A Study on Impact of HR Policies towards Employee Retention in Organization

Madhavi Lakshmi, Prasanna Matsa

MVGR College of Engineering, Chintalavalasa, Vizianagaram, Andhra Pradesh, India

ABSTRACT

Human resource policies are the principles or objectives established by a company for the guidance of the management in its relationship with employees, a formal written human resource policies can aid in communication with employees, assist manager and help avoid litigation. Human resource policies are systems of codified decisions established by the organization, to support administrative personnel functions, performance management, employee relations and resource planning. The term employee retention means employees must not quit from the organization and human resource policies will have so much of impact on employee retention. Hr policies will make the employees to increase their performance and productivity, organization success will gradually increase due to the impact of human resource policies and with these human resource policies employee retention will be more in the organization. human resource policies will have more impact on employee retention in the organization.

KEYWORDS: litigation, performance, productivity, codified decisions, employee retention

1. Carol Gill, Denny Meyer: THE LITERATURE REVIEW

This paper mainly describes about the role and impact of human resource management policy on companies and employees. It also tells about gap between policies and practices, it will definitely have negative impact on working of the organisation to get better productivity in the organisation, human resource policies play a very important role in the organization which keeps employee retention constant and it does not give scope for the employees to quit from the organisation.

2. Charles Henry d`Arcimoles

Human resource policies mainly have more impact on the performance of the company ,it shapes the organisation in a good way with a high productivity. Employees will give productivity more if they are fully satisfied with the job what they are doing and hr policies of the company. In this paper it consists of two sets of questions in which 1st set mainly deals with impact of human resource management models and performance of employees. Second set it mainly deals with the ability of the outside actors in order to analyse the human resource management models. Through this we can understand that purely basing upon HRM models the performance of the employees will be depended in theorganization.

3. Salman Bashir Memon

This paper describes about globalization in this competitive market and the main important challenge in this paper is to attract and retain labour ,workers, employees in the company, mainly human resource policies will create interest among employees to give 100 percent productivity to the organization, apart from this performance appraisal is a main important thing which makes the employees to feel satisfied with their job and the efforts they are keeping in their job, these two things are important and acts as a core for any organisation which retains employees for more duration in the organisation without quitting simply with no reasons from the company. It is the responsibility of the hr manager to look towards the company whether all the practices are going in a right way or not or all the employees are getting proper remuneration, compensation, performance appraisal from the company.

4. etmichaturya, Thilakarathhna, MMASSirirwardhana, RanithaWeeraratha

In today's world employee retention became very crucial for every organization so every organization expect to reduce the employee turnover to the maximum level, the main intention of this research paper is to know the impact of human resource practices on employee retention. The authors of this paper done research on three companies at all levels and after completion of the analysis all the three companies indicated that there is somewhat little impact of human resource policies on employee retention in the organization and it also tells every company should follow proper structure of human resource policies which makes employees to give better performance in the company and by utilizin this human resource policies, every employee in the organization will be self satisfied and give best productivity to the organization which makes organizational success.

5. Roger E.Herman

In this article mainly it tells about giving more remuneration to employees will have bad impact on employee retention indirectly, that means by providing learning environment to employees in the organization and giving proper training to them will make employees to retain in the organization for longer period , researcher also suggested that the experience and different understanding levels of employees will also have impact on employee retention in the company, so if there is a learning environment in the company defenitly employees will show interest to work hard for the organization and for its success .

6. 0N. R. A. S. SWijesiri; G. SParanagama; M. M. A. Ssiriwardhana; D. L. N. C Thilakarathna R. Sweerarathna; U. P. G. Y Pathirana

This paper describes about in the ever changing environment demand is increasing and the pressure on employees also increasing, due to this pressure many of the employees are quitting the organization so in order to retain employees in the organization there is a need for an organization to improve HR policies and delivery services, retaining employees became very crucial in every company. Employing the best human resource practices will benefit both the employer as well as employee in the company. It ensures effective and efficient use of people inside the organization. HR policies should give scope for the employees to work in a particular company for longer period if employees work for longer period definitely they gain some experience and benefitted by HR policies of the organization which reduces employee quit rate in the company and it gives best productivity and success for the organization.

7. Chandrasekhar Patro

This paper tells about due to the shortage of skilled labour employee retention became more difficult issue in every organization. Employee retention is an important function in human resources management because employees are the assets of any organization then it is the responsibility of an organization to retain talents in the company, so this can be done only by providing good human resource policies which makes the employees to stick to particular company for longer period of time. There will be sustainability of employees in the organization.

8. ShaziaAkhter;MuhammadFaisalMalik;Muddasarghan niKhwaja;SaqibMehmood

This paper mainly describes about for retention of employees organization use different tactics like giving high slaries to employees, providing learning environment to employees etc, mainly companies have adverse effect due to typical hrm practices, best hr practices or practices will make the employees to retain in the company, every organization want committed workforce because this commitment leads to important outcomes or results of the organization, organization can better performed if it can able to predict the future problems and proper interventions can be done here and in this paper we can able to know the commitment of work will be depended upon the attachment which is carried out by employee towards the organization, if the employee feel any dissatisfaction towards work and stress that have impact on the organization and employee retention.

9. Chidinma Vivian; Maducke; Ikechukwe; Chimezie Emerole

Every organization maintains same culture which motivates employees to behave good in the work place,there is a competative environment not only in business but in the individuals mind set who are working in the organization, if employees feel any dissatisfaction in the work they tend to switch over to another business so this paper mainly describes about the relationship between organization culture and employee retention with three banks it relates to 35 employees and it is finalized that there is a relationship between organization culture and commitment towards work. so through this paper we can able to understand innovative strategies should be implemented to retain employees in the organizations.

10. Mariyam Imna; Zubair Hassan

Human resource policies have impact on the employees in the organization. The main purpose of this research paper is to analyze the factor which influence the employees in the organization. The most human resource policies related to recruitment, training, reward, compensation, performance appraisal, training and development, career development etc. The policies will have impact on the employees who are working in the organization.

Empirical Analysis:

Empirical research is research using empirical evidence. It is a way of gaining knowledge by means of direct and indirect observation orexperience. Empirical evidence the record of one's direct observations or experiences can be analyzed quantitatively or qualitatively.

Cronbach`s Alpha:

Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. A "high" value for alpha does not imply that the measure is unidimensional. If, in addition to measuring internal consistency, you wish to provide evidence that the scale in question is unidimensional, additional analyses can be performed. Exploratory factor analysis is one method of checking dimensionality. Technically speaking, Cronbach's alpha is not a statistical test – it is a coefficient of reliability.

Case Processing Summary			N	%
Cases		Valid	100	99.0
		Excluded[a]	1	1.0
		Total	101	100.0
a. Listwise deletion based on all variables in the procedure.				

Reliability Statistics	
Cronbach's Alpha	N of Items
.732	8

Hypothesis Testing:

H1 **:** There is no impact of commmunication policy on employee retention

H2 : There is no impact of mediclaim policy on employee retention.

H3 : There is no impact of welfare policy on employee retention

H4 : There is no impact of remuneration policy on employee retention

H5 : There is no impact of Career development policy on employee retention

H6 : There is no impact of Training policy on employee retention

H7 : There is no impact of SHE policy on employee retention

H8 : There is no impact of Learning and Development policy on employee retention

Correlation:

Correlation is a statistical measure that indicates the extent to which two or more variables fluctuate together. A positive correlation indicates the extent to which those variables increase or decrease in parallel; a negative correlation indicates the extent to which one variable increases as the other decreases.

Positive Correlated sub variables:

➢ Collabration
➢ Premium
➢ Night shift
➢ Canteen services
➢ Training policy
➢ Crises communication
➢ Retraining
➢ Communication
➢ Mediclaim
➢ Leave allowances
➢ Remuneration
➢ Exploring oppurtunities
➢ Internal career oppurtunities

➢ Employee involvement
➢ Leadership development
➢ Performance based incentives
➢ Job rotation
➢ Training through electronic media

**Correlation significant at 0.01 level(2 tailed test),*correlation signifcant at 0.05 level

Interpretation:

From the correlation test, it is understood that there are some of the sub variables which are positively correlated to each other whose significance value<0.05,and there are some sub variables which are negatively correlated with each other ,Significant value>0.05 are statistically not significant, among them positively correlated sub variables are the variables which mainly tells about that there is a positive significant relation between the different independent variables.

Anova:

The one-way analysis of variance (ANOVA) is used to determine whether there are any statistically significant differences between the means of three or more independent (unrelated) groups.

➢ Analysis of variance, or ANOVA, is a statistical method that separates observed variance data into different components to use for additional tests.

➢ A one-way ANOVA is used for three or more groups of data, to gain information about the relationship between the dependent and independent variables.

➢ If no true variance exists between the groups, the ANOVA's F-ratio should equal close to 1.

Anova Table:

		Sum of Squares	df	Mean Square	F	Sig.
Company encourages me to actively communicate in english	Between Groups	130.225	4	32.556	3245.612	.000
	Within Groups	.963	96	.010		
	Total	131.188	100			
Company provides platform for collabration of employees	Between Groups	102.560	4	25.640	138.312	.000
	Within Groups	17.796	96	.185		
	Total	120.356	100			
Crises communication is very essential in my company	Between Groups	1.827	4	.457	.346	.846
	Within Groups	126.707	96	1.320		
	Total	128.535	100			
To what extent are you satisfied with the premium that you are paying for medical benefits	Between Groups	111.508	4	27.877	155.727	.000
	Within Groups	17.185	96	.179		
	Total	128.693	100			
Mediclaim helpdesk will assist us in case of emergency	Between Groups	.780	4	.195	.145	.965
	Within Groups	128.923	96	1.343		
	Total	129.703	100			
To what extent you are satisfied about the allowances which is provided for night shift employees	Between Groups	17.673	4	4.418	2.542	.045
	Within Groups	166.862	96	1.738		
	Total	184.535	100			
canteen services are regularly utilized by me in the company	Between Groups	101.049	4	25.262	92.849	.000
	Within	26.120	96	.272		

Interpretation:

From the above table, it is stated that four sub variables among all the variables are statistically significant and reject the null hypothesis, i.e Significance value p<0.05 and it shows statistically significant relation between all the independent sub variables and dependent variable, finally it is understood that communication, collabration, payment of premium towards availing of medical benefits ,canteen services are the major sub variables whose p value<0.05 and these are statistically significant and have impact on employee retention, as well as mean squares within groups and different groups are shown in the below table, so from the anova test we can conclude that four sub variables having a statistical significant relation with the dependent variable.

Wilcox on Signed Ranks Test:

Ranks		N	Mean Rank	Sum of Ranks
Company provides platform for collabration of employees - Company encourages me to actively communicate in english	Negative Ranks	0[a]	.00	.00
	Positive Ranks	2[b]	1.50	3.00
	Ties	99[c]		
	Total	101		
canteen services are regularly utilized by me in the company - To what extent are you satisfied with the premium that you are paying for medical benefits	Negative Ranks	0[d]	.00	.00
	Positive Ranks	4[e]	2.50	10.00
	Ties	97[f]		
	Total	101		

Interpretation:

From the above table, it is stated that basing upon negative ranks of test statistics -1.342>-1.841 that means communication policy have a major impact on employee retention in the company and by application of wilkokson ranking method it is proved that upon all other policies communication policy ranks first and it rejected null hypothesis stating that there is a impact of communication policy on employee retention in the company.

THE MO DEL

Impact of hr policies towards employee retention ,in this study we used different tests like correlation to know the connections between the variables whether it is positively correlated or negatively correlated and to know about the validity of sub variables used in the study, next level anova test has been used to know the mean differences between the groups or within the groups and to know the significant level ,if p value<alpha i.e 0.05 then it is statiscally significant ,from this test it is clearly understood that out of 18 sub variables from correlation test 4 sub variables are considered to be highest significant sub variables in the study, inorder to know the ranking among the available sub variables, we tested by using non parametric test called as wilkokson signed rank sum test to know the significant difference between matched samples or repeated measures, from this test it is clearly understood that position for rank 1 goes to communication policy ,rank 2 goes for mediclaim policy and welfare policy in which sub variables have high impact on employee retention. finally from this study it is concluded that sub variables from communication policy, mediclaim policy and welfare policy have high impact on employee retention.

THE RESULTS

H1 : There is no impact of communication policy on employee retention

H2 : There is no impact of mediclaim policy on employee retention

H3 : There is no impact of welfare policy on employee retention.

Null hypothesis has been rejected i.e there is impact of communication policy on employee retention as well as there is some impact of medi claim policy and welfare policy on employee retention

CONCLUSION

Through this study it is clearly stated that among the available hr policies in the company not all hr policies have same impact on employee retention in the company ,by using different tests in spss software results has been stated

that only few hr policies have impact on employee retention in the company i.e communication policy, mediclaim policy, welfare policy, apart from these policies policies which are existed will also have some impact but there is more impact of these policies on employee retention. and finally there is a clear cut emperical analysis to understand about different hr policies and their impact on employee retention in the company.

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