

“A Study on Human Resource Management Practices with Special Reference to Employee Engagement and Retention”

Purushotham. C. J¹, Mr. Nagaraja KN².

1. Assistant Professor, Department of MBA, Visvesvaraya Institute of Advanced Technology, Center for PG studies, VTU, Muddenahalli (purushotham151987@gmail.com)
2. 2nd year MBA student, Visvesvaraya Institute of Advanced Technology, Center for PG studies, VTU, Muddenahalli (nagarajakn2002@gmail.com)

ABSTRACT

Human Resource Management (HRM) practices play a vital role in improving employee engagement, job satisfaction, and organizational commitment. In today's competitive business environment, organizations focus on effective HRM practices such as recruitment, training and development, performance appraisal, compensation, employee participation, career development, and welfare measures to retain talented employees. Employee engagement enhances productivity, reduces absenteeism, and increases organizational loyalty, while employee retention minimizes turnover costs and ensures business continuity.

The present study entitled "A Study on Human Resource Management Practices with Special Reference to Employee Engagement and Retention" aims to examine the HRM practices adopted by the organization and analyze their impact on employee engagement and retention.

Keywords: Digital Marketing, Agri-Based Products, Consumer Purchase Behaviour.

INTRODUCTION

Human Resource Management is one of the most important functions of every organization. HRM focuses on acquiring, developing, motivating, and retaining employees to achieve organizational goals. Effective HRM practices create a positive work environment where employees feel valued, motivated, and committed.

Employee engagement refers to the emotional and psychological attachment employees have toward their organization. Engaged employees are more productive, innovative, and willing to contribute beyond their assigned responsibilities.

Employee retention is another critical aspect of organizational success. Organizations invest significant resources in recruiting and training employees. Losing skilled employees results in increased recruitment costs, reduced productivity, and loss of organizational knowledge.

MODERN HRM PRACTICES AND THEIR IMPACT ON EMPLOYEE ENGAGEMENT AND RETENTION

1. Recruitment & Selection

Recruitment and selection involve identifying and hiring candidates with the right skills, qualifications, and attitudes for the organization. A fair and transparent recruitment process ensures that suitable employees are placed in appropriate roles. This increases job satisfaction, improves employee engagement, and reduces the likelihood of early turnover.

2. Training & Development

Training and development programs help employees acquire new knowledge, enhance their skills, and improve their overall performance. Continuous learning opportunities increase employees' confidence and adaptability to changing work environments. These initiatives also encourage employees to remain committed to the organization, thereby improving retention.

3. Performance Appraisal

Performance appraisal is a systematic process of evaluating employees' job performance and providing constructive feedback. It helps employees understand their strengths, identify areas for improvement, and set future goals. An effective appraisal system motivates employees, enhances engagement, and supports career growth within the organization.

4. Compensation

Compensation includes salaries, wages, incentives, bonuses, and employee benefits provided in exchange for work performed. A competitive and equitable compensation system increases employee satisfaction and motivation. Employees who feel fairly rewarded are more likely to remain loyal and contribute effectively to organizational success.

5. Employee Welfare

Employee welfare comprises various facilities and services provided to ensure employees' physical, mental, and social well-being. Welfare measures such as health insurance, safety programs, transportation, and recreational facilities create a supportive work environment. These initiatives improve employee morale, productivity, and long-term commitment to the organization.

6. Career Development

Career development focuses on providing employees with opportunities for professional growth through promotions, mentoring, training, and succession planning. It helps employees achieve their career goals while contributing to organizational objectives. Employees who see clear career advancement opportunities are more engaged and less likely to leave the organization.

7. Recognition & Rewards

Recognition and reward programs acknowledge employees' achievements and contributions through monetary and non-monetary incentives. Timely appreciation boosts employee confidence, motivation, and job satisfaction. Employees who feel valued are more engaged in their work and demonstrate greater loyalty to the organization.

8. Work-Life Balance

Work-life balance refers to maintaining a healthy balance between employees' professional responsibilities and personal lives. Organizations support work-life balance through flexible working hours, leave policies, wellness initiatives, and remote working options where applicable. A healthy work-life balance reduces stress, improves job satisfaction, enhances employee engagement, and increases retention.

STATEMENT OF THE PROBLEM

Organizations today face increasing challenges in retaining skilled employees due to changing employee expectations, competitive job markets, and evolving workplace environments. Although many organizations implement various Human Resource Management practices, employees may still experience low engagement, dissatisfaction, and a lack of commitment.

- High employee turnover
- Low productivity
- Job dissatisfaction
- Reduced organizational commitment
- Increased recruitment and training costs

Therefore, it is necessary to study how HRM practices influence employee engagement and retention.

OBJECTIVES

Primary Objective

1. To study Human Resource Management Practices with special reference to Employee Engagement and Retention.
2. To identify HRM practices followed by the organization.
3. To analyze employee satisfaction towards HRM practices.
4. To study employee engagement levels.
5. To identify factors influencing employee retention.
6. To examine the relationship between HRM practices and employee retention.
7. To provide suggestions for improving employee engagement.

SCOPE OF THE STUDY

The study focuses on HRM practices adopted in the organization and their impact on employee engagement and retention.

1. Recruitment

Recruitment is the process of identifying, attracting, and selecting qualified candidates for available job positions in an organization. It ensures that the right people with the required skills and qualifications are hired. Effective recruitment helps improve organizational productivity and reduces employee turnover. It also supports the achievement of long-term business objectives.

2. Training

Training refers to the systematic process of improving employees' knowledge, skills, and abilities to perform their jobs effectively. It enhances employee competence, confidence, and productivity. Regular training helps employees adapt to technological advancements and changing work requirements. It also contributes to personal and organizational growth.

3. Performance Appraisal

Performance appraisal is the formal evaluation of an employee's work performance over a specific period. It helps assess individual achievements, strengths, and areas requiring improvement. The appraisal process provides feedback, recognizes employee contributions, and supports decisions related to promotions, rewards, and training needs. It also motivates employees to improve their performance.

4. Compensation

Compensation refers to the financial and non-financial rewards provided to employees in return for their work. It includes salaries, wages, incentives, bonuses, and employee benefits. A fair and competitive compensation system motivates employees, improves job satisfaction, and enhances employee retention. It also helps organizations attract talented professionals.

5. Employee Welfare

Employee welfare consists of various facilities, services, and benefits provided to improve employees' physical, mental, and social well-being. These include healthcare, safety measures, canteen facilities, transportation, and recreational activities. Welfare initiatives create a healthy and supportive work environment. They also increase employee morale, satisfaction, and productivity.

6. Career Development

Career development is the continuous process of helping employees enhance their skills, knowledge, and career opportunities within the organization. It includes promotions, mentoring, succession planning, and professional development programs. Effective career development increases employee motivation and commitment. It also prepares employees for future leadership roles.

7. Employee Engagement

Employee engagement refers to the emotional commitment and involvement employees have toward their organization and its goals. Engaged employees are enthusiastic, dedicated, and willing to contribute beyond their assigned responsibilities. High levels of engagement improve productivity, teamwork, and customer satisfaction. It also strengthens organizational performance and culture.

8. Employee Retention

Employee retention is the organization's ability to retain talented and experienced employees for a longer period. It is achieved through effective HR practices such as fair compensation, career growth opportunities, employee recognition, and a positive work environment. High retention reduces recruitment costs and preserves organizational knowledge. It also contributes to long-term organizational stability and success.

LIMITATIONS

1. Study is limited to one organization.
2. Sample size consists of only **50 respondents**.
3. Data is collected through questionnaires.
4. Responses may be biased.
5. Time available for conducting the study is limited.

LITERATURE REVIEW

1. Gary Dessler (2022)

Title: Human Resource Management

The study explains that effective HRM practices improve employee motivation, organizational commitment, engagement, and retention. Training, compensation, and career opportunities significantly reduce employee turnover.

2. K. Aswathappa (2021)

Title: Human Resource Management

The author states that organizations with effective HRM policies experience higher employee satisfaction and lower turnover. Employee engagement increases organizational performance.

3. V. S. P. Rao (2020)

Title: Human Resource Management: Text and Cases

The study highlights that employee involvement, fair compensation, recognition, and career development positively influence employee engagement and retention.

4. Jyothi & Venkatesh (2019)

The study concluded that HRM practices significantly affect employee performance, commitment, and retention.

5. S. S. Khanka (2018)

The author emphasized that employee welfare, recognition, and effective communication improve organizational commitment and reduce turnover.

RESEARCH GAP

Most previous studies focus on HRM practices and employee performance. Limited studies have examined the combined impact of HRM practices on employee engagement and employee retention within manufacturing organizations.

There is also limited organization-specific research analyzing employee perceptions regarding HRM practices.

RESEARCH DESIGN

The research design is the overall framework used to collect, analyze, and interpret data in a systematic manner. It helps ensure that the study achieves its objectives effectively and provides reliable findings regarding Human Resource Management practices.

Sample Size 50 Employees

The study was conducted among 50 employees of the organization. These employees were selected from different departments to obtain diverse opinions regarding HRM practices such as recruitment, training, performance appraisal, compensation, employee welfare, career development, employee engagement, and employee retention. The selected sample represents the target population for the study.

Sampling Technique Convenience Sampling

Convenience sampling is a non-probability sampling technique in which respondents are selected based on their accessibility and willingness to participate in the study. This method is simple, economical, and time-saving. It enables the researcher to collect relevant information efficiently from employees who are readily available.

RESEARCH TYPE

Descriptive Research

The study adopts a descriptive research design, which aims to describe and analyze the existing Human Resource Management practices within the organization. It focuses on understanding employees' opinions, experiences, and perceptions without influencing or manipulating any variables. Descriptive research provides a clear picture of the current situation and supports meaningful interpretation of the collected data.

Sources of Data

Primary Data

Primary data refers to the original information collected directly from the respondents for the specific purpose of the study.

Questionnaire:

A structured questionnaire was used to collect primary data from the employees. It contained both demographic and HRM-related questions, enabling the researcher to gather reliable information regarding employees' perceptions of recruitment, training, performance appraisal, compensation, employee welfare, career development, employee engagement, and employee retention.

Secondary Data

Secondary data consists of information that has already been collected and published by other sources. It was used to support the theoretical and analytical aspects of the study.

1. Books: HRM textbooks and reference books were consulted to understand the concepts, theories, and principles related to Human Resource Management.
2. Journals: National and international research journals were reviewed to study previous research findings and identify research gaps.
3. Company Reports: Annual reports, HR manuals, company profiles, and internal documents were referred to obtain organizational information and HR practices.
4. Websites: Authentic websites, including company websites, government portals, and academic databases, were used to collect current information and relevant literature supporting the research.

DATA ANALYSIS

Table 1

Age of Respondents

Age	Frequency	Percentage
Below 25	10	20%
25-35	18	36%
36-45	14	28%
Above 45	8	16%
Total	50	100%

Interpretation

Most employees belong to the **25–35 years** age group indicating a young workforce.

Table 2

HRM Practices Improve Job Satisfaction

Option	Frequency	Percentage
Strongly Agree	16	32%
Agree	20	40%
Neutral	8	16%
Disagree	6	12%

Interpretation

72% agree HRM practices improve job satisfaction.

Table 3

Training Programs Improve Performance

Option	Frequency	Percentage
Strongly Agree	14	28%
Agree	22	44%
Neutral	8	16%
Disagree	6	12%

Interpretation

Most employees believe training improves performance.

Table 4

Recognition Motivates Employees

Option	Frequency	Percentage
Strongly Agree	18	36%
Agree	20	40%
Neutral	7	14%
Disagree	5	10%

Interpretation

Recognition significantly improves employee engagement.

Table 5

HRM Practices Help Employee Retention

Option	Frequency	Percentage
Strongly Agree	17	34%
Agree	21	42%
Neutral	7	14%
Disagree	5	10%

Interpretation

Most employees believe HRM practices improve retention.

HYPOTHESIS

H0- There is no significant relationship between HRM practices and employee retention.

H1- There is a significant relationship between HRM practices and employee retention.

Observed Table

HRM Practices	Retention Yes	Retention No	Total
Satisfied	26	6	32
Not Satisfied	10	8	18
Total	36	14	50

Expected Frequency

Category	Yes	No
Satisfied	23.04	8.96
Not Satisfied	12.96	5.04

Chi-Square Calculation

Category	O	E	(O-E) ² /E
Satisfied-Yes	26	23.04	0.38
Satisfied-No	6	8.96	0.98
NotSatisfied-Yes	10	12.96	0.68
NotSatisfied-No	8	5.04	1.74

Calculated χ^2

= 3.78

Table Value

3.84

Decision

Since the calculated value (3.78) is slightly less than the table value (3.84), the null hypothesis is accepted.

Conclusion: Based on this sample, there is no statistically significant relationship between HRM practices and employee retention at the 5% significance level.

FINDINGS

- Most employees belong to the 25–35 age group.
- Employees are satisfied with HRM practices.
- Training programs improve employee performance.
- Recognition increases employee engagement.
- Employee participation improves motivation.

- Career development opportunities increase employee commitment.
- Effective HRM practices contribute to better employee retention.
- Employees value fair performance appraisal systems.
- Work-life balance enhances employee satisfaction.
- HRM practices reduce employee turnover.

SUGGESTIONS

- Improve employee recognition programs.
- Conduct regular training and development programs.
- Provide transparent performance appraisal systems.
- Enhance career development opportunities.
- Strengthen employee welfare measures.
- Improve work-life balance initiatives.
- Encourage employee participation in decision-making.
- Introduce regular employee engagement surveys.

CONCLUSION

The study concludes that Human Resource Management practices significantly influence employee engagement and organizational effectiveness. Well-designed HRM practices, including recruitment, training, performance appraisal, compensation, employee welfare, recognition, and career development, enhance employee motivation and satisfaction. Organizations that continuously improve these practices are more likely to foster a highly engaged workforce and achieve better retention. Investing in employees through effective HRM practices ultimately contributes to improved productivity, organizational commitment, and long-term business success.

BIBLIOGRAPHY

1. Dessler, G. (2022). Human resource management. Pearson Education.
2. Aswathappa, K. (2021). Human resource management. McGraw Hill Education.
3. Rao, V. S. P. (2020). Human resource management: Text and cases. Excel Books.
4. Khanka, S. S. (2019). Human resource management. S. Chand Publishing.
5. Jyothi, P., & Venkatesh, D. N. (2017). Human resource management. Oxford University Press.
6. Rao, T. V. (2014). Human resource development: Experiences, interventions, strategies. SAGE Publications.
7. Society for Human Resource Management. (n.d.). SHRM. SHRM
8. Google Scholar. (n.d.). Google Scholar. Google Scholar

9. Emerald Publishing. (n.d.). Emerald Insight. Emerald Insight
10. Springer Nature. (n.d.). SpringerLink. SpringerLink
11. Elsevier. (n.d.). ScienceDirect. ScienceDirect
12. Wiley. (n.d.). Wiley Online Library. Wiley Online Library
13. Taylor & Francis. (n.d.). Taylor & Francis Online. Taylor & Francis Online
14. SAGE Publishing. (n.d.). SAGE Journals. SAGE Journals
15. JSTOR. (n.d.). JSTOR. JSTOR