

The Impact of Human Resource Practices on Employee Retention at Work Place: A Theoretical Perspective

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ABSTRACT:

This article particularly focused on role of employee retention in modern organizations. In present dynamic business environment and with increased globalization has resulted a fierce competition among companies. Today talent shortage being identified as a silent issue globally has increased competition even in the labor market and employees are also playing a crucial and main role in the success of many organizations. They are the most vital and dynamic human resources of any organization. Thus this had made important and mandatory for management to retain their existing talented and skilled employees. The present study clearly explains employee engagement and HR practices and the factors that affecting employee retention and job satisfaction among employees and current trends that organizations are following for employee retention.

Keywords: Human Resources, Employee Engagement, Employee Retention Practices and Job Satisfaction.

1. INTRODUCTION:

Employees are the lifeline of any organization and they contribute effectively to its successful running and profit making. An organization can't survive if the employees are not taking it as serious and are more concerned about their personal interests. Every organization invests their time and money on new employees and makes them as a corporate ready material and brings them at par with the existing employees. The organization is completely at loss when the employees leave the organization once they are fully trained. Thus employee retention takes into account which refers to the various policies, practices and necessary measures to make an individual stays with the organization for the longer period of time.

- R-----→ Remunerate as per Competitively
- E-----→ Encouragement up to achieve Expectations
- T-----→ Training as per Requirement and Development
- A-----→ Annual Performance Review Cycles
- I-----→ Inform and Involve
- N-----→ Nature

Better employee engagement means better productivity for the organization. When employees are engaged at work means they feel a connection with the company and they believe that the work they are doing is important for organization success and for themselves. Human

resource department values employee engagement for immediate result in retention. Due to heavy competition in business organizations, in present days talented employees had given more priority in organizations. Once the employee is feeling dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the management to retain their best employees. So it's become a challenging task for many organizations to retain their talented and skilled human resources. For these the organization has to follow and maintain good organization culture, policies and good practices which should provide a plot form for their employees to executive themselves for attaining the organization goals and growth in individual interests.

Employees should have an atmosphere that they enjoy what they do, which gives them motivation to remain employed with the same company. Retention strategies are important for management to create a positive environment and strengthen an employee commitment to the organization. In the current scenario employee retention has become a major concern for organizations. There is a tendency that employees once being trained have move to other organizations for better prospects. Thus employee retention strategies help an organization to motivate their employee to stick for maximum time and contribute effectively for the success of an organization.

2. NEED OF THE STUDY:

Every employee has becomes a profit centre in organization. Now, Employees are the key for organisation success and they have given a pivotal role in organisation. Every business can meet ever increasing customer demands for this every employee became pro-active and aligned their personal goals with organization goals. It is necessary for every organisation to focus on their employee's retention to with hold the talent for longer time, for this organisation need to follow different strategies.

3. SCOPE OF THE STUDY:

The scope of this study is to know the importance of employee retention and their engagement with company and also to understand how the organisation are developing various factors and strategies to retain their talented employees for a longer time.

4. OBJECTIVE OF THE STUDY:

1. To identify the supportive relationship between employees and management.
2. To identify the key factors that affect employee retention.
3. To identify the compatibility between employee engagement and retention.
4. To identify the current trends that organization are following in retaining their employees.
5. To suggest some measures to improve employee retention strategies.

5. LITERATURE REVIEW:

Various studies have been done in the area of employee retention and engagement worldwide. Some of the studies has been studied in the current study and explained their conclusion as below.

(Kunampurat, 2018)

Retaining talented employees is a major struggle for many industries but it is even more challenging task for startup companies. Because of tuff competition in market the startup companies need to be look the market totally from a different point of view for this it has to depend on talented employees to beat the competition. So the startup companies also focus on various factors and strategies to motivate and withhold the talent.

(Azeez, 2017)

Human resources are the most valuable asset for any organizations and they play a crucial role in attaining goals and developing an organization economically. On one hand employee retention is the key for organization development and on the other hand employee satisfaction is another HR issue faced by the employers today. HRM practices should always promote a positive environment among HR and employees to understand and work together. Leadership styles also shows impact on employee retention, effective leadership style can motivate an employee to retain. In this review, the author aimed to identify the relationship between HRM practices and employee retention. Retaining employees helps the organizational growth in long run and it also adds goodwill to the company.

(Munish, 2017)

In 21st century, it has been a vital and difficult task to retain the employees for longer time so the HR professionals need to know and understand the mobility of employees in the organization. With the good HR practices like providing healthy work environment, good financial conditions, career, rewards and recognition can helps an organization to retain skilled employees and at the same time HR should point out critical points why employees are leaving the organization and make policies more flexible for betterment of work.

(Dr.K.BalajiMathimaran, 2017)

Attrition of good employees can be reduced by providing better working environment. Balancing work and life, job satisfaction, providing opportunity for growth, giving job security, good remuneration and creating participative environment helps an HR to motivate and retain skilled employees.

(Kaur, 2017)

In order to reduce employee retention different organizations have different strategies like rewards and awards, employee engagement activities, skill recognition and learning and working climate etc.

(Chandani, 2016)

Researches show that the success of an organization not only depends on its employee retention but also on how their employees are engaged towards attainting the organization goals. So the

management is finding itself complex everyday on its ability to keep its employee engaged all the time. For continuity in employee engagement it is the effectiveness of management to motivate the employees, to provide career development, making clear HR practices, empowering them, respectful treatment of employees, talent recognition which in turn results decline in employee migration.

(Haider, 2015)

Organizations always search for skilled and talented employees and could spent money and time on them for future returns. Due to increased competition organization are facing the challenge of employee retention. An effective HR policies and practices help to motivate employees to retain. Timely providing training can full fill the needs of employees to retain in the organizations.

(Bidisha Lahkar Das, 2013)

Human resources are the most vital and dynamic resources for organizations. Long term success of any organization depends on key employee's retention. In present global scenario employee retention has become a major challenge for HR professionals, so retaining and satisfying the existing resources has become a major task for them to with hold the talent. In order to retain the employees the organization has to focus on various retaining strategies, in this article the author has discussed many factors considering retaining employees.

6. METHODOLOGY:

The study is descriptive in nature and solely secondary information is utilized in it. The secondary information consists of books magazines and journals.

7. EMPLOYEE RETENTION:

In today's competitive business world, worker retention has become a serious concern. It is vital for management to concern and implement worker retention methods to manage turnover rate effectively and expeditiously. It must be noted that a high turnover indicates that a company is losing a high percentage of employees as compared to the number of employees who have been hired already. It is conjointly a sign of not doing correct job choice associate degeed not making an atmosphere that helps employees to remain with the organization for a extended amount of your time. However, a high level of turnover is undesirable for a company for variety of reasons and affects a company in many ways inflicting poor performance, low worker morale, low productivity and also the major loss of revenue that comes from the faded sales. Employee retention is implausibly vital particularly in powerful times. Companies have to be compelled to be perpetually trying to find ways that to boost their retention rates.

Definition of Employee Retention

“You can't expect people to be committed, to be loyal to an organization, to be engaged in an organization, [or] to want to stay in an organization if the company doesn't care about them.”

-----→-David Sirota

7.1 Main Reasons Employee Leave a Job

The foremost common negative reasons for leaving a job include the following

- Poor salary and benefits.
- Lack of training and development opportunities.
- Dissatisfaction with management.
- Not getting along with colleagues.
- The ambiguity to work.
- Lack of work-life balance.

7.2 Ways to Improve Employee Retention:

By adopting the following methods, we must see an improved employee retention rate.

- Recruit those have a realistic idea of what the job entails.
- Improved career development opportunities.
- Effective appraisal system.
- Strong diversity policies.
- A practicable means of dealing with bullying.
- A good work-life balance.
- A mechanism for employees to register dissatisfaction, whether it is appraisals, grievance proceeding and so on.
- Leadership training for managers.

Make your employees feel valuable and proud of the work that they are doing, this will not only do wonders for your employer branding strategy, but will immediately improve your turnover rate. Develop an ethical culture that encourages diversity and creativity and put in place effective anti-discrimination policies that promote versatile operating, wherever possible.

7.3 The Role Of Managers In Employee Retention:

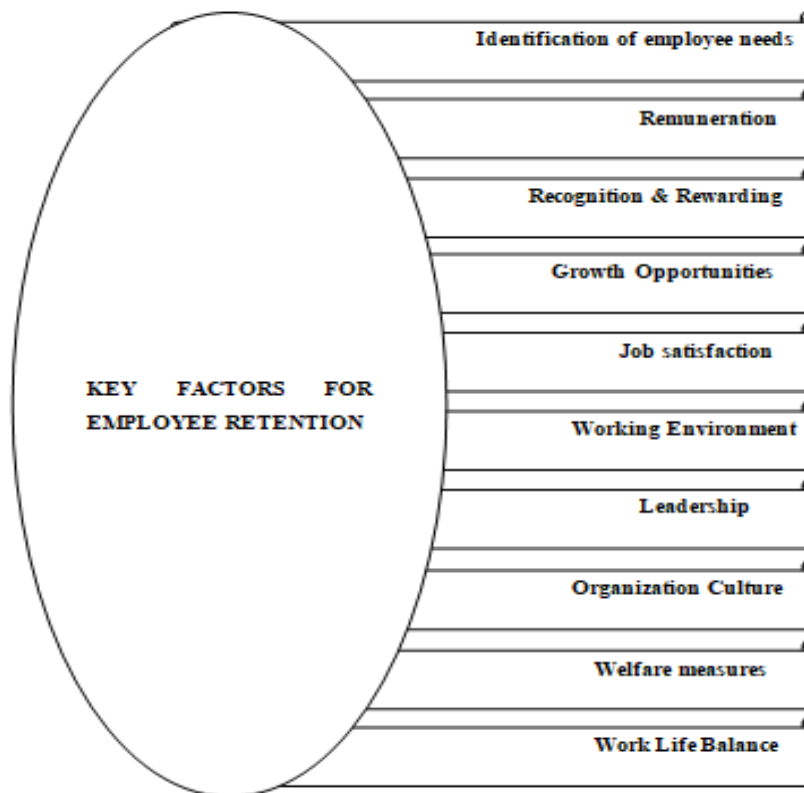
Managers mostly focus on what the management is expecting from their employees but his/her role is also extended to retaining their employees. When we ask employees why they are leaving the organization, the common excuse we get is low salary and lack of support from managers. A manager has to identify the needs of employees and provide them accordingly to obtain desired output from them. In this regard manager need to value employees' competency, ensure quality of work life and provide chances for learning new things and make them engaged with goals always. Managers have to provide an environment that enhancing the abilities, capabilities and creative ideas from employees. Therefore, the managers and the team leaders should play an active and vital role in employee retention.

8. KEY FACTORS FOR EMPLOYEE RETENTION:

The following are some of the key factor where organization can implement to retain employees:

8.1 Identification of employee needs:

Generally organizations focus on the needs required by a business to function its activities effectively to achieve success. They usually monitor what employees are doing and how best they are doing and attaining targets. But the management should also recognize the needs of every employee in order to give their best for the success of organization. Like, how the employer is expecting output from their employees in the same way employees also expects career advancement, good remuneration, job security, better role in organization, healthy and cooperative environment among them and with management, work recognitions and flexibility in work etc. Therefore, employee needs recognition leads to better productivity.



8.2 Remuneration:

Salary is one of the key factors for employees to motivate and to work effectively and efficiently. They easily get dissatisfaction when their expectations on salary not met. Here, remuneration is what employees are getting for their contribution in the organization. Because of heavy competition among businesses, the need for talented employees is increasing day by day which created an opportunity for employees to swift from one organization to other for better pay. So implementing a good pay policy will helps an organization to retain their employees for longer time.

8.3 Recognition & Rewarding:

It is the tendency of a human being expecting little recognition from others for their efforts. Employees respond to appreciation that is expressed through recognition of their good work because it confirms their work is valued by others. When employees' works are valued, their satisfaction levels and productivity levels rises, and they are motivated to maintain or improve their good work. Appreciation is a fundamental need for human. Employees get satisfaction on work by recognition through personal, written, electronic and public praise from those they respect at work, given in a timely, specific and sincere way. Managers have to monitor the day-to-day performance of employees and are recognized. Day-to-day recognition of performances brings the immediate and powerful reinforcement of desired behavior and also sets an example to other employees of desired behavior that aligns with organizational objectives.

8.4 Growth Opportunities:

Organizations can improve the quality of their employees by providing growth opportunities. Career advancement is one of the most important factors for employee satisfaction and retention at a company. Every employee expects career advancement from employer where they are working. To increase the performances of employees, organizations should provide a plot form for employees to enrich their skills and provide them benefits like promotions, giving power and authority, career enrichment, monetary benefits, involving them in decision making, partnership etc.

8.5 Job satisfaction:

Employee job satisfaction means that workers are completely engaged in their tasks and feel that the company appreciates their effort and diligence. While many employees leave the organization for other jobs in search of a higher pay, the underlying reason for turnover in many cases is dissatisfaction. Employee satisfaction is a reliable factor of employee retention. When employers supports good working relationships, employee satisfaction improves because workers tend to believe the company is using their efforts and appreciating their work and commitment. In turn, higher job satisfaction usually leads to higher levels of employee retention.

8.6 Working Environment:

The quality of work place environment generally shows impact on quality of employee performance. Organizational culture is one of the primary components of the workplace environment and it influences all the aspects of organizational life. Organizational culture affects the outcomes like productivity, employee performance, employee commitment, employee confidence and moral behavior. Work place environment includes employee engagement, support from managers, availability of resources to work, freedom to share ideas, flexibility to work, opportunity to innovate creative ideas and Peer Relationships.

8.7 Leadership:

Employee retention and leadership always go hand-in-hand. The role played by a leader is more important than a manager in employee retention. It is the responsibility of a leader to ensure that the team members are contented with their work. An employee quits his job when he is not happy with his work and problems at the workplace. Employee can engaged when job is challenging enough and should learn something new every day from them to stick with

organization for a long time. Leadership is a matter of intelligence, trustworthiness, humaneness, courage, morals and discipline.

8.8 Organization Culture

Organizational culture is underlying beliefs, assumptions, values, system and ways of interacting that contribute to the unique social and psychological environment of an *organization*. *Organizational culture* affects on how individual and group are interacting with each other, with clients, and with stakeholders. It is very important for an organization to establish a culture that maintains its position in market. Effective organizational culture must be developed which provide support to an organization and bring continuous improvement. The culture of an organization is very important because it impacts on employee commitment and their retention as well. If the culture of an organization is flexible it will provide employees to work more easily and independently without feeling any burden. Every organization needs commitment of their employees because it is very important for an organizational effectiveness. If the employees understand the organizational culture properly then there may be improvement in their performance because employee's performance is the base of an organization.

8.9 Welfare measures:

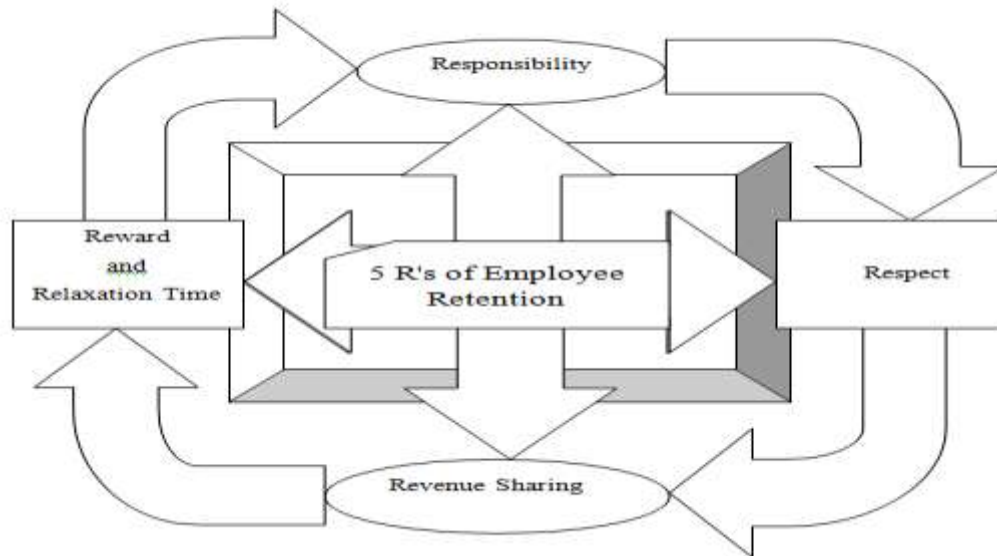
Employee welfare measures increases organization productivity and promote healthy industrial relations and then maintains industrial peace. Welfare measures are statutory, voluntary and mutual. Employees expect welfare benefits from organization along with pay, this makes employees satisfy and commit to organization. Welfare measures like medical facilities, educational benefits, Housing facilities, recreational programs, providing free canteen facilities, Transportation facilities, other programmes for the welfare of women

8.10 Work Life Balance:

Work-life balance is how an employee is balancing between time allotted for work and other aspects of life. Work-life balance is generally an everyday effort managing responsibilities at work place and in personal life. If family or personal life an individual is having any disturbance it shows a terrible impact on his work. A person whose life is peaceful can handle his work very comfortably. It is also the responsibility of organization concerning the problems of his employees and makes them comfortable in work place.

9. "5 R'S" OF EMPLOYEE RETENTION:

The following are the "5 R's" of employee retention:



9.1 Responsibility. Give your employees higher responsibilities that will help them to grow and ensure that you trust them. Encourage your employees to learn new skills and provide them ample time to continue education. Give your employees generous promotions at appropriate times.

9.2 Respect. Employees wish to know they are respected and appreciated by the management. As the saying goes, people may forget the things that you said, but they will always remember the way you made them feel. Managers must make it a priority to show outward respect for employees on daily basis, it will lead to a strong workplace culture as well as positive experiences and memories that they will never forget.

9.3 Revenue-sharing. Make a policy that ties a part of your employees' salaries to the company performance. Make the employees who are giving their best for organization growth become a part of company's profit. This will boost up them and will trust the organization to work for longer time.

9.4 Reward. Organisation should give rewards to employees that should satisfy the emotional needs and should go beyond their monetary compensation. It develops moral culture between employees and management.

9.5 Relaxation Time. Be generous with time off. Organization should provide sufficient time for sick days, family vacations, new babies, etc. so further you can expect and even demand high-quality performance, but it is unreasonable to expect a continual level of pressure at 100 percent. Allow your employees to take a breath from one project to the next with the help of team-building activities or mini break periods over the course of the day.

10. The following are some of the strategies that the top companies are following now to retain their employees:

IBM is one of the leading companies in computer hardware. IBM has focused on the link between retention and career advancement. Every year about 20% of IBM employees are moving

in to a new job role or they take a new position in different IBM division. IBM has providing opportunity to over 380,000 employees to work in cloud, cloud, cognitive solutions, sales, consulting, software development, business analytics or technology services and many of those who move internally are promoted. Recently IBM started using their own cognitive technologies, like Watson, to deliver personalized learning and career guidance for their employees that is based on the employee's role, skill profile and goals.

Microsoft believes that purpose and culture is the key to unlocking an employee's engagement. They have developed their Mission by applying culture. They offer attractive pays to retain talented employees. They believe in working a long side talented peer to realize your own personal mission is the most powerful retention strategy.

Dell Company has developed a corporate culture code in the organisation to inspire and to better understand their employees to work together. This result in to set powerful values, beliefs and leadership principles which unites them. According to Michael Dell -better understanding your customers is you need to have big ears. They follow seven leadership principles, vision and selflessness currently matters the most to Dell's team members.

Adidas -one of the leading company in manufacturing sports accessories. Adidas Company believes that sport has the power to change every ones lives. Their focus clearly lies on nurturing a unique culture that attracts and retains great people. Attracting and retaining great talents through moments that matter, encouraging role models to inspire, creating an environment that allows everyone in the organisation to work more comfortably.

Accenture is a global management consult and professional service providing company. It is a talent lead business that relying on employees to grow. Their strategy is coach for performance rather than managing the performance.

11. SUGGESTIONS:

Employees who leave the organisation abruptly definitely results the decrease in company's growth, especially during the early stages. Finding a new employee and training them can cost a lot more than time and money. It might have affect on other employees and trigger negativity at work. So, here are some suggestions employer would do to prevent employees from leaving: Hire an employee by considering things like attitude, diligence and integrity along with educational qualifications, skills and experience at beginning itself. Identify the needs of the employees timely and provide them before they leave. Provide ample training and support for new hires till they can manage on their own. Provide career advancement for those who deserve before they expect. Appreciate employees for their achievements on the spot. By doing all these they may be possibility to reduce retention rate.

12. CONCLUSION:

Finally, from the study I'm concluding that employee retention is not a natural phenomenon they are many reasons which leads to employee attrition. From the study, it is observed that both the internal and external factors are responsible for manpower turnover. Opportunities for growth and promotions outside, work -life balance are important among external factors

simultaneously compensation, working environment, recognition and organisation culture shows impact on retention of employees in the organisation. May be Management has no control over external factors but it can control internal factors by timely modifying them can help the organisation to overcome the problems of employee retention.

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