

# Aspects and Consequences of Employee Retention in Human Resource Practices

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**Abstract – Human resource practices incorporate choosing human resource needs, screening, selecting, training, rewarding, evaluating just as taking care of work relations, safety and health, and decency concerns. Four elements of HRM practices analyzed in this investigation are training and development, career development, compensation and benefits, and performance appraisal. In the present investigation a few HRM practices (performance appraisal, special chances and job security) have been proposed to clarify its impact on employee's retention. Beforehand, different examinations have tried to consider the impact of HRM practices and employee's retention however their outcomes are for the most part clashing, in this way further examination is required. The main aim of this paper is to define the aspects and consequences of performance of Employee Retention in HRM practices the outcomes demonstrated that distinctive human resource practices significantly affect the employee retention. This study also describe the outlook of the Global and Indian companies on employee retention management. Further the outcome uncovered that devotion intervenes the relation of HRM and organization of HRM and the aspects of HRM with Employee Retention.**

**Keywords - Human Resource Management, Employee, Retention, Performance, consequence, aspects**

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## 1. INTRODUCTION

It is the key and intelligent way to deal with the of management an organization's most esteemed resources - the general population working there who exclusively and all things considered add to the accomplishment of the targets of the business. The term human resources (here in after alluded to as "HR") have to a great extent supplanted the term work force management as a depiction of the processes associated with overseeing individuals in organizations. HRM is developing quickly. Human resource management is both a scholastic hypothesis and a business practice that addresses the hypothetical and practical techniques of dealing with a workforce.

Human resource management considers people's measurement in management since each organization establish people, gaining their services, tweaking their skills, motivating them to more elevated amounts of performance and guaranteeing that they keep on keeping up their duty to the organization are essentials to accomplishing organizational goals. Human resource management (HRM) likewise alludes to the plan of formal systems in an organization to guarantee the compelling and proficient utilization of human abilities to achieve the organizational objectives

without relinquishing the requirements of the organizational human component.

## 2. HUMAN RESOURCE MANAGEMENT

Human resource management (HRM) alludes to the practices, systems, and strategies that impact the conduct, performance, and frames of mind of employees. Human resource practices incorporate choosing human resource needs, screening, selecting, training, rewarding, evaluating just as taking care of work relations, safety and health, and decency concerns. The ongoing years has appeared developing enthusiasm for the management of knowledge-based organizations the compelling execution of HR practices in organizations is a key wellspring of competitive advantage and has a positive relationship with organization performance. Considering themes of present day management, which incorporates enlistment and choice, training and development and the factors influencing the training, is another idea to creating nations, for example, Jordan. Thus, the investigation of this subject in this setting adds to the centrality of this research, which likewise thinks about innovative and monetary conditions and variables. The multi-policy, as rehearsed in the Jordanian private sector, requires the appropriation

of the idea of enlistment, and the determination and training and development from the perspective of the candidates. Such practice will stay aware of the fast environmental changes (Armstrong, 2009)

## 2.1 Organizations of Human Resource

For the most part, all managers in organizations are viewed as HR managers. College Dean, Matron, Sales managers, and Supervisors are altogether expected to take part in HR management, however their viability and efficiency depend on how HR system is being sorted out and overseen in organizations. Basically, it is unseemly to connect with a Matron (Head nurse) or an Engineering supervisor in structuring and controlling HR exercises, for example, pay system and reward; human resource arranging; enrollment and determination; work directions and so forth.

Accordingly, medium and extensive organizations make HR division and furnish it with HR authorities that can helpfully deal with these exercises. This development invigorated interests in human Resource Management practices in organizations. Corporate administrators in the public and private sector organizations came to understand that without a doubt human resource is the exceptionally important and basic resource that empowers all other material and financial resources to empower the organization accomplish its destinations. Be that as it may, notwithstanding its centrality in organizational life, as human management movement and its obvious impacts on organizational performance and competitiveness, numerous organizations in Nigeria are yet to coordinate its functions into their systems, Adebayo (2002). None of the three arms of governance in the nation is an exemption



Figure 1 Human Resource Management

## 2.2 Practices of Human Resource Management

Studies demonstrate that HRM assumes an important role in figuring and actualizing organizational strategy. Melony et al., (2004) found that likewise HRM can be viewed as a major aspect of the general strategy of the firm. The undeniably significance of HRM in strategy has then driven the HR administrators to be a piece of the chiefs while figuring and actualizing strategy

(Giauque, et. al., 2010). The practices and tasks of HRM systems have essentially supplanted major staff management in organizations. Organizations with either few or huge quantities of employees are said to have supplanted the title 'faculty' division with 'Human Resource' office however, they have not really enforce the practice. For better understanding, we continue to examinations different models in regards to roles and activities of HR divisions and the experts. HR Practices impact the working yield of the employee. The accepted procedures in the industry should adapt to difficulties, for example, an expanding number of employees, experiencing new working environments, societies, rebuilding and the inescapable and regularly injurious impacts of innovation. The changing Practices in Human Resources will be helpful to the organization, as it will reduce the consumption on the employee while increase his productivity.

## 2.3 Human Resource Management and Consequences of Employees

Concentrate the relationship among HRM and performance consequences is an important these basically concern the conceptualization and estimation of the central ideas and a few hypothetical issues about their relationship. These issues stay important in the contemporary discussion. HRM is regularly characterized as a lot of employee management exercises, however there is no agreement in regards to which HR practices ought to be incorporated into an 'exhaustive HRM agenda'. Significantly increasingly important is the issue with respect to whether one ought to look at discrete HR practices or utilize a systematic HRM approach. The consequences and factors effect on performance of employee retention can be measured with the following variables:

- **Promotion and Job Satisfaction:** Promotion takes castle when an employee's status is moved up to another position that is higher in financial benefits, power and obligation and organizational level. Promotion is given to an employee to perceive his last services and guarantees in coming time.
- **Compensation and Organizational Commitment:** organization duty can be characterized as connection of employees with the organization and his/her inclusion in the organization. It is a force that integrates the employee's sure course of performances that is having association with the organization's objectives and goals. To carry on in a way which meets organizational objectives and interests is organizational responsibility.
- **Promotion and Organization Citizenship Behavior:** So as to keep up value and consistency inside organization, the

adjusted compensation system in that organization is of prime significance. A very much structured reward system that utilizes innovative reward strategies for the fascination of work force can assist the organization with growing up to the longing degree. Compensation not just has its influence in expanding the employees' satisfaction yet in addition assume an essential role for the business in recruitment. Rewards can likewise acquire inspiration the employees to build up the ideal skills for the organization.

- **Promotion and Perceived Performance:** Promotion is a component of performance appraisal method which is given to an employee to benefit an open door for increase and enhancement for the premise of his are her knowledge, Education, skills and job. Likewise, promotion opportunities do cover practices by rousing of experts just as anchoring job and different prospects as salary, specialist, social standings and so forth.

### 3. CONCEPT OF EMPLOYEE RETENTION

The organizations should likewise let their employees to appreciate in a light mind-set. Organizations can take their employees to an outing or for a trip each year or bi-yearly. You can make utilization of this excursion also. It very well may be begun with an opening note about the management perspectives and plans, strategies and so forth. In the meantime they can include the best management into a portion of the fun exercises as this will make feel the employees that they are exceptionally near the management and everyone is same. Retention of employees is rising as the most important human resource management issues in Manufacturing sector. The Manufacturing endeavors are additionally confronting an issue of motivating and retaining the employees in an environment of increased vulnerabilities. The Manufacturing undertakings are resolved to hold their important employees in light of the fact that these employees are basic to their prosperity. The compensation, career development, relationship and nearness are the consider influencing employee retention producing undertakings (Singh, et. al., 2010).

#### 3.1 Retention of Employee in Manufacturing Sector

The genuine target is to retain just those people who add to the organization's performance as far as enhancing the nature of products and ventures, or expanding the level of consumer loyalty. Expanding the organization's level of polished methodology, initiating a target performance appraisal system, and guaranteeing a match among duty and expert are the 3 most-utilized procedures to enhance retention. Very nearly 1 in each 2 Manufacturing and adjusting

organizations admit that their retention-related burdens are intense. The Manufacturing enterprises are currently looking of deficiency in skilled employees who have capacities and knowledge to play out their jobs at abnormal states, implying that Manufacturing enterprises neglecting to retain high performing employees will be left with underemployed, low performing employees that in the long run hamper their capacity to be competitive. The Manufacturing enterprises are additionally confronting an issue of motivating and retaining the employees in an environment of expanded vulnerabilities. Retention rates normally falls as employees end up unfocused, perplexed and engrossed with conceivable consequences promptly following an organizational progress.

#### 3.2 Significance of Employee Retention

Employee retention has turned into a noteworthy worry for corporates in the present situation. People once being prepared tend to move to different organizations for better prospects. Rewarding salary, agreeable timings, better mood, development prospects are a portion of the factors which prompt an employee to search for a change. At whatever point a capable employee communicates his readiness to proceed onward, it is the obligation of the management and the human resource group to intercede promptly and discover 15 Retentionnaukrihu.com 32 out the correct reasons prompting the choice.

The HR Professional shortlists couple of people from a large pool of ability, conducts primer meetings and in the long run advances it to the separate line managers who further grill them to pass judgment on whether they are fit for the organization or not. Recruiting the correct candidate is a tedious procedure. Another joiner is totally raw and the management truly needs to work hard to prepare him for his general development. It is a finished wastage of time and cash when an individual leaves an organization out of the blue. The HR needs to begin the enrollment procedure once more for a similar opening; an unimportant duplication of work. Finding a correct employee for an organization is a repetitive job and all endeavors just go squander when the employee leaves.

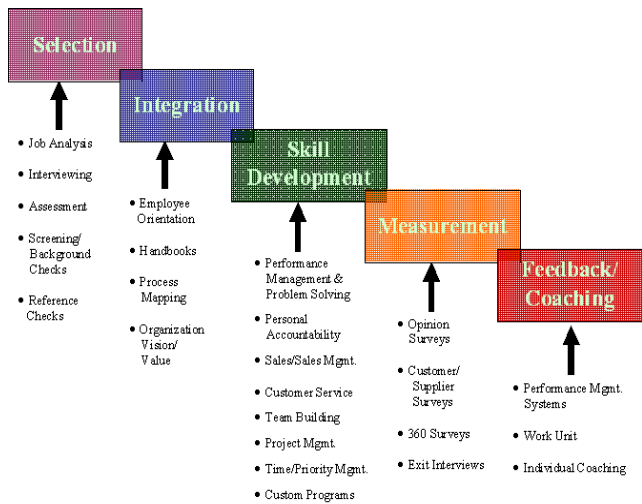


Figure 2 Employee Retention: Latest Trend

### 3.3 Advantage of Employee Retention

- **Costs and Benefits:** There is a huge cost related with each employee an organization has. The contracting cost which was brought about amid the underlying stage, training cost that was a piece of beginning training, on job training and different mid-work training, leave costs which would incorporate payments, substitutions and payouts.
- **Experienced employees:** At the point when employees leave the organization they remove with them the aptitude they have accomplished throughout the long periods of the organization.
- **Culture of Organization:** It is never in the best interest that employees leave the organization much of the time. Culture is worked by the people in the system.
- **Loyalty Benefits:** Each organization needs loyal employees to guarantee maintainability in long run. These loyal employees add to the organization's image, fulfilled clients and upbeat work put. There are many shrouded benefits of loyal employees which can be seen on various stages.
- **Quality at Work:** The work quality is unfavorably influenced when employees who have been prepared for a job leave the organization.

### 3.4 Instruments Used For Retaining the Employees

The chose automobile organizations are applying the accompanying employee retention instruments for retaining its employees for a more drawn out timeframe. They are as per the following:

- **Employee Reward Program:** The Organization can make an arrangement of Monthly or Quarterly Award (depending upon the financial plan) for the best employee, Awarding 2 or 3 best workers every month.
- **Career Development Program:** Each individual is stressed over their career. The organizations can give them conditional help to specific courses which are useful from your business perspective. Conditional help implies the organization will bear the costs just on the off chance that he/she gets a total of certain level of marks. What's more, access to that course ought to be based on a Test and the quantity of seats to be restricted.
- **Performance based Bonus:** The employee dependably comes to think about the benefit of the organization which is obviously founded on the strategic arranging of the best management and the productivity of the employee.
- **Employee Referral Plan:** Employee referral is one of the generally utilized and cost-viable sources to recruit candidates through our inside trusted employees. This manual gives general data about the documentation, policy and process of discharging the installment to employee referral claim frame against the candidates alluded by employees which joined the organization.
- **Loyalty Bonus:** Employees are viewed as the center of an organization and the achievement or disappointment of the organization is ascribed to the performance of the employees. It is of prime significance that the employees are loyal to the organization and don't effectively scan for other elective opportunities. Loyalty, as a general term can be characterized as a person's dedication or feeling of connection to a specific item, which might be someone else or a group of persons, a perfect, a duty, or a cause.

### 3.5 Indian and Global Outlook on Employee Retention Management

From the global perspective, retention management incorporates competitive salary, work-life balance, giving satisfactory training to the employees, leading semi-yearly surveys to decide employee's job performance, directing festivals and giving appropriate rewards and acknowledgments to the employees as a demonstration to motivate them for their great performance. These factors could be seen globally both from business and employee point of view. With regards to retaining ebb and flow employees, the most recent research demonstrates



that two between related retention strategies out play out all others by an extensive edge. Firms are strongly encouraged to embrace these measures. The first identifies with the evaluation and reward of managers. The second to utilize the 28 intermittent retention centered interviews.

Starting at now, the accompanying strategies are followed in retaining any of the employees which have turned into a challenge for any organization in the market. The management needs to give a decent working environment, better compensation both monetary just as non-monetary, better coordination and correspondence among bosses and subordinates, giving adaptable working timetables, a superior speculation for training and development so they can give the employees a superior learning environment.

#### **4. ASPECTS OF HUMAN RESOURCE MANAGEMENT PRACTICES AND EMPLOYEE RETENTION**

A study by Chew et al. (2008) [1] uncovers that organizations with an esteem profile of either world class or leadership, supplemented with strategic HRM viability will improve financial performance. Huselid (1995) distinguished a connection between organization-level consequences and groups of elite work practices. Rather than concentrating on a solitary practice (for instance staffing), the concurrent utilization of multiple refined human resource practices was surveyed. He presumed that the complexity of those practices was significantly identified with turnover, organizational productivity, and financial performance. Delery and Doty (1996) asserted that the presence of formal or casual approaches has numerous strategic ramifications that should influence employee retention. Earlier observational work has reliably discovered that utilization of compelling Asiedu-Appiah et al. human resource management activities improves employee retention and productivity. In particular, specific recruitment and training methods, working environment, Labor-management investment projects, and performance appraisal, promotion, and motivating force compensation systems that perceive and reward employee justify have all been connected with esteemed firm-level consequences.

Human Resources Management (HRM) assume important role in retention of employees. HR managers need to recognize the correct retention strategies which their employees see to be powerful. Great HRM practices in the zone of compensation, reward, career development, supervisors' support, and culture and work environment can enhance retention. Numerous organizations presently use broad scope of human resources management factors that impact employee responsibility and retention. As indicated by them, the factors which impact employee retention are work

environment, supervisor support, organization picture, employee esteem coordinate, compensation, reward and acknowledgment, employees' career development and so on. Hay (2011) [5] has recognized five key factors that separate "stayers" (those focused on the organization over two years) from "leavers" (those wanting to leave in two years or less). The enter factors are trust in the organization and leadership, space for employees to grow, a reasonable trade among organization and employee, an environment for progress and expert and impact. Factors affecting commitment incorporate work environment, rewards and acknowledgment, career development, supervisor/pioneer, compensation/compensation, and employee-organization esteem coordinate.

#### **5. CONCLUSION**

Hypothetically, this study has given some experimental proof on the relationship between HRM practices and employee aim to remain. The consequence of this study has likewise included to the writing HRM practices and employee aim to remain. Regarding practical commitment, the exploration consequences approved the idea that compensation and benefits are of most extreme significance in upgrading aim to remain among employees. The proposed study has a couple of fundamental ramifications for upgrading employee's retention. Right off the bat, if the proposed model is approved, the finding will give basic comprehension to specialists and managers about the huge piece of HRM practices in expanding employees retention. The study concluded that the aspects of employee retention and human resource management is positive on each other. Furthermore, the interceding impact of job on the relationship between HRM practices and employees retention will clarify that the utilization appropriate HRM practices will implant the employees and help the organization to retain them. An examination can be led on different other retention strategies which increase retention of employees. The specialist recommends that more research be led in this topic in different sectors also.

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