

HR Practices: Important aspect for Retention

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INTRODUCTION:

In the world of Globalization, every organization strives to sustain into the competition and expand the business. Organization has to concentrate on different internal and external factors of environment along with proper utilization of resources for increasing productivity of it. Human resource is a key player for the organization. As Manpower is strength of the organization, it may become threat for the same. If organization does not understand need and requirement of manpower, manpower do not functionalize properly for the betterment of organization. Now-a-days Human resource department plays vital role to perform the various functions from Recruitment to Retirement. But, among the several functions of human resource management, Retain or Sustain manpower into the organization is very essential. Human resource manager retain the employees by understanding their essential need and requirement and fulfill it by solving the various problems of them. Human resource management uses different HR practice for increase job satisfaction, efficiency and competency of the workforce. HR practices contribute to employee improvement and growth of firm. HR practices such as- job security, selective hiring, self-managed teams, compensation policy, extensive training, information sharing, learning orientation and Innovativeness uses in different organization as per need. The purpose of this paper is to develop an understanding of HRM Practices to examine the impact of HR practices on manpower to retain in the organization for increasing profitability and productivity.

HUMAN RESOURCE MANAGEMENT:

“Human Resource Management” is the term essentially refers to the philosophy, policies, procedure and practices relating to the management of people within organizations. Human resource management is an approach to the management of people, based on four fundamental principles:

- 1) Human resources are the most important asset of an organization and their effective management is the key to its success.
- 2) HRM is concerned with integration-getting all the members of the organization involved and working together with a sense of common purpose.
- 3) Corporate culture and the values, organizational environment and managerial behavior influence on the achievement of excellence.
- 4) Success will be there, if the personal policies and procedures of the organization are closely linked to achievement of corporate objectives and strategic plans.

HRM is more comprehensive and deep-rooted than all the functions of other approaches of management. Its approach is multi-disciplinary from the beginning to the end. It is scientific process of continuously enabling the employees to improve their competency and capability to play their present as well as future expected roles so that the goals of the organization are achieved more fully and at the same time the needs of the employees are also met to an adequate extent.

Concept of Human Resource Management:

➤ According to Flippo,

“Human Resource Management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished”.

➤ According to Ivancevich and Glucck,

“Human Resource Management is the function performed in organizations that facilitates the most effective use of people (employees) to achieve organizational goals”.

RETENTION

Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial

for the organization as well as the employee. It 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. A strong retention strategy becomes a powerful recruitment tool.

Employee retention matters as organizational issues such as training time and investment; lost knowledge; insecure employees and a costly candidate search are involved. Hence failing to retain a key employee is a costly proposition for an organization. Intelligent employers always realise the importance of retaining the best talent. Employee retention strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and contribute effectively. Sincere efforts must be taken to ensure growth and learning for the employees in their current assignments and for them to enjoy their work.

Employee retention involves five **major things**:

- Compensation
- Environment
- Growth
- Relationship
- support

Importance of retention:

- Hiring new employees requires good amount of time and money.
- There is always a risk if the new employee selected will adjust to the new environment.
- Resignations are quite infectious.
- There is loss of company knowledge
- Interruption of customer services
- The cost of turnover
- Relationship with customers is affected.
- higher retention rate helps to build goodwill of the company
- regaining efficiency

To keep employees and keep satisfaction high, you need to implement each of the three Rs of employee retention: Respect, Recognition, and Rewards

➤ **Respect** is esteem, special regard, or particular consideration given to people. As the pyramid shows, respect is the foundation of keeping your employees. Recognition and rewards will have little effect if you don't respect employees.

➤ **Recognition** is defined as "special notice or attention" and "the act of perceiving clearly." Many problems with retention and morale occur because management is not paying attention to people's needs and reactions.

➤ **Rewards** are the extra perks you offer beyond the basics of respect and recognition that make it worth people's while to work hard, to care, to go beyond the call of duty. While rewards represent the smallest portion of the retention equation, they are still an important one.

HR PRACTICES:

"WE CAN'T STOP EMPLOYEES FROM LEAVING UNLESS WE HAVE A PLAN TO MAKE THEM STAY"

HR practices build competencies and capabilities for superior and winning performances today and simultaneously create long term fertility for innovation of business ideas and strategies for future.

As the trend changes, firms means management is facing various challenges to manage people. To sustain in competition organizations today must grapple with revolutionary trends accelerating product and technological change, globalizes competition, deregulation, demographic changes and trends towards a service society and the information. These trends have dramatically increased the degree of competition in virtually all industries, while forcing firms to cope with unprecedented product innovation and technological change. Companies in such an environment either become competitive high performers or they die.

The global recession had continued well past its fourth year bringing with it continued uncertainties and cost pressures. Every global organization therefore is trying to move its talent and business towards areas of growth, cut costs and unnecessary flab and improve the engagement, retention and performance of its

workforce. These strategic imperatives are often at cross-purposes with each other – which leaves HR dealing with several paradoxes.

HR Practices are required in order to win the competition. So we can title under the phrase i.e.

“War of Talent”

If the manpower is satisfy with his work, working environment, policies and practices of organization, not a single employee think to retrench the company. But, at the same time management not following ethics while implementing the various practices of organization under the title of HR practices then there will be risk created to retain the employee into organization. In a work place where employees are not able to use their full potential and not heard and valued, they are likely to leave because of stress and frustration and the ratio of labor turnover will increase. HR department included different concepts into existing HR practices to improve moral, motivation, satisfaction, self actualization and self esteem of manpower. The advanced concepts of HR practices are as follows:

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|-------------------------------|---|
| Organizational design | Employee and Organizational Development |
| Rewards and Compliance system | HR strategy |
| Change management | HR service delivery |
| Industrial relationship | Capability building |
| E-recruitment system | Capacity building |
| Performance management system | Employee engagement framework |
| Employer branding | Evolution of employee survey |

1) Organizational Design

- The organization should formalize how work is to be accomplished through a set of standardized operating procedures, formal chains of command, extensive rules and regulations, and detailed job descriptions.
- The different organizational units maintain their independence and responsiveness to their unique market niches while integrating their work with other organizational units through liaison teams, matrix organizations, etc.
- The processes used to shape the organizational structure (e.g. HR Audit, HR Accountability, Job Evaluation, Job Assignment, Job Rotation, Job Designetc).

2) Employee and Organizational Development

- Desired outcomes of development (e.g. conceptual understanding, skill building, attitude change, team building, problem solving).
- Types of participants in developmental programs (e.g. new employees, first-line supervisors, middle-level managers, top executives).
- The nature of the content built into developmental programs, and how programs are integrated with the strategic direction of firms.
- Delivery of training programs (e.g. internal vs. external facilities, use of line managers).
- Evaluation of programs to assess changes in employee or organizational performance.
- Alternatives to development used to create organizational competencies (e.g. cross-functional career moves, special assignments).

3) Performance Management

- Types of standards set for employees or units (e.g. behavior-focused vs. outcome-focused, short-term vs. long-term, explicit vs. implicit, linked to individual vs. strategic performance and plans).
- Types of performance review feedback sessions offered (e.g. frequency, nature of feedback, monitoring of feedback sessions, forms used, formal reporting systems in existence, managerial accountability).
- Processes used to ensure that feedback occurs continually (e.g. quarterly reviews).
- Sources of data for measurement and criterion development (e.g. clients, customers, peers, subordinates).

4) Reward Systems, Benefits & Compliance

- Types of financial incentives existing (e.g. short-term vs. long-term, base vs. incentive pay, pay for performance vs. seniority).
- The extents to which reward systems are linked to strategic plans and encourage employees to work toward accomplishing business needs and meeting customer requirements.
- The extent to which rewards are based on individual vs. group or corporate performance.
- Structure of non-financial rewards (e.g. recognition programs, titles, informal status symbols).

RESEARCH METHODOLOGY:

- ❖ The study is descriptive in nature.
- ❖ Secondary data is used. i.e. internet, journals, articles, etc.

CONCLUSION

Retention is generally characterized by satisfaction in terms of monetary, personnel, social factor, career etc. It is most important that each organization conduct frequent study to understand the requirement of the employees and satisfy them to the maximum extent.

In order to retain employees and reduce turnover, managers must meet the goals of employees without losing sight of the organization's goals, thereby creating a "win-win" situation. The main purpose behind this project is to know about the effective measures taken by the company to retain their employees through HR practices.

If you haven't got all of this in place, it may be because you haven't paid enough attention to your people practices and we suspect that HR is not at the strategy table. Our research has led us to the conclusion that specialty businesses are, well, special. Your HR practices must be as well.

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