

HRM Practice On Employee Retention: An Analysis Of BPO Companies In Chennai**G. Ganesh**, Assistant Professor,

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ABSTRACT

The role played by HRM (human resource management) on the retention of the employees had been analyzed in this paper. It is a well known fact that HRM practice helps an organization to retain its effective workforce and also helps to increase the performance of the organization. A lot more studies had been done on the practice of HRM. But the studies regarding the above said concept in Chennai are a very few. The present paper is an attempt to fill such a research gap. The sample population was the employees at the executive level in the BPOs of Chennai. The instrument used for data collection was a questionnaire. The sample size of the study was 106 and the respondents were selected through simple random sampling. The data collected through the questionnaire tool was analyzed with the help of regression. Findings of the analysis show that there is significant connection among HRM Practice and employee retention.

KEYWORD: HRM practice, Employee retention**INTRODUCTION**

According to the words of Lado& Wilson (1994) regarding HRM, the performance of a firm is the result of an effective practice of HRM. Employee retention is an indicator of the performance of the firm and the employers take constant efforts to create and promote an environment which makes the employees to remain within the organization. The employers also retain the employees by way of implementing the policies that cater to the diverse needs of the employees. Though several attempts had been made to discuss the term retention, it is evident that the concept of employee retention came into force due to the frequent practice of

the employees to leave the organization for many reasons. According to Collins and Porras (1994) and Collins (2001), the effective workforce is the only key element for the success of an organization. Hence, it becomes the utmost essential function of the organization to see that effective employees retain in the firm and to check what are the factors that could make the employees not to leave the firm.

The retention of the employees has become an important fact to be given importance in many ways. The demand for efficient workforce is escalating and there exists a fierce competition to avail effective set of employees for developing the economy of a nation. The present world is filled with modern technology and competitive business atmosphere. The organizations too are witnessing changes. The changes in the environment not only affect the organization but also have an effect on the employees. The effective management of human resource is essential for enhancing the organizational efficiency and maximum utilization of materialistic resources. HRM is an organization plays an imperative role to manage the human resource. The retention of employees is an important issue and is a vital challenge faced by many organizations. Several internal and external factors are responsible to make the employees retain in the organization or leave the organization.

STATEMENT OF PROBLEM

The concept of retention of the employees should be considered as an imperative issue to be focused by the organizations. They should discover the variables that influence the retention of the employees and should frame policies accordingly for retaining the effective set of employees.

NEED FOR THE STUDY

The retention of the employees has got a significant role to play in the development of the business and the achievement of the organizational goals. It is an important source for

gaining competitive advantage for the organization. The purpose of the current study is to explore the factors that would significantly contribute to the retention of employees working at the BPOs of Chennai.

OBJECTIVE

The main aim of this paper is to identify the relation between the practice of HRM and the retention of employees at the BPOs of Chennai.

REVIEW OF LITERATURE

Zafar, Shuana & Mahmood, Nasir. (2016); the backbone of any organization is its human resource. The human workforce is considered as the most active and effective element of the organization. The technologies are implemented in the organizations and those technologies need human force to execute them. The economy of Pakistani market is fast growing and the people have got a handful of opportunities to progress. Hence, the organizations there are striving hard to frame policies for retaining their employees. As regarding this context, the current review had examined several variables that would influence the retention of employees. Findings of the study also showed that, employee retention and HR practices have positive relationship with each other.

Wijesiri, N & Paranagama, G & Sirirwardhana, M & Weeraratna, Ranitha & Pathirana, Geethma & Chathurya Thilakarathna, Nethmi (2018); the purpose of this study was to explore the effect of HRM practice on the retention of the employees. The study was conducted among the bpo sector of Sri Lanka. The authors had done this study as the study in this regard in the context of Sri Lanka is very rare. This research had been carried out in three companies. The respondents belonged to the executive level and the number of employees selected was 108 from one company, 32 from the second and 97 from the third company through the method of simple random sampling. Questionnaires were used to collect the data

and the deductive approach was employed to analyze it. The regression analysis done in all the three companies showed that HR practices had a low level of effect on the retention of the employees.

RESEARCH METHODOLOGY

The data for the study was primary and hence questionnaires were used to collect it. The responses from the employees formed the base for conducting this research. The variables of this study were used to frame questions for the questionnaire. Five independent variables were considered for the study and they include; 1.Supervisor support 2.Work environment 3.Work life Balance policies 4.Career development 5.Rewards and recognition and one dependent variable i.e. employee retention. The respondents of the study were the employees of the BPO sector in Chennai. The present paper is an attempt to fill such a research gap. The instrument used for data collection was a questionnaire. The sample size of the study was 106 and the respondents were selected through simple random sampling. The data collected through the questionnaire tool was analyzed with the help of regression.

ANALYSIS AND INTERPRETATION

RELATIONSHIP AMONG HRM PRACTICE AND EMPLOYEE RETENTION

R	R Square	Adjusted R Square	F	Sig.
.744(a)	.553	.531	24.743	.000(a)

a Predictors: (Constant), **HRM Practice**

Coefficients(a)

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.400	.248		5.647	.000
Supervisor Support	.228	.053	.379	4.344	.000
Work Environment	.116	.055	.193	2.095	.039
Work Life Balance Policies	.104	.052	.164	1.999	.048
Career Development	.088	.060	.142	1.464	.146
Rewards and Recognition	.108	.047	.158	2.284	.024

a Dependent Variable: **EMPLOYEE RETENTION**

This table offers the multiple correlation ($r = 0.744$), the multiple correlation squared ($r^2 = 0.553$), the adjusted multiple correlation squared ($\text{adj.}r^2 = 0.531$), and the standard error of the estimate. The multiple correlations are the combined correlation of every predictor with the conclusion. The multiple correlations squared denote the degree of variance in the outcome which is reported for by the predictors; here, 55.3% of the variance regarding employee retention is accounted for by statements of HRM practice. Hence, the adjusted r^2 is suitable. The table designates that the model's r^2 is significantly dissimilar from zero, $f = 24.743$, $p < 0.000$, which explains that there is significant connection among HRM Practice and employee retention.

CONCLUSION

Many studies had confirmed the fact that employee retention and the HRM practices have close relation with each other. These studies had been done in immense in developed

countries but re very few in developing countries like India. As per the words of Heneman III &Milanowski (2007), the relation between employee retention and HR practices has been valued by researches in the BPO sector, signifying that the HR system has enormous strategic prospective to fetch organization new heights of success. The result of this research shows that there is significant connection among HRM Practice and employee retention.

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