

Effectiveness of strategic human resource management practices on employee retention- A case study with reference to educational institution

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Abstract

Employee retention is important for firm performance. If the organization is not able to retain its employees, it will not be able to capitalize on human assets developed within the organization. Employee retention is of great importance these days. The retention of employees is important in every company. It is not only important to select the right employee for the organization, but also to retain these employees. So, retention is possible only if the employees are given proper training in respect to their employment, good working environment, career development opportunities, work-life balance, proper incentive and benefit policies, grievance policies and supervisor policies. This research has been conducted to study the impact of HRM practices on employee retention among the employees of the educational institution in the Dakshina Kannada District. The data will be collected from some of the respondents through questionnaire. The study will show that there is a positive relation between HRM practices and employee retention. If the HRM practices applied by the organizations are well organized, then the employees like to work in such organization. This is because they get good environment to work and have full freedom to work. Hence, retention of employees is in the hand of the organization.

Keywords: Employee Retention, Human Assets, Human Resource Management, HRM Practices and Strategies

1. Introduction

Strategic human resource management (SHRM) is about the formulation of HR strategies in alignment with the overall corporate strategy to achieve the goals of the organization. It aims at enhancing individual performance and organizational effectiveness. Employee retention is important for firm performance. If the organization is not able to retain its employees, it will not be able to capitalize on human assets developed within the organization.

2. Objectives of the Study

The main purpose of this study is to measure and assess the relationship of Employee retention as the dependent variable, with career development, supervisor support, working environment, rewards and work-life balance that are considered as independent variables.

The specific objectives of the study are:

1. To understand the conceptual background.
2. To analyze the major determinants of employee retention in educational institution of Dakshina Kannada District.
3. To measure the impact of various independent variables (major determinants) on employee retention on the educational institution of Dakshina Kannada District.

2.1 Scope of the Study

The study is micro in nature. The study covers the area of different Post Graduation departments consisting of Commerce, Business Administration, Chemistry, Communication and Journalism, Computer Science, Physical Education, Applied Botany, Sociology, Mathematics, Yogic

Science, Political science, Social Work, English, Library, Administrative Block etc., at Mangalore University.

2.2 Research Methodology

The study is descriptive and diagnostic in nature. This study examined the relationship of career development, supervisor support, work environment, rewards and work-life policies with employee retention among the non-teaching employees of educational institution of Dakshina Kannada District especially with Mangalore University. For the present study, primary data was used. The primary data was collected through the questionnaires. Simple random sampling technique was used with the sample size of 27 non-teaching employees of Mangalore University. For analysing the major determinants of employee retention, the secondary data was gathered from the previous research articles from various journals.

2.3 Conceptual Framework

Strategic human resource management is an approach to making decisions on the intentions and plans of the organization concerning the employment relationship and the organization's recruitment, training, development, performance management and the organization's strategies, policies and practices.

2.4 Employee Retention

The Profit Chain- An effective employee retention programme is a systematic effort to create and foster an environment that encourages employees to remain employed by having policies and practices in place that address their diverse needs (economic, social and psychological).

2.5 Major Determinants of Employee Retention

After reviewing the several articles relevant to the employee retention various variables were considered. But the major

determinants selected for the study are the following five variables, to study the impact of HRM practices on retention of employees:



Fig 1: Major Determinants of Employee Retention

1) Career Development Opportunities: Career Development is one of the variables which have a lot of impact on Employee retention.

2) Supervisor Support: Supervisors are the “human face” of an organization. According to Eisenberger and Associates (1990), an employee’s view of the organization is strongly influenced by their relationship with their supervisor.

3) Work Environment: Employees expect a work environment, where they can utilize their abilities and satisfy their basic needs.

4) Rewards: A reward can be extrinsic or intrinsic it can be a cash reward such as bonuses or it can be recognition such as

naming a worker employee of the month, and at other times a reward refers to a tangible incentive, reward is the thing that an organization gives to the employee in response of their contribution or performance so that the employees become motivated for future positive behaviour. In an organization, rewards can take several forms.

5) Work-Life Policies: Today a major concern in business is Workplace flexibility. So, if employees are provided with proper work-life balance such as flexible work schedules, family friendliness, leave and immediacy to their home, such type of employees work happily and there is high retention.

2.6 Data Analysis and Interpretation

Table 1: Profile of the respondents

Information	Options	No. of Responses (%)	Total No. Of Respondents (%)
1. Gender	Male	5 (18.52%)	27 (100%)
	Female	22 (21.48%)	
2. Marital Status	Married	14 (51.85%)	27(100%)
	Unmarried	13 (48.14%)	
3. Age Group (in years)	15-25	11 (40.74%)	27 (100%)
	26-35	10 (37.04%)	
	36-45	4 (14.81%)	
	46-55	2 (7.41%)	
	56-65	0 (0.0%)	
Work Experience within the organisation (in years)	Less than 5	19 (70.37%)	27 (100%)
	6-10	3 (11.11%)	
	11-20	5 (18.52%)	
	More than 21	0 (0.0%)	
5. Level of Education	SSLC	5 (18.52%)	27 (100%)
	PUC	8 (29.63%)	
	Undergraduate	12 (44.44%)	
	Post-graduation	2 (7.41%)	
6. Employment	Full time (Definite Contract)	8 (29.63%)	27 (100%)
	Temporary	19(70.37%)	
	Part Time	0 (0.0%)	
7. Nature of Work	Clerical	19 (70.37%)	27 (100%)
	Attainder	9(33.33%)	
	Watchmen	0 (0.0%)	

Source: Field Survey

Table 2: Responses of various employees of different departments

Determinants	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1.Chance of promotion/ Career Development Opportunities	5	1	11	8	2
2.Supervisor Support	2	2	4	12	7
3.Help by Colleagues/ Good working environment	0	0	0	12	15
4.Rewards and Compensation	0	10	8	5	4
5.HeavyWorkload	5	5	9	4	4
6.Work-Life Balance	3	5	5	9	5

Source: Field survey

In order to assess the impact of HRM practices on the retention of the non-teaching employee’s different departments of Mangalore University, Likert scale technique was used. The responses from every respondent for each determinant are scored on a five point scale i.e.; strongly agree, agree, uncertain, disagree and strongly disagree. Higher scores in each determinant indicate the high level of impact on employee retention and lower scores indicates less impact of determinants level of job satisfaction. The responses of the various respondents have been mentioned above.

Table 3: Responses of various employees regarding their willingness to retain in the organisation

Chances of Promotion	Willing to retain in Organization		Total
	Yes	No	
Strongly Disagree	5	0	5
Disagree	0	1	1
Uncertain	0	11	11
Agree	0	8	8
Strongly Agree	0	2	2
Total	5	22	27

Source: Field survey

In the table-3 the first variable “Chances of Promotion” was taken up which is related to Career development opportunities. Out of total respondents, 8 respondents were agreed and 2 were strongly agreed that there are good chances of promotion in their banks. The willingness of the respondents to retain in the concern was only for 5 respondents and 22 don’t want to retain due there is no chance of promotion.

Table 4: Responses of various employees regarding their willingness to retain in the organisation

Supervisor Support	Willing to retain in Organization		Total
	Yes	No	
Strongly Disagree	2	0	2
Disagree	0	2	2
Uncertain	2	2	4
Agree	12	0	12
Strongly Agree	7	0	7
Total	23	4	27

Source: Field survey

Table-4 shows the variable “supervisor support” as the second variable which was related to supervisor’s support. Out of total respondents, 2 respondents were disagreeing and 2 were strongly disagreeing. But there were 12 respondents who agreed that the supervisor ignored the complaints made by them .The intentions of the respondents to stay in the concern were clear with 23 and 4 respondents out of the mentioned respondents.

Table 5: Responses of various employees regarding their willingness to retain in the organisation

Help by Colleagues	Willing to retain in Organization		Total
	Yes	No	
Strongly Disagree	0	0	0
Disagree	0	0	0
Uncertain	0	0	0
Agree	12	0	12
Strongly Agree	15	0	15
Total	27	0	27

Source: Field survey

Table 5: shows the third variable “Help by colleagues” which is related to work environment. Out of the total respondents, 12 respondents agreed that they were helped by their colleagues and 15 respondents were strongly agreed. And all of them were ready to retain in the organization. It means that congenial work environment has a positive impact on the employees.

Table 6: Responses of various employees regarding their willingness to retain in the organisation

Rewards and Compensation	Willing to retain in Organization		Total
	Yes	No	
Strongly Disagree	0	0	0
Disagree	2	8	10
Uncertain	2	6	8
Agree	2	3	5
Strongly Agree	2	2	4
Total	8	19	27

Source: Field Survey

As per Table-6, in case of the fourth variable “Allocation of rewards at work” which is related to rewards or compensation, 3 respondents were agreed that they were rewarded properly in case of their achievements at work. Out of these respondents, only 8 were ready to retain in the organization.

Table 7: Responses of various employees regarding their willingness to retain in the organisation

Too much work burden	Willing to retain in Organization		Total
	Yes	No	
Strongly Disagree	5	0	5
Disagree	2	3	5
Uncertain	3	6	9
Agree	2	2	4
Strongly Agree	2	2	4
Total	14	13	27

Source: Field survey

In the Table-7 “Too much work burden” which is related to work-life balance determinant is given. Out of the total respondents, 5 respondents disagreed about work burden and 5

were strongly disagreed with the same. Out of those respondents who were disagreed, 2 were willing to retain in the concern.

Table 8: Responses of various employees regarding their willingness to retain in the organisation

Conflict between Work and Personal life	Willing to retain in Organization		Total
	Yes	No	
Strongly Disagree	3	0	3
Disagree	5	0	5
Uncertain	5	0	5
Agree	7	2	9
Strongly Agree	3	2	5
Total	23	4	27

Source: Field Survey

In the Table-8 given below the variable “Conflict between work and personal life” which is related to work-life balance is analysed. Out of total respondents, 5 respondents disagreed and

3 strongly disagreed that there was any imbalance between their work and personal life. All strongly disagreed 3 respondents wish to stay in the concern over a period of life.

Table 9: Responses of various employees regarding their willingness to retain in the organisation

Determinants	Willing to retain in Organization		Total
	Yes	No	
1. Chances of Promotion/ Career Development Opportunities	5(18.52%)	22 (81.48%)	27 (100%)
2. Supervisor Support	23(85.19%)	4 (14.81%)	27(100%)
3. Good Work Environment/ Helps By Colleagues	27 (100%)	0 (0.0%)	27 (100%)
4. Rewards and compensation	8 (29.63%)	19 (70.37%)	27 (100%)
5. Heavy Work Load	14 (51.85%)	13 (48.15%)	27 (100%)
6. Work Life Balance	23 (85.19%)	4 (14.81%)	27 (100%)
Total	100	62	162

Source: Field Survey

Table no.9 shows that out of 162(27x6=162) responses of 6 determinants together. 100 responses were willing to retain and 62 were responses not willing to retain in the organisation.

3. Findings

- In this study several determinants which are responsible for the best HRM practices are reviewed and hence used as effective variables for the study.
- The results of the study showed that there is a great impact of HRM practices on employee retention. The frequencies of career development and work environment show the highest values in relation to their perceived level of retention with the concern.
- It means that the respondents are more inclined towards their career growth and want to work in an environment where they get support from their colleagues.
- All the 27 respondent employees were willing to retain in the organisation due to help by colleagues determinants.
- According the survey 20 respondents has the job satisfaction towards their work in organisation.
- This study reveals that the most of the respondents are undergraduates 12 in number and 5 of them working for more than 10 years in the same position.

3.1 Suggestions

- This study suggested to hike in the salary
- Make them to permanent in their work
- Increasing the supervisors support
- Should develop skill development activities

3.2 Limitation of the Study

No research methodology is perfect with any drawback. The limitations of the study include:

- Due to the shortage of time it may not be possible to include large sample.
- Sample is restricted only to non-teaching staff of Mangalore University, Dakshina Kannada District.
- The results of the study may vary depending on the HRM policy changes in the organisation.

4. Conclusion

So, in today’s environment the organizations have to take care of their people, as they are the people who will yield profits and growth. Organizations have to provide their employees with the best career growth opportunities, working environment, rewards, supervisor support and work-life balance and should work on them. This will help the employees to work with full attention and dedication towards their work.

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