

Impact of Human Resource Management Practices on The Retention of Sales Staff (Northern and Eastern Provinces) of Union Assurance Plc.

S. Muhunthan¹ and M.A.C. Sulaiha Beevi Athambawa²

¹ *Department of Management, Faculty of Management and Commerce,
South Eastern University of Sri Lanka.*

² *Department of Management, Faculty of Management and Commerce,
South Eastern University of Sri Lanka.*

¹*muhunthans@gmail.com,* ²*macsulai@seu.ac.lk*

ABSTRACT

Purpose: In today's competitive environment, effective human resource management (HRM) is critical for organizations striving to attract and retain talented employees. In this context, insurance companies struggle to attract and retain the best sales staff. Currently, insurance Companies accept that human resource management practices are the cornerstone for attracting and retaining talented sales Employees who continue to contribute to achieving profitability and other corporate objectives. Union Assurance Plc served as the focal point of this study. This study focused on Union Assurance PLC, specifically its sales staff in the Northern and Eastern provinces (Cluster 4) of Sri Lanka, to investigate the impact of HRM practices on sales staff retention. The aims of the study were to find the impact of HRM practices on the retention of sales employees which has emerged as the dominant research issue in the field of HRM.

Design/methodology/approach: A self-administered questionnaire was used to collect the data from 199 sales staff from the Eastern and Northern branches of Union Assurance. The questionnaire covering independent variables such as recruitment and selection, training and development, compensation and rewards, and performance management with retention of sales staff as the dependent variable. Descriptive, correlation and regression analyses were employed to analyze the data.

Findings: The analysis revealed that HRM practices, including recruitment and selection, training and development, compensation and rewards, and performance management, significantly impact the retention of sales employees at Union Assurance PLC. Among these factors, performance management had the most substantial effect on employee retention in the Northern and Eastern provinces.

These findings not only address the research questions by demonstrating the overall significance of HRM factors on retention but also provide practical insights for HR professionals in the insurance industry, highlighting performance management as the most critical factor.

Practical implications: The study's results provide valuable insights for Union Assurance PLC in developing targeted HRM strategies to enhance sales employee retention. By focusing on effective performance management and other HRM practices, the company can improve job satisfaction, organizational commitment, and retention rates. Additionally, the findings contribute to the broader literature on HRM and employee retention in the insurance industry, particularly in the context of Sri Lanka, offering a foundation for future research and practical applications in HRM strategies.

Originality value: This is the additional contribution to human resource management theories from Sri Lankan context. This is a new contribution among insurance industry in the Sri Lankan context in the relevant scope.

Keywords: *Human Resource management Practices, Employee retention, Union Assurance*