective
2. I receive non-monetary benefits similar positions on other cooperatives.	2.93	.61	Effective
3. I am rewarded by the cooperative because of being hardworking and results-oriented.	3.05	.86	Effective
4. I received salary and benefits in this cooperative that are proportion with my performance.	3.22	.81	Effective
5. My compensation is satisfactorily reviewed from time to time.	3.20	.80	Effective
6. My increment in salary structure is well defined and the increment is given from time to time.	3.10	.74	Effective
Mean	3.06	.59	Effective

Note: (N=59)

Based on the table shown above, the level of human resource management practices in terms of compensation is "high" with the mean ( $M = 3.06$ ,  $SD = 0.59$ ). It also indicates that the statement "I received salary and benefits in the cooperative that are proportion with my performance." ( $M = 3.22$ ,  $SD = 0.81$ ) has the highest mean score. Conversely, the statement "I earn more than others who occupy similar positions in other cooperatives." ( $M = 2.88$ ,  $SD = 0.74$ ) received the

lowest mean score, followed by "I receive non-monetary benefits similar positions on other cooperative." ( $M = 2.93$ ,  $SD = 0.61$ ). The results of this study indicate that compensation is generally perceived as effective, indicating that the cooperatives demonstrate an exemplary implementation of this particular human resource management practice. This finding also implies that the cooperatives provide sufficient compensation to their

employees. This finding aligns with those of Malik *et al.* (2020) <sup>[14]</sup>, who suggest that compensation can foster employee

commitment to the organization, leading to a positive attitude and high employee performance in their roles.

**Table 3:** Descriptive Statistics for Employee Engagement

Employee Engagement	Mean	Std. Deviation	Qualitative Interpretation
1. I care about the success of this cooperative.	3.69	.46	Very Effective
2. I am proud to tell others that I am a member of this cooperative.	3.61	.56	Very Effective
3. I am prepared to in a great effort to help this cooperative succeed.	3.59	.53	Very Effective
4. Our communication across all levels in this cooperative is good.	3.44	.53	Very Effective
5. I feel a strong sense of belongingness to this cooperative.	3.44	.62	Very Effective
6. My supervisor recognizes and values my ideas, suggestions, and opinions.	3.37	.64	Very Effective
Mean	3.53	.43	Very Effective

Note: (N=59)

Table 3 illustrates that the level of human resource Management practices in terms of employee engagement ( $M = 3.69$ ,  $SD = 0.64$ ) is “very effective”. The majority of the respondents agree with the statement “*I care about the success of this cooperative.*” ( $M = 3.37$ ,  $SD = 0.46$ ). subsequently, “*My supervisor recognizes and values my ideas, suggestions, and opinions.*” ( $M = 3.37$ ,  $SD = 0,64$ ) showed the lowest mean. The findings of this study indicate that employees perceive employee engagement as very

effective, suggesting that the cooperatives have an excellent implementation of this specific human resource management practice. It also shows that the cooperatives have outstanding employee engagement practices. This result is supported by the study of Houssien *et al.* (2020), which affirms that employees with higher engagement levels will significantly contribute to the organization's success, emphasizing how engaged employees are motivated to become productive.

**Table 4:** Descriptive Statistics for Working Environment

Working Environment	Mean	Std. Deviation	Qualitative Interpretation
1. My working atmosphere is generally friendly.	3.59	.50	Very Effective
2. My physical working conditions are well-suited for my job.	3.46	.57	Very Effective
3. My work closely corresponds with my professional skills.	3.34	.58	Very Effective
4. My feedback and useful way to get ready; so heavy professional skills.	3.31	.53	Very Effective
5. I feel free to express my thoughts and I feel a sense of dignity in the upper administration.	3.22	.59	Very Effective
6. The management team provides an environment where I feel safe.	3.51	.54	Very Effective
Mean	3.40	.41	Very Effective

Note: (N=59)

Table 4 shows that the most common response of the respondents on human resource management practices in terms of working environment is “very effective” ( $M = 3.40$ ,  $SD = 0.41$ ) the highest rated items is “*My working atmosphere is generally friendly.*” ( $M = 3.59$ ,  $SD = 0.50$ ), followed by “*The management team provides an environment when I feel safe.*” ( $M = 3.51$ ,  $SD = 0.54$ ). The overall perception of the respondents regarding the working environment is very effective, indicating an excellent

implementation of specific human resource management practices. The results imply that cooperatives have attained an exceptionally effective working environment for their employees. This result is also presented in the study by Naveed *et al.* (2022), which discovered that an organization where employees feel respected and recognized has a positive impact on employee engagement and performance in the organization.

**Table 5:** Descriptive Statistics for Work-life Balance

Work-Life Balance	Mean	Std. Deviation	Qualitative Interpretation
1. My working life is well balanced with my family life.	3.19	.73	Effective
2. The cooperative offers flexibility as to when to start and end the day's work.	3.25	.73	Very Effective
3. Once I notify my supervisor, I am sometimes allowed to work from home.	2.59	.98	Effective
4. I can easily take time off for a home crisis illness involving my loved ones.	3.36	.61	Very Effective
5. I am satisfied with the amount of time I spend at work.	3.25	.66	Very Effective
6. My ability to achieve a balance between work and family life is a source of good health.	3.39	.64	Very Effective
Mean	3.17	.50	Effective

Note: (N=59)

The table above shows that the level of human resource management practices in terms of work-life balance is classified as “effective” ( $M = 3.17$ ,  $SD = 0.50$ ). The

statement, “*My ability to achieve a balance between work and family life is a source of good health.*” demonstrate a “very effective” level and received the highest rating ( $M =$

3.39,  $SD = 0.64$ ). Conversely, the statement “*Once I notify my supervisor, I am sometimes allowed to work from home.*” is categorized as “effective” and received the lowest rating ( $M = 2.59$ ,  $SD = 0.98$ ). This positive assessment suggests that the cooperative effectively supports its employees in their efforts to achieve a balance between work responsibilities and personal commitments. This finding is supported by a

study by Macildowie (2024), which found that a healthy work-life balance is crucial for fostering positive attitudes among employees and influencing organizational performance. Employees would experience increased satisfaction, commitment, and productivity when they can effectively balance their work and personal lives.

**Table 6:** Descriptive Statistics for Employee Retention

Employee Retention	Mean	Std. Deviation	Qualitative Interpretation
1. The career development opportunities allow me to retain a long period in the cooperative.	3.25	.60	Very High
2. The working environment is conducive which is why I choose to be retained.	3.19	.54	High
3. My work-life balance is suitable and it helps me retain in the cooperative.	3.29	.64	Very High
4. The timely increment of salary and rewards has a positive impact on retaining me in the cooperative.	3.20	.76	High
5. The employee engagement encouraged my retention in the cooperative.	3.20	.55	High
6. I fully devoted myself to the service of this cooperative for more period.	3.44	.50	Very High
7. I am prepared to put in a great deal of effort beyond what is normally expected to help this cooperative to be successful.	3.39	.59	Very High
8. I plan to make this cooperative my own career.	3.03	.56	High
9. I feel a lot of loyalty to this cooperative.	3.44	.53	Very High
10. This is the best cooperative for me to work for.	3.44	.50	Very High
Employee Retention	3.29	.38	Very High

Note: (N=59)

Table 6 presents the “very high” level of employee retention ( $M = 3.29$ ,  $SD = 0.38$ ) among cooperatives. Statement with the highest assessment were “*I fully devoted myself to the service of this cooperative for more period.*” ( $M = 3.44$ ,  $SD = 0.50$ ), “*I feel a lot of loyalty to this cooperative*” ( $M = 3.44$ ,  $SD = 0.53$ ) and “*This is the best cooperative for me to work for.*” ( $M = 3.44$ ,  $SD = 0.50$ ). Meanwhile, “*I plan to make this cooperative my own career.*” ( $M = 3.03$ ,  $SD = 0.56$ ) present the lowest mean. The findings shown above reveal that the

respondents view employee retention as very high, indicating their intention to stay within the cooperatives for an extended period. This result also exhibits that cooperatives excel in promoting loyalty. This finding is supported by the study of Aman-Ullah (2020) [2] which stated that employee retention is determined through effective human resource management practices. Their study indicated that the most important and valuable factor of employee retention is HR practices.

**Table 7:** Correlation Analysis for Human Resource Management Practices and Employee Retention

Human Resources Management Practices	Employee Retention	P-value	Degree	Interpretation
Career Development Opportunities	.557**	<0.01	Moderate	Significant
Compensation	.765**	<0.01	Strong	Significant
Employee Engagement	.674**	<0.01	Strong	Significant
Working Environment	.590**	<0.01	Moderate	Significant
Work Life Balance	.578**	<0.01	Moderate	Significant
Overall	.791**	<0.01	Strong	Significant

As shown in Table 7, human resource management practices, namely, career development opportunity, working environment, work-life balance, compensation, and employee engagement, demonstrate a significant relationship with employee retention. In particular, Compensation ( $r = .765$ ,  $p < 0.01$ ) and Employee Engagement ( $r = .674$ ,  $p < 0.01$ ) indicating a strong significant correlation with employee retention. Further, Working Environment ( $r = .590$ ,  $p < 0.01$ ), Work-life Balance ( $r = .578$ ,  $p < 0.01$ ), and Career Development Opportunities ( $r = .557$ ,  $p < 0.01$ ) suggesting a moderate significant relationship.

#### 4. Discussion

The results of this study reveal that human resource management practices in cooperatives are perceived as very effective among employees particularly on indicators, career development opportunities, employee engagement and working environment. Likewise, compensation and work-life balance are rated as effective. Moreover, employee retention is perceived as very high. These findings suggest that

effective human resource management practices contribute directly to the intention of employees to stay.

Among the variables, employee engagement demonstrated the highest mean score, exhibiting a consistency with the study of Houssien *et al.* (2020), which affirmed that employees with higher engagement levels contribute significantly to the organization's success, emphasizing that engaged employees are motivated to become productive. In line with this, Ashraf and Siddiqui (2020) [3] emphasize in their study on the effect of employee engagement on employee retention that engaged people are more interested and enthusiastic about their job and are willing to contribute more to the organization's success. Furthermore, Ngozi and Edwinah (2022) [23] state that engaged employees tend to feel positive and generate personal and work-related materials, which enhances their skills and talents.

The results also show a high rating for the career development opportunities. This finding aligns with Mendoza *et al.* (2023) [15] which also emphasized that training and seminar programs enable employees to experience

learning, which in turn results in increased job satisfaction and loyalty. This finding is supported by the study of Phyu *et al.* (2023) <sup>[25]</sup>, which states that employees exposed to career development programs within the organization are more satisfied and committed, and consequently have stronger intentions to stay with their current employers.

Working environment was rated highly as findings shows. These results were presented in the study by Naveed *et al.* (2022), which discovered that an organization where employees feel respected and recognized has a positive impact on employee engagement and performance within the organization. In another study by Tarar (2021) <sup>[28]</sup>, the findings indicated that team-building activities, work-life balance, and the availability of recreation and rest may be effective in fostering a working environment that promotes job satisfaction and long-term employee commitment.

Meanwhile, work-life balance was rated high. This finding is supported by the study by Macildowie (2024), which found that a healthy work-life balance is essential in building positive attitudes among employees and shaping organizational performance. Employees would experience increased satisfaction, commitment, and productivity when they can effectively balance their work and personal lives. When employees strike a balance between their professional and personal lives, the chances are higher that they will be committed to their jobs. Furthermore, Das (2021) <sup>[6]</sup> concluded that with a healthy work-life balance, employees will be more productive both in the workplace and at home, thereby demonstrating their competence, effectiveness, and ability.

Moreover, findings show positive rating on compensation, similar to that of Malik *et al.* (2020) <sup>[14]</sup>, who suggest that compensation can maintain employee commitment to the organization, leading to a positive attitude and high employee performance in their roles. Also, how well compensation practices are perceived in terms of fairness and transparency plays a crucial role in determining their effectiveness. Murtiningsih (2020) <sup>[18]</sup> also affirms this in the study, which stated that compensation is essential in motivating, increasing loyalty, and improving employee satisfaction.

The relationship between compensation and employee retention demonstrated the strongest degree. This finding is supported in the study by Sepahvand and Khodashahri (2021) <sup>[26]</sup>, which found that just, fair, and competitive compensation regimes are key in motivating employees to remain with their employers. It was also found by Mendoza *et al.* (2023) <sup>[15]</sup> that employee retention is strongly dependent on compensation.

The relationship between employee engagement and employee retention exhibits a strong positive correlation. In line with this finding, Ngozi and Edwinah (2022) <sup>[23]</sup> also found a strong correlation between employee involvement and talent retention. Moreover, Mendoza *et al.* (2023) <sup>[15]</sup> also suggest that employee support and engagement are effective factors in retaining employees.

The relationship between the working environment and employee retention exhibits a moderate positive correlation. A study by Mendoza *et al.* (2023) <sup>[15]</sup> concluded that a good working environment is essential for retaining employees in small businesses. Furthermore, Ghani *et al.* (2022) presented summaries of the findings and results from 48 studies, emphasizing that several factors, including a positive work environment, determine employee retention.

The relationship between work-life balance and employee retention exhibits a moderate positive correlation. In line with

this result, Macildowie (2024) noted that work-life balance influences the duration of individuals' tenure in their current organization. Furthermore, Mulang (2020) suggests that work-life balance, including organizational justice, influences an employee's willingness to leave a job. Furthermore, Montañó (2025) <sup>[17]</sup> emphasized that when employees believe there is a good balance between work and personal life, they become more satisfied with their job, more loyal, and are less prone to leaving the organization.

The correlation between career development opportunities and employee retention reveals a moderate positive relationship. This finding is supported by the study of Phyu *et al.* (2023) <sup>[25]</sup>, which states that employees exposed to career development programs within the organization are more satisfied and committed, and consequently have stronger intentions to stay with their current employers. The survey by SHRM (2022) also shows similar findings, revealing that employees are more likely to remain in the organization where they have a set of promotion and personal development opportunities.

## 5. Conclusion

After all the processes carried out in this study, the study concludes that the correlation between human resource management practices and employee retention in cooperatives can help develop the organization, primarily in the human resource department. The outcome of this research will also serve as a valuable guideline for empowering employees and enhancing human resource management practices.

The study concludes that human resource management practices are critical in determining employee retention in cooperatives. Overall findings demonstrate a favorable attitude toward such practices among employees. To enhance employee retention, effective human resource management practices must be maintained in cooperatives. HRM practices play a significant role in organizational development and employee commitment to work by continuously addressing employee needs.

The findings demonstrate the crucial role of adopting effective HRM practices that emphasize career development opportunities, a supportive work environment, work-life balance, competitive compensation, and fostering employee engagement. By applying these efforts, cooperatives can enhance employee retention, ultimately leading to their long-term success and sustainability.

## 6. Findings Summary

The findings which were discovered in this study are the following:

1. Human resource management practices in cooperative are rated as "very effective" in career development opportunities, working environment, employee engagement, and as "effective" in work-life balance and compensation;
2. Employee retention between the cooperatives was rated as "very high";
3. The human resource management practices and employee retention had a significant relationship, which rejects the null hypothesis.

## 7. Recommendation

Based on the results of this study, the researchers suggest that cooperatives should maintain their high levels of career

development opportunities, work-life balance, compensation, employee engagement, and a positive working environment. The areas have been recognized as key factors in employee satisfaction and overall effectiveness in the cooperatives. With high levels, cooperatives can foster a culture of motivation and support among their members and employees. Moreover, by emphasizing these key aspects, cooperatives will be able to create a work environment that is both considerate of the well-being of its employees and their productivity. The commitment to maintaining these high standards will benefit not only the employees but also enhance the cooperative's reputation and competitiveness in the market. Ultimately, investing in such areas could lead to high employee retention and a more engaged workforce, enabling the cooperatives to thrive in the long term.

For future researchers, it is recommended to explore the long-term impact of career development opportunities, work-life balance, compensation, employee engagement, and work environment on cooperative performance. It would also be helpful to consider how these factors may vary across different kinds of cooperatives or cultural contexts.

## 8. Hypothesis testing results and decision

**HO1:** There is no significant relationship between human resource management practices and employee retention.

Human Resource Management Practices exhibits a strong significant relationship with employee retention ( $r = .791, p < 0.01$ ) indicating that employees provided with adequate HRM practices, demonstrate a high willingness to be retained.

**Decision:** Reject

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