

EFFECT OF HRM OUTCOMES EMPLOYEE RETENTION ON THE RELATIONSHIP BETWEEN HRM PRACTICES AND ORGANIZATIONAL PERFORMANCE

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Abstract

Human resource activities have long been a popular way to assess an organization's effectiveness. Better is attained through the people in the organization, which is one of distinguishing traits. Significant observations have been made in recent years in determining the Human Resources Management link. Previous research has demonstrated a strong link between successes Authors have, however, suggested that the moderating role of Outcomes like employee retention in the relationship between be investigated. As a result, the primary goal of this research is to look at the role of Outcomes (employee retention) in mediating the relationship between The research suggests that, based on evidence from the literature, staff retention is likely to mitigate the relationship between success.

Keywords: Human Resources Management, Employee Retention, Human Resources Management Practices, Organizational Performance.

Introduction

Organizations occur in diverse shapes and sizes, and they are more likely to have differences than commonalities. However, one thing that all businesses have in common is their "achieved success," which is based on the employees' skill, knowledge, and experience (Development and Learning organizations, 2011). This is one of the reasons why human resource activities have become a popular way to assess corporate success. This exemplifies unique ability to improve performance by using the capabilities of the organization's people (Guest, 1997). Significant comments have been made in recent years in recognizing the Human Resources Management performance link. Few studies, on the other hand, have documented the unique relationship between human resource practices and company or organizational success in various circumstances. There have

been numerous studies that show a link between practises and organizational performance. For example, according to Katou (2008), practises have a direct influence or effect on subordinate traits such as human talents, attitudes, and behaviour, referred to as outcomes, which improves organisational performance. As a result, according to Pfeffer (2000), human resources have been critical in maintaining organisational success.

Although it is widely accepted that human resource management is favourably connected with organisational performance, further study is needed to give more data to support the HRM-performance relationship in other cultural contexts, such as Libya and other developing nations. Another difficulty is that some scholars have questioned the link between HRM practises and organisational performance (Katou, 2008; Gerhart, 2009). They said that there is a lack of transparency in their connection regarding what actually leads to what. They proposed intervening or intermediary steps in the link between HRM practises and performance as a result of this (Becker & Gerhart, 1996). This shows that the use of a mediator and a moderator in the link between HRM practises and organisational performance is beneficial. On the basis of this approach, this study proposes an intermediary step in which HRM Outcomes, specifically "staff retention," mediate the relationship between HRM practises and organisational performance. Employee retention, one of the HRM Outcomes components, has not been well explored in past research on HRM practises and organisational performance (Bowen & Ostroff, 2004 and Collins & Smith, 2006). As a result, Wright, Gardner, Moyiham, & Allen, 2005; Purcell, Kinnie, Hutchinson, Rayton, & Swart (2003) have urged for more research on the mediating role of HRM Outcomes like staff retention in the relationship between HRM practises and organisational success. As a result, the primary goal of this research is to look at the role of HRM Outcomes (employee retention) in mediating the relationship between HRM practises and organisational performance.

HRM Practices

Due to the fact that some policies and consistently outperform others, all organisations or enterprises are urged to embrace the best. Although many studies have been claimed to exist in the field of, many of these studies investigating human resource strategies have only concentrated on a few variables. Khan (2010) identified five essential : training and development, recruitment and selection, remuneration and reward, performance appraisal, and employee participation, based on a survey of the literature. These activities, interestingly, are among the 10 HRM practises that will be used in this research to assess the impact of HRM policies on organisational performance.

Organizational Planning

According to an empirical analysis, the formulation of well-defined business goals and objectives influences or shapes employee retention and job productivity. Kim et al. (2005), cited by Morncaz, Zhao, and Kay (2009), discovered that administrative direction and support influenced employee work satisfaction and total organisational commitment.

Susskind et al. (2000) discovered that employee engagement and work satisfaction were significantly influenced by the perceived organisational support. Another study was undertaken by the US Department of Labor (1993). According to research on high-performance work practises, team involvement can assist boost job satisfaction and reduce attrition by involving employees in judgement, goals, and organisational direction. "Other work practises, such as overall quality management, which result in productivity increases, have a negative impact on motivation and dedication to the firm," according to many previous research.

Staffing

The importance of staffing in manpower planning is critical. Although it is one of the more difficult duties to complete, it has a significant impact on organisational. To grow a company, it is also necessary to have the right amount of personnel, the suitable talents, and motivated workers with positive behaviour (Größler and Zock, 2010). Wilk and Cappeli (2006) point out that not all of the staffing are appropriate for use because many of the tools are expensive and some are only appropriate for specific organisations. It is critical to make the right decisions or use the right tools when it comes to staffing in order to obtain accurate information about a candidate for the right jobs within organisations. Staff, according to Hagan et al. (2006), is reliant on job.

Training and development

Gratification as a result of the new skills, knowledge, and abilities gained through the programmers (SKAs). Because of the relevance of Kundu (2000), firms should invest heavily in employee training to ensure that customer-oriented strategies are implemented properly. Blair and Sisakhti are both in the same boat (2007). It has been proved that investment pays off handsomely. According to authors like Bitner and Zeithmal (2004), investing in gives businesses and organisations a strategic competitive advantage. In a changing business climate, enterprises must invest heavily in employees, according to Jarventaus (2007), because this aids in the development of organisational ability, which allows them to positively respond to new difficulties. Other studies have related comprehensive policies to staff retention, productivity, and performance of the organization (Lee & Bruvold, 2003; Arago'n-Sa'nchez et al. 2003). Jarventaus has established the ostensibly favourable relationship between and organisation effectiveness (2007)

Performance appraisal

Employee skills and abilities are acquired through a series of training and development programmes known as training and development. Certain personal skills and competencies are crucial to an organization's competitiveness in todays political knowledge economic growth competitive environment. There is no doubt that having highly skilled and competent subordinates or employees would increase productivity, improve the quality of goods and services, offer useful process innovations, and help

provide exceptional customer service. To put it another way, they help a company become more competitive and profitable. In essence, training and development yields tangible outcomes like as greater output, enhanced product and service quality, and resource maximisation or optimization. It also has intangible effects like confidence and self, morale, and subordinate motivation. By analysing the subordinate's job-specific priorities and expectations, communication, and allocation of responsibilities directly, the appraisal process facilitates shared understanding between the subsidiary and the supervisor. It's also a technique.

According to Lee and Lee (2007), assessment systems improve quality and productivity. As a result, a full, transparent, and client-based appraisal system, according to Sang (2005), increases firm performance. Rahman (2006) discovered a relationship between organisational satisfaction and employee satisfaction. It has been demonstrated that a comprehensive appraisal system encourages subordinates to work hard. According to Brown and Hewood (2005), the assessment approach has a positive correlation with higher corporate productivity. According to Cook and Crossman (2004), this enhances employee-manager interaction. As can be seen from the preceding, assessment is an important instrument for employees' career growth, recognition, and progress (Larsson et al. 2007). According to Hanley (2005), appraisal is a more productive practise that has an impact on the organisation. Finally, in their respective investigations, Ahmed & Shroedrs (2003) and Chang & Chen (2002) discovered a high positive connection between organizational and appraisal procedures.

Compensation and Reward

In general, it is thought that a comprehensive compensation package combined with an efficient disbursement mechanism will help recruit the best candidates. Previous HMR investigations have underlined the importance of compensation and incentive. Most of these studies, for example, have found that a good compensation and reward system enhances productivity, sales, and overall firm performance (Delaney & Huselid, 1996; Dreher & Dougherty, 2005). As a result, rewards and remuneration, according to Chiu et al. (2002), have a considerable impact on organisational outcomes. Similarly, Jyothi and Venkatesh (2006) discovered that competency-based compensation enhances the quality of goods and services, improves subordinate behaviour, and reduces the incidence of accidents in organisations, all of which lead to enhanced organisational performance. Compensation is described by Milkovich and Newman (1999) as "all sorts of monetary returns and related services supplied to subordinates or employees." Employee capabilities are undeniably beneficial to a company's performance and profitability.

HRM Outcome

(Chaminade, 2007) describes employee retention as "a voluntary move by an organisation to create an environment that engages individuals for the long term." As a

result, employee retention is a voluntary effort on the part of any company to establish an environment that favours long-term employment. Kyndt, Dochy, Michielsen, and Moeyaert (2009) describe employee retention as "the practise and approach or whatever a corporation does to have and retain skilled individuals." According to contemporary academic research, while human resources management does affect performance, "there is scant awareness of the processes via which HRM practises influence effectiveness," as researchers and academics put it (Delery, 1998, p. 289). Given the aforementioned, this research looks at performance of the organization from a range of angles, including job satisfaction, turnover intention, and workplace climate. According to Tseng and Lee (2009), incorporating many dimensions will surely boost the original study environmental impact.

Research Methodology

Based on the literature review and the study design outlined above, the following propositions are made: HRM methods have a favourable impact on organisational performance, according to proposition one. HRM policies have a beneficial impact on employee retention, according to Proposition 2. Employee retention has a beneficial impact on organisational success, according to proposition three. Proposition 4: The relationship between HRM practises and organisational success is moderated by employee retention.

Measurement

A questionnaire survey will be used to measure the variables in this investigation. The questionnaire will be divided into two sections: the respondents' profiles and their organisations, and the variables under investigation. Part two will include questions on HRM practises (Fong, Ooi, Tan, Lee, and Chong, 2011; Kyndt et al., 2009; NYS Report, 2002; Chang and Chen, 2002), HRM Outcome (employee retention), and organisational performance. All variables in this study will be measured on a five-point likert scale, with 1 indicating strong disagreement and 5 indicating high agreement. It will determine how much responders agree or disagree with each of the statements. Antoncic (2011), Rogg, Schmidt, Shull, and Schmitt (2001), Kang, Stewart, and Kim (2011), and Guerrero and Herrbach (2011) will all be used to create the questionnaire (2009).

Conclusion

The following expectations are made based on the literature research and the study design indicated above: According to Proposal 1, HRM practises have a positive impact on organisational performance. Human resource management strategies have a positive impact on employee retention, according to Proposition 2. According to Proposition 3, employee retention has a positive impact on firm success. Proposition 4: Employee retention mediates the relationship between HRM practises and organisational success. had made progress As previously stated, HRM practises and organisational performance have a well-documented positive relationship. Human resource management techniques

have been proved to improve organisational performance. As a result, it's a good indicator of a company's success. This relationship, though, still has space for progress. As a result, the study looked at the above-mentioned link's mediating perspective. Employee retention was used in particular to mediate the link between HRM practises and employee retention.

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