

## A Critical Review on “The Relationship between HRM Practices and Employees’ Retention.”

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**ABSTRACT:** The ability of the organization to compete in the global marketplace largely depends on the quality of its human resources. Organizations should see them as their valuable resources and take every possible step to make them comfortable at work so that they will stay with the organizations for a longer period of time. The objective of this study is to review the researches previously carried out on the topic of HRM practices and employees’ retention and the other objective is to analyse the relationship between HRM practices and employees’ retention. This study is descriptive in its nature and investigation of empirical data linking selected HRM practices and employees’ retention has been done to understand their relationship. It has been observed that there is no one set of specific practice that will have an influence on employees’ retention but different organisations lay different emphasis on HR practices depending upon their suitability impacting employees’ retention. Based on the understanding of collected and reviewed data suggestions are drawn, which give a holistic view of the various practices that organizations should use to keep the level of employee retention high.

**Keywords:** HRM practices, employees’ retention

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### I. INTRODUCTION:

In today’s transitional business environment, managing efficient and skilled employees is vital for success. As indicated by Osterker, (1999) efficient employees will take the organization to the height of success and glory. All the organizations across the industries are competing intensely to retain key employees. Organizations spend a large amount of money, effort, and resources to figure out how to retain their efficient and experienced employees. The retention focuses mainly on encouraging employees to stay with the organization for the maximum time (Akila, 2012). It has been acknowledged by the experts and the practitioners that, the employees’ retention is one of the primary measures of the health of the organization. The critical staff members not only affect the health of the organization but if they leave the organization will create multiple problems for the organization. Organization not only has to bear of the cost of employees’ replacement and if they join with competitors’ firm, but they will also use skill, knowledge and experience they gained from the organization in adding value to competitor’s business.

According to (Akila, 2012), employee retention is a process in which companies motivate employees to stay with the organization for the maximum period of time. In other words, employee retention refers to the policies and practices implemented by the organization, which let them stick to an organization for a longer period of time (Michal E. Barak.M, Jan A. Nissly, and Levin.A, 2001). Previous studies revealed that retention of employees is a matter of concern for all the organizations, thus they use a diverse array of approaches to retain them. A low retention rate increases the expenses of recruitment and training new employees and affects the profitability of the firm (Khan. M.A, Kashif-Ur-Rehman, Ijaz-Ur-Rehman, Safwan.N and Ahmad.A, 2011). On the other hand retention avoids the expense of recruiting and training new employees and this saving can then be used for the employees’ performance improvement measures (Michael OS, Crispen C, 2009).

Retention is all about the art of managing employees at work. Organizations use all means and sources to recruit and select the right employees, but they fail when it comes to retaining them (Hussain.T and Rehman. S.S.,2013). The main reason for turnover in an organization is employees are different today compare to previous employees and they give priority to the quality of work-life than money. They have plenty of job opportunities in hand and when they feel unhappy with the current organization even for the smallest reason immediately switch over to the other organization. Every organization invests time, money and resources to recruit and train new joiners, make them at par with the existing employees. The organization is completely at a loss when the employees leave the organization once they are fully trained, so all the organization needs to learn

the art of retaining employees. The responsibility lies on the part of an employer to retain their best talent and if they don't, they would be left with no good employees (Bibi. P, Ahmad. A, and Abd. A.H. Majid, 2018).

Retention of employees is a difficult task for employers and losing employees always meant losing intangible resources of the organization such as experience, competencies and skills. When an organization lose an employee with a huge experience, it essentially lost the income that the employee would have generated and also it will take a lot of time and money to fill the gap left by leaving experienced employees. The other implication of the failure of retention is attrition. The attrition is a tough and growing problem faced by companies around the world. Employers generally consider attrition a loss of valuable employees and talent. Attrition sometime happens due to crash of market, industry downturn or voluntary individual attrition and it is a costly affair for all organizations (Goswami. B.K, Jha, S, 2012). High employee turnover is the major cause of declining productivity and decreased morale in the corporate world. When morale decreases, recruiting and training cost increases and an organization can find itself in a vicious cycle (Michàl E. Barak, M, Jan A. Nissly, and Levin, A 2001). The HRM practices of the business organizations play a vital role in improving the employees' retention and overall health of the organization. HRM practices influence the overall functioning of the organization and help in gaining employees' loyalty and commitment and also the overall organization's efficiency.

HRM practices are strategic in nature and form the foundation, supporting the way the company's human capital will operate. They are also a guidance system, which gives direction to the firm on issues related to the human resources of the organization. It has been widely acknowledged that effective HRM practices are significant in extracting positive work behaviours, commitment among employees, improving employees' morale towards the job and the organization, building organizational capabilities, and improving customer satisfaction which consecutively leads to retention of key employees and organization's success (Tan, C, L., & Nasurdin, A, M, 2011). HRM practice can be described as a system, a process or just an activity, a norm, a rule, or just a way of doing things. Similarly, HRM practices can also be considered as policies and philosophies that are designed to attract, train, develop, motivate and retain employees for ensuring effective functioning and survival of the organization. In other word HRM practice is any practice that deals with enhancing competencies, satisfaction, commitment and culture building. According to Delery & Doty (1996), HRM practices are also conceptualized as a set of internally consistent policies and practices designed and implemented to ensure that a firm's human capital contributes to the achievement of its business objectives.

The organization should use various measures to develop effective HRM practices to motivate employees and to gain their commitment and loyalty towards the organization. Happy and motivated employees more likely to stay for a longer period and contribute to the organization and contrary to these unhappy employees destroy the organization. The researchers believe that the top management's ability to formulating the right HRM practices to support workers in the organization is very crucial and influences the turnover and retention of employees in the organization. For example, when employees develop the feeling that their employer is fulfilling and honouring the obligations, they will reciprocate by showing loyalty, and commitment to the organization. As mentioned in (bizfluent.com) the employees' retention can be described as the policies and practices of the organization which motivates employees to stay with the organization for a long time. In other words, according to E. M. Rawes (2019), a professional writer from (University of Maryland) states that employee retention is the organizational strategy that focuses mainly on maintaining its employees and keeps the lower turnover in the organization.

It is obvious from the literature, that organization should be open to change when it comes to improving or modifying its existing HRM policies related to recruitment, selection, induction, career opportunity and growth, working environment, compensation and rewards, performance appraisal and staff welfare and teamwork and employees' relationship, etc. The change of policies should be properly planned and executed in such a way that, the organization should get benefits from these modifications. Employees' turnover can be attributed to all above mentioned HR practices. For instances employees' turnover can be attributable to poor recruitment and selection procedure, for example, employees turnover is unlikely to improve where the organization's policy to focus exclusively on the induction process. Equally, employee turnover attributable to compensation and wage rates, which produce earnings that are not competitive with other firms in the local labour market is unlikely to decrease where the policy adjustment merely to enhance the organization's provision of on-the-job training opportunities. Given that there is an increase in the indirect costs of labour attrition, therefore, management are frequently exhorted to identify the reasons why people leave and the organization must identify the reasons and causes of the problem, so that appropriate action can be taken. Retaining best employees will provide numerous advantages to the organizations such as enhanced customer satisfaction, increased sales, satisfied co-workers and reporting staff, effective succession planning and deeply

imbedded organizational knowledge and learning. Contrary to this failing to retain a key employee is a costly proposition for an organization which creates multiple issues such as lost knowledge, insecurity for employees and increased cost of employees' replacement etc.

### **Objectives of the Study:**

This study is based on a literature review on HRM practices and employees' retention undertakes the following objectives.

- To review the researches previously carried out on the topic of HRM practices and employees' retention.
- To analyse the relationship between HRM practices and employees' retention.

## **II. METHODOLOGY:**

This research is an attempt to analyse and evaluate the relationship between HRM Practices (i.e., recruitment, selection, induction, working environment, learning & development, career growth, compensation benefits and rewards, performance appraisal, employees wellbeing and welfare, teamwork and employees relationship) on employee retention. The researcher assumes that HRM practices are the antecedents of employees' retention. This study is descriptive in nature and an attempt has been made to present the narrative of data collected through various secondary sources, i.e., research papers, books available offline and online, articles and other materials published in journals, thesis and reports available offline and online.

### **Review of Literature:**

Review of existing literature and different reports which are published from time to time reveal that there is very little understanding of what is the relationship between human resources management practice and employee retention practices. Although many previous researchers tried to give shreds of evidences to justify the positive relationship between HRM practice and employees' retention and but still there is a need to improve the literature in order to map the relationship between HRM practices and employees retention and this research aims to contribute in improving available literature.

**Chew (2004)** examined the current human resource practices on the retention of core employees in twelve Australian organisations. It explored the relationship between human resource (HR) practices and retention and further identified that the elements of HR practices, which strongly influenced the decision for core employees to stay. The outcome of the study will assist in the development of an effective HRM retention program for organisations. Businesses can successfully keep critical employees with a total retention strategy and HR programs to support it. The study resulted that organisations that manage their human resource effectively have higher retention of their employees. Moreover, results indicated organisations that placed greater importance on the identified HRM factors shown a higher level of effective management. The study provided strong support for the existence of a positive relationship between HRM practices and its influence on the retention of core employees of organisations. More specifically, the research does identify the relevant human resource management factors that influence the core employee's decision to stay with an organisation.

**Claes and Heymans (2008)** explored the views of human resource (HR) professionals on work motivation and retention of older workers. The study adopted a qualitative approach, using focus groups. A total of 15 participants were purposefully selected from different organisational settings likely from private and public organisations, various sectors, various organisational sizes, HR departments and HR consultants and from different areas of HR practice like recruitment, selection, training, evaluation, diversity management, industrial relations. The paper reveals that focus groups generate rich interaction and their content analysis resulted in five topics: definition of older workers, diversity amongst older workers, the motivation of older workers, retention policy and practices and contexts of work motivation and organisation retention policy/practices. The study provided preliminary advice to HR professionals as to which practices aimed at the retention of older workers, based on insights in theories on work motivation. The researcher confronts the wealth of work motivation theories and the plethora of HR practices with HR professionals being challenged to retained older workers and to keep them motivated.

**Aladwan et al., (2014)** aimed to evaluate the latent factor structure of human resource management (HRM) practices scales and to examine the nature of HRM practices within the Jordanian context. The study identified possible future directions for HRM strategy development and professional practice in Jordan. A survey was completed by 493 frontline employees from Jordanian organizations. Principal component analysis (PCA) was used to determine the underlying factor structures and the multidimensional scale (PROXSCAL) method obtained a micro view of the latent factor structures of the consolidated scale. Equally, there was no clear evidence of the participation of HR managers in strategic decision making in the Jordanian private and public sectors. The findings of the study also suggested that employees observe problems with their HR managers, ranging from inappropriate recruitment and selection to the ineffective disbursement of meager employee benefits. The organizations should not impose HRM policies on individual employees and they

should be provided with a framework of policies which include internally driven factors. The researcher discussed recruitment and selection, training and development, performance appraisal and rewards and benefit. The employee recruitment and selection process was largely inadequate and need effective attention. Jordanian organizations are facing major problems surrounding the development of human capital and need to devote more attention to their HRM practices.

**Osman-Gani and Chan (2009)** determined the current practices and future trends and challenges faced by organizations in Singapore. Human resource development (HRD) related legislation, financial incentives, infrastructural support and deployment of management and info-communication technologies (ICT) helped to sustain the national HRD initiatives. Some of these challenges are ageing workforce, talent retention and development, rapid technological changes and cross-cultural skills development for work in the emerging markets. Eight trends and challenges identified here are expected to significantly impact the HRD profession in the future. Implications of the trends and challenges are also discussed for future research and professional practice.

**Sheridan (1992)** investigated the retention rates of 904 college graduates hired in six public accounting firms over a six-year period. The variation in cultural values had a significant effect on the rates at which the newly hired employees voluntarily terminated employment. The relationship between the employees' job performance and their retention also varied significantly with organizational culture values. The cultural effects were stronger than the combined exogenous influences of the labor market and the new employees' demographic characteristics. The cultural effects are estimated to have resulted in over six million dollars' difference in human resource costs between firms with different cultural values.

**Lee-Kelley et al., (2007)** demonstrated a relationship between learning organisation theory and the potential to retain knowledge workers. It emphasises that human resource (HR) managers must recognise specific relationships between learning organisation elements, job satisfaction facets and turnover intent as they emerge for their knowledge workers. A survey was undertaken by sampling knowledge workers in the information technology (IT) industry. Measured on a Likert scale, the instrument was designed to explore the impact of learning organisation disciplines upon job satisfaction and the importance of job satisfaction in determining turnover intent. The results suggested that three initial strategies should be implemented by HR managers in order to reduce possible staff turnover. The strategies identified are first, linking shared vision, challenge and systems thinking together via personal mastery, second, being more critical of which mental models are developed and shared within the organisation and finally, developing team learning systems throughout the organisation. This study emphasised that HR managers should recognise specific career needs for their knowledge workers and that adopting appropriate strategies will increase retention.

**Kumar (2016)** explored the core concepts of employee demands, facilities vs. management strategy and company values to attract, retain and enable the organization to achieve best-in-class status. Employee feedback had a direct impact on retaining key personnel by strengthening and added value to the quality of amenities provided by the company. The approaches advocated above may seem out of the ordinary, but are critical in transforming an employer from simply being a provider of jobs to one which youngsters aspired to work for. To retain the key employees and enable organizations in remotely-located metal manufacturing industries to attract talents by design and not by the accident management and human resources team was collaboratively focused on innovation, research, education and environmental revitalization to create facilities and lifestyle comparable with cities.

**Cosio and Vargas (2014)** investigated the objective of characterizing the Retention Factors of Human Capital applied by 4-star hotels in the city of Ensenada, Baja California and in turn to know the perspective of Human Resources management on the subject and where the strategies were used and generated the conserve employees. In order to achieve the goal, a descriptive exploratory study was designed where data-gathering instruments were elaborated, validated and implemented for the study group sample of 51 hotel employees and 2 hotel managers. The results suggested that there are relevant factors concerning about the employees who are staying in the company: Employee-supervisor relation, team work and a balance between work life and personal life.

### **Review on Relationship between HRM Practices and Employees Retention: Recruitment, Selection & Induction:**

The organization that is looking to get the most from employees has to ensure that they are recruiting those who have the potential to make the greatest contribution (Reported: Failte Ireland Online business tool). This may sound very obvious requirement but, even today, many companies continue to adopt unstructured approaches to recruitment with the result that the challenge to get the most from employees Al-Kassem, A.H. (2017). The popular and old notion is that "employees' ability determines the ability of the organization" and having HR competitive advantage will be useful to achieve organization's competitive advantage. Organizations consider recruitment and selection are useful in finding the most suitable talent for the organization (Van Dyke,

Tom and Strick, Sandra, 1990), and the induction will help in making them get fit within the organizational system. Recruitment, selection and induction are the basic and the most important practices of human resource management, which aim to choose the right people for the right job available in the organization and make them get acquainted with the organization's work and its culture. According to Beardwell Claydon (2007), it is a process of screening, sourcing, shortlisting, and selecting the right candidates for the vacant positions. These three functions of HRM are closely related, on one side recruitment and selection will help the organization to attract and choose the right people for the organization and on the other side induction help selected applicant to understand the organizational products, policy, work procedure, method, rules and regulations etc.

Recruitment and selection may take place internally, i.e. within the organization through promotion and transfer etc., and externally, i.e. from the usage of external sources through newspaper and other media advertisements, employment agencies, in campus and employment portal etc. The significance of recruitment, selection and induction is recognized by the fact that organization gets enormous advantages if efficient and productive people are recruited. Effective recruitment and selection practice not only enhances productivity and profitability but also help in developing high level of employees commitment and better employer-employee relationships which may eventually help in improving employees' retention.

### **Working Environment:**

The quality of the working environment influences, how staff feels about the organization. A conducive working environment helps in achieving greater productivity and performance at work, enhance loyalty and staff retention. Organization is a place where employees spend a major part of their life, it is important to have a healthy working environment to get the best from employees. Most of the experts and researchers have agreed that a good work environment is also essential for any organization's survival and growth. As stated by Abdul Raziq & Raheela, (2015), a healthy workplace environment will motivate employees to put their best in performing their duties and responsibilities which will lead to improve the productivity and reduces costs related to absenteeism, turnover, workers' compensation, and medical claims. According to (Heryati, member, customer success team at 6Q, Australia), there are four aspects to look into when creating a healthy workplace environment: 1. Workplace culture, 2. Physical Environment, 3. Health and lifestyle practices and 4. Supportive workplace environment

By analysing the literature available in online and offline sources related to working environment, the researcher has observed that, the healthy working environment can be created by recognizing the good work of the employees through oral compliment and also by mentioning the name of the good performer in the corporate bulletins and magazines etc. these practices will create and develop positive feeling amongst employees and create the sense that the organization is fair and respecting good work. Likewise having open communication climate is also an important factor influence the working environment. Employees should feel free to share their ideas, emotions and feelings with their colleagues and superiors. Open communication climate inside the organization promotes healthy working relationships among the employees and also helps in developing new ideas, and innovation. Having good employees' relationships is essential for innovation, creating synergy, improving productivity and performance of the organization. Besides that, employees join the organizations not only to achieve the goals of the organization but also their own personal and professional goals. It is essential on the part of the organization that they should strive to fulfil the expectation of employees. Similarly, they should also ensure that the right person is given the right job to makes use of all skills and competencies while discharging his/her duties and responsibilities.

According to N. Kamarulzaman & A. A. Saleh (2011), to create a healthy work environment it is important for the organization to sets realistic goals and should be properly communicated to all the employees and also provide all the necessary support to employees to achieve set goals. Besides that the firm should respect and encourage creativity and innovation at work and organization should make employees feel that the firm is concerned about their health and safety by conducting health and safety related activities and programs in the organization. Lastly, it is important that employee must be given autonomy to at least some reasonable degree in their task and deciding at work and also should involve employees often in the organization's decision making. Such practices will create positive morale among the employees and they will reciprocate it by their commitment, loyalty and performance and similarly helps in improving employees' retention in organization.

### **Learning & Development/ Career growth:**

In the modern business world, companies are paying unprecedented attention to develop the "learning culture" and to make the organization a 'Learning Organization'. The importance of creating a "learning organization" has been growing rapidly due to the transitional and dynamic business environment prevailing in 21<sup>st</sup> century. The hyper-competition is shortening the life cycle of the products and services and pressuring the organizations to be innovative for their survival and growth. Organizations are trying to differentiate themselves from others based on abilities, information, and enthusiasm of their workforce. The idea is that the dynamic

capability of the organization largely depends on the competency of its human resources and the competitive advantage of human resource is the competitive advantage of the organization. With this idea, companies across the globe are investing a lot of money in training and development programs to their employees for the improvement of their skills and abilities (Paradise 2007). The learning organization can be described as an organization, in which people continually expand their abilities and skills to achieve their results, where people are persistently learning how to learn together.

This has been observed through literature that the organization can obtain its dynamic capability by making its employees competent through need-based training and development activities. Having a competent workforce is essential for making the organization internally strong and capable to face any turbulent situations. Hence, organizations around the globe are using training as a tool to improve the competencies and skills of the employees to gain a competitive edge. Training and development refer to the degree of training received by employees to develop their skills from the organization, (Bibi, Palwasha, Ahmad, Ashfaq & Majid, Abdul Halim Abd, 2018). According to Goldstein and Ford, (2002), training is a method of learning and development which expands the efficiency of employees and the organization. In other words, the development is related to accomplishments leading to gaining of new abilities and skills for the personal growth of employees. Organizations should encourage and motivate their staff to grasp the training and learning opportunities, offered on the job or off the job. There are various on or off the job training programs presently implemented by organizations to create a learning environment they are, job rotation, secondment, action learning, project, assignment, mentoring, delegation, shadowing, and coaching etc.

Researchers, experts and practitioners around the world have a similar opinion that the organization should periodically identify the training needs of its employees and provide the training based on their needs so that they will be able to perform the job in a better way (Nunn, J. 2000). It has been observed that the opportunity for learning and development will also create motivation, positive morale, sense of belongingness and retention among the staff. Most of the employers cannot make a promise of job security with their employees, but they can provide them opportunities to improve their knowledge and skills so that they can remain efficient and capable to compete in the job market and also stay with the organization (Moses 1999).

#### **Compensation benefits and rewards:**

In the literature, compensation and benefits are considered as the main and the most powerful tool to attract and retain employees. Researchers have agreed that the good compensation and benefit helps to decrease absenteeism, improves employees' morale and motivation, increases employees' retention and also improves the employees and organization's performance (Palwasha Bibi, Faizuniah Pangil, Johanim Johari, & Ashfaq Ahmed, 2017). Compensation and benefits program are financial and non-financial in nature and must be very competitive to attract and retain talent and the competitors can easily copy these programs when companies fail to make employees stay with an organization (Stacey L. Kaplan, 2007). Davies (2001) acknowledges that employees will remain in an organization for a long time when they feel they are being fairly compensated for their capabilities, performance, contribution and effort they make for the organization.

The term compensation can be described as the reward that employees receive in exchange for their work. It is concerned with wages and salaries, pay raises, and similar monetary exchanges. From the above statement, we can understand that compensation is more related to monetary exchange happen between employer and employees for the work performed by the employee for the employer. On the other hand, benefits refer to the exchange of values which do not involve money. The term rewards is one part of Compensation, and it is a process which helps in reinforcing the behaviour, it can be monetary or non-monetary recognition given to an employee in lieu of better performance (Shields, Allison C, 2016). It has been observed through empirical data the compensation and employees' retention are very closely related. Employees present do not work just for money but they want to be treated well and respected, and salary is only a small part of that. The way of rewarding employees plays a big role in employees' performance and retention. If the organizations do not provide sufficient compensation; employees leave the organization (JunaimahJauhar, Chan Soo, & Noor Fareen Abdul Rahim, 2017). Hana Urbancová & Markéta Šnýdrová (2017) also agrees with the preceding statement and indicates that an interesting system of employee benefits together with a right compensation system improves the name and competitiveness of the organization in the labour market.

So, the HR manager need to set the compensation package for individuals' employees who must be compatible with their skills, competencies and also performance and they also should consider packages given by the competitors' organization for the same position. Likewise, it is necessary to have a fair pay and benefits system and if there is any unfairness issue raised by the staff, the organization should give high priority in addressing those issues. Fringe benefits, end of service benefits should be designed to motivate staff to stay and work for a long time in the organization. However, it must be said that the compensation, benefits and rewards are challenging HR area since the demands of employees are changing and only attractive salary is not what retains talented employees. Researchers have confirmed that there are other non-monetary factors along with

flexibility and autonomy, interesting and challenging jobs, good working conditions, good and conducive work atmosphere, friendly culture etc., are also motivating for talented and efficient employees to stay with organization.

#### **Performance Appraisal (PA):**

Appraisal of the employees is another important element of HRM practices and certainly a need of the organization and employees during the working life. It is very much required, useful and constantly being done by most of the organizations at fixed intervals. Regular Performance Appraisal is important for communicating organizational expectations, assessing employees' skills, and developing short term and long term plans (Mondy R. Wayne, 2009). Researchers, Yu-Chun Lin<sup>1</sup> and J. Edward Kellough, (2019) have mentioned, that the Performance Appraisal involves, consistent evaluation and assessment of employees' performance within organisations and they further mentioned that, the career prospects of employees depend largely on their appraisals results. Therefore Performance Appraisal should be an organized event that must be carried out in a very formal way. It has been agreed by the experts that, the organization should start the performance Appraisal process by discussing its criteria with employees as it is their right to know in advance, how their performance will be evaluated and it should end with a discussion of result with employees individually by respecting their privacy. Imran M., Haque A.U, &Rebilas R., (2018), have mentioned that the Performance Appraisal is an important tool for organizations in taking crucial decisions like HR forecasting, implementing various HR programmes like recruitment and selection, training and development of employees, designing compensation, promotion and transfer, recognition and rewards, improving internal employee relations and assessment as well as evaluation of employee strength and weaknesses.

According to Al-Shuaibi A.S.I., ShamsudinF., Subramaniam C., (2013), performance appraisals is one of the most important activity, which create a positive influence on the development of the human capital resulting in higher performance, increases employees motivation and job satisfaction. Neglecting performance appraisal would lead to negative effects such as decreased performance, satisfaction and may increase the voluntary turnover rate. Designing and implementation of the proper system of employee appraisal is increasingly the subject of non-material investments of enterprises. Their social dimension is expressed in creating an organizational culture in the company, in motivation system, development and improvement of staff, identification and integration of employees with managers (Rubel M.R.B., Kee D.M.H., 2015). From the above ideas and opinions of the researchers, we can understand that the performance appraisal should be an organized event and should occur periodically in such a way that it should be beneficial for both employers and employees. According to Mello Jeffrey A, (2011), the Performance Appraisal of employees referred to as a documentation of performance achieved in discharging duties and responsibilities. In other words, it is a mechanism by which individual goals and behaviors are aligned with organizational objectives and help employees to understand and accept organizational norms (AbidaNasreen ,&AnjumNaz, 2019). As said by K. Sandhya (2011), Performance Appraisal is a tool by which employers will understand the contribution they have made for the organization and also employees will get the idea of their strengths and weaknesses and identify the improvement areas. Performance appraisal leads to positive implications of organizations as, it increases an organization's productivity, gives individual workers feedback about their achievements and makes them more productive which may lead to organizational commitment and employees' retention. (Mondy R. Wayne, 2009).

#### **Employees' wellbeing and welfare:**

The concept of employees' well-being is not a new one but has taken rebirth because of the challenges in the business world employees are facing in the last few years. Understand the risk to employees' wellbeing has been considered as important responsibility of modern employer which is creating high priority and demand close attention (Moreno-Jiménez, B., Mayo, M., Sanz-Vergel, A. I., Geurts, S., Rodríguez-Muñoz, A., &Garrosa, E., 2009). The concept of employees' well-being consists of various aspect of employees which includeemotional and physical wellness, and an overall feeling of engagement and happiness that comes from work they do. Luo Lu, (1999) mentioned in his research that employees who have emotional and physical health are more likely to be committed to their jobs and they feel supported and valued by their employers, they are more willing to put more efforts, knowing their energy and efforts will be remunerated and they also better equipped to handle the stresses at work. This allows them to be more productive and add to a positive overall work environment. On the other side, if employees are struggling with emotional or physical issues, they become sick often and even when they are in the office, it is doubtful that they are working at their most productive level.

The Chartered Institute of Personnel Development (CIPD) — define employees' wellbeing as: "Creating an environment to promote a state of contentment which allows an employee to flourish and achieve their full potential for the benefit of themselves and their organization." The CIPD believes "that employee well-being at work needs to balance the needs of the employee with those of the organization."Providing a supportive

environment that puts focus on wellness creates a healthy organizational environment and strong relationship. When this paired with other benefits such as retirement options and competitive pay, leadership that focuses on the whole person encourages workers to stay with the company for a longer tenure and therefore have huge influence on minimizing employees' attrition (Michele O'Donnell, 2014).

From an organisational angle, wellbeing is a major factor in quality, performance, productivity, business effectiveness and profit. If a person's wellbeing reduces, so typically does his or her performance and effectiveness. (Nele De Cuyper, Claudia Bernhard-Oettel, Erik Berntson, Hans De Witte, & Barbara Alarco, 2008). If the organization doesn't give attention to employees wellbeing, it may lead to increased stress, negative mental attitudes, reduced productivity, increased mistakes and errors, conflict across the levels of hierarchy, grievance and disciplinary incidents, sickness and absenteeism, low morale and negative atmosphere, poor customer services and quality, resignations and job terminations causing increased staff turnover, poor employer reputation among staff, customers, and potential new recruits. Aside from all of the above, wellbeing at work is very closely linked to wellbeing and health in life generally. Where wellbeing is eroded, people can get sick, both mentally and physically and this has inevitable negative effects on them and their work performance (Johannes Siegrist, Morten Wahrendorf, Olaf von dem Knesebeck, Hendrik Jürges, & Axel Börsch-Supan, 2007).

Presently experts are encouraging companies to promote work-life balance culture and to provide necessary facilities to destress employees in their work. Organizations especially MNCs are implementing the practice of flexible work time, break during the work, gym and recreational facilities, etc., provided to make employees comfortable in the place of work. Another important factor which affects employees' wellbeing is the content of the job. Researchers have agreed that, job should consist of reasonable quantum of responsibilities, so that employees will be able to complete their work on time without spending extra hours in the office and also to perform the work effectively, and it is also important that the organization should provide all the required resources to do the work with ease (Michele O'Donnell, 2014).

#### **Teamwork and employees relationship:**

Every bit of effective team-work and employees' relationship is important as collaboration among the member of sporting team. Team-work holds high importance by many companies across the industries to increase employees' unity and performance. The teamwork is proved to be very effective to develop new ideas or products which are essential for the organizational success and growth in transitional and dynamic business environment prevailing across the industries (Boakye & Emmanuel, 2015). Teamwork brings employees together in organisation and gives them a strong sense of belongingness, unity, direction. It also creates creativity, enthusiasm for common interest, workable plans and solutions. On the other hand, the absence of teamwork may create disillusionment, low morale and negative motivation of the entire organization and they fail to deliver the results expected. Getting together with others also can allow individuals to better understand the importance of teamwork and how the organization operates as well as promote the culture of teamwork success (Barak, Moshe & Maymon, Tsipora & Harel, Gedaliahu, 1999).

The 'Team' can be described as a group of people who work together to achieve the same goals and objectives. In other words, 'Team' can be defined as a group of individuals who work collectively to achieve the same purposes and goals. Onyekwelu N.P, Anah S.A, Chukwumeka O.O, and Ejike D.C, (2018) stated in their research that the team gives emotional security, self-confidence and the ability to plan and decide with others positively and this will lead to the formation of the healthy working environment in the organization. In the literature numerous advantages have been mentioned in the relation of having team-work and positive employees' relationships in the organization. The researchers, Shouvik Sanyal, and Mohammed Wamique Hisam, (2018), stated that the teamwork enables the firm to accomplish tasks faster and more efficiently than tackling task individually. Equally, good employees' relationship enhances cooperation on various tasks and reduces workloads for all employees by enabling them to share responsibilities. Teamwork also reduces the work pressure on every worker, which allows him to be thorough in the completion of the assigned roles that suit his specialization, which positively influences the efficiency or speed of their output in accomplishing the task (Onyekwelu N.P, Anah S.A, Chukwumeka O.O, and Ejike D.C, 2018). Teamwork is important in organization and it provides employees with an opportunity to bond with one another, which improves relations among them. Employees who are the part of team working on a project often feel valued upon the successful completion of such tasks. Teamwork increases the accountability of every member of the team, especially when working under people who command a lot of respect within the business. Similarly teamwork provides an opportunity to employees to share and learn from one another (Deborah Gladstein Ancona. 2017).

### **III. DISCUSSION & CONCLUSION:**

There are no fixed HRM practices that show the significance for how to retain employees and keep them dedicated towards the organization because employers have a different emphasis on different HRM practices depending on what matches their organization best. Hiring employees is just the beginning of creating

a strong committed workforce. The real task is to retain them. The researcher would like to recommend the following.

- Employees leave the organizations for a variety of reasons including poor supervision, unchallenging position, limited advancement opportunities, lack of recognition, less autonomy at work, perceived pay inequity and perception of more favorable opportunities in other companies. Therefore organization must take all the above causes very seriously and act smartly to keep employees with the organization for the maximum period of time.
- The organization should provide a good working environment, better compensation and benefits, promote good employees relationship, flexible working schedules, investment for training and development to provide a better learning environment. In addition to this, the management also need to provide support and promote open communication climate and employee empowerment so that they will have job satisfaction which will lead to high employee retention.
- Every organization needs to understand and respond to the employee's retention issues, not only to retain key talent but also to develop their morale and to gain organizational commitment and loyalty. It is also, essential for employers to predict how their employees will respond to fluctuations happening in the environment and suitable HR practices to be executed based on the situation. If employers do not monitor and understand the reasons, their employees leave the organization, quit rates could easily increase when the economy is not stable, the employment rate drops and employee mobility increases.

Researcher concludes that the effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed, by having policies and practices in place that address their diverse needs.

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