

A STUDY ON ROLE OF HR IN EMPLOYEE RETENTION STRATEGIES

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Abstract

Employee retention has emerged as a critical challenge in modern organizations, directly impacting productivity, morale, and organizational performance. This study explores the vital role played by Human Resource (HR) professionals in developing and implementing effective employee retention strategies. It highlights how HR functions such as recruitment, onboarding, training and development, performance management, compensation, and employee engagement contribute to reducing turnover and fostering employee loyalty. The study also examines how strategic HR initiatives aligned with employee needs and organizational goals can enhance job satisfaction and organizational commitment. Through a review of literature, case studies, and HR best practices, the research aims to provide insights into how organizations can leverage HR as a strategic partner in retaining top talent and building a committed workforce in today's competitive and dynamic business environment.

1.INTRODUCTION

1.1 INTRODUCTION OF THE STUDY

Employee retention is a crucial aspect of organizational success, ensuring that skilled and experienced employees remain within the company for the long term. The Human Resources (HR) department plays a pivotal role in developing and implementing effective retention strategies that foster employee engagement, job satisfaction, and career growth. HR professionals are responsible for creating a positive work environment, offering competitive compensation and benefits, providing learning and development opportunities, and ensuring work-life balance. Additionally, they play a key role in fostering a strong company culture, recognizing

employee contributions, and addressing workplace concerns to enhance job satisfaction. This study explores the perceptions of employees regarding the effectiveness of HR practices in employee retention. Specifically, it aims to examine how employees view HR policies related to retention efforts and their alignment with broader organizational goals, as well as how these strategies impact employee commitment and job satisfaction. The research will examine a range of HR practices, such as recruitment, onboarding, career development, performance management, and compensation, and assess how they contribute to employee retention. The study will focus on employee perceptions across different industries and organizational sizes, aiming to uncover significant patterns, challenges, or opportunities in aligning HR strategies with employee retention objectives.

2.OBJECTIVES

1. To study about the role of hr in employee retention strategies at “ ONE POINT ONE SOLUTIONS PRIVATE LIMITED COMPANY”
2. To know the factors which the employees are considering most to stay in the organisation
3. To measure the effectiveness in hr department addressing the employee concerns and retention strategies
4. To know about the employees satisfaction among the training and development programs provided by hr

3.REVIEW OF LITERATURE

➤ Thomas, R. J., & Kiran, A. -2025

As AI and automation reshape the workplace, Thomas and Kiran explored how HR can focus on human-centric experiences to retain talent. Their study showed that personalized employee experiences—enabled through data analytics and feedback systems—help reduce turnover. HR's role is shifting from process enforcer to experience designer, crafting journeys that align personal growth with organizational goals. Retention is no longer transactional but experiential.

➤ Maslow's Hierarchy of Needs -2024

Abraham Maslow proposed that employees stay in organizations when their physiological, safety, social, esteem, and self-actualization needs are met, influencing HR policies on compensation and career growth. that employees remain in organizations when their perceived benefits outweigh the costs, influencing HR strategies related to rewards and incentives.

➤ Herzberg's Two-Factor Theory -2023

Frederick Herzberg differentiated between motivators (e.g., achievement, recognition) and hygiene factors (e.g., salary, job security), stating that HR must focus on both to enhance employee retention. In his work on "Quality of Work Life (QWL)," Walton highlighted how HR practices influence employee satisfaction and commitment. He emphasized the importance of participative management, career development opportunities, and work-life balance as essential HR tools for retaining employees. Walton argued that when employees perceive fairness and involvement in organizational decisions, they are more likely to stay committed. His research laid foundational ground for HR's strategic role in fostering long-term retention.

➤ **McGregor's Theory X and Theory Y -2022**

Douglas McGregor suggested that HR policies should align with Theory Y (trust and empowerment) rather than Theory X (control and micromanagement) to improve employee retention and job satisfaction that employees stay in organizations when they believe their effort leads to performance, performance leads to rewards, and rewards satisfy personal goals. HR professionals began using performance-based incentives to enhance retention. The authors stressed that HR should go beyond routine administration and become a strategic partner in building a stable workforce. The study also pointed to mentorship and feedback systems as effective HR interventions. It became a widely cited reference for retention research.

➤ **Adam's Equity Theory -2021**

J. Stacy Adams highlighted that perceived fairness in pay, workload, and recognition influences employee retention. HR strategies started incorporating equitable compensation and promotion policies to prevent dissatisfaction and turnover. the concept of participative management and its impact on employee loyalty. He stressed HR's role in building supportive relationships. High involvement in decision-making encouraged long-term employee retention. His work linked leadership styles with workforce stability.

➤ **Likert's System of Management -2020**

Rensis Likert introduced **participative management**, stating that HR should encourage employee involvement in decision-making. Organizations that adopted this approach saw improved job satisfaction and lower turnover rates. Likert introduced the concept of participative management and its impact on employee loyalty. He stressed HR's role in building supportive relationships. High involvement in decision-making encouraged long-term employee retention. His work linked leadership styles with workforce stability.

4.METHODS

4.1RESEARCH DESIGN

Research design refers to the overall strategy utilized to answer research questions. A research design typically outlines the theories and models underlying a project; the research question of a project; a strategy for gathering data and information; and a strategy for producing answers from the data.

The research design applied for the study is Descriptive Research Design.

Descriptive research design: Descriptive research aims to accurately and systematically describe a population, situation, or phenomenon. It can answer what, where, when, and how questions, but not why questions. A descriptive research design can use a wide variety of research methods to investigate one or more variables.

4.2 QUESTIONNAIRE METHOD

In this method, the set of questions are mailed/handed a form to the respondent. They should read, reply, and subsequently return the questionnaire. The questions are printed in a definite order on the form. The questionnaire contains:

- ❖ Direct questions
- ❖ Close-ended questions
- ❖ Multiple choice questions

4.3 TOOLS FOR ANALYSIS

- ❖ Chi-square test
- ❖ ANOVA

CHI-SQUARE TEST

A chi-square test is a statistical test that is used to compare observed and expected results. The goal of this test is to identify whether a disparity between actual and predicted data is due to chance or to a link between the variables under consideration. As a result, the chi-square test is an ideal choice for aiding in our understanding and interpretation of the connection between our two categorical variables.

ANOVA

ANOVA is a statistical technique used to compare the means of three or more groups to determine if there is a significant difference between them or not. In this research study, ANOVA could be used to compare the mean scores of employee job satisfaction, motivation, engagement, or retention across multiple groups, such as different departments, levels, or tenure groups (i.e., whether there are significant differences in these outcomes based on these factors). ANOVA could also be used for hypothesis 6 above to compare mean scores between different HR practices and culture dimensions.

5. DATA ANALYSIS

Statistic	value
Chi-square statistic (χ^2)	54.86
Degrees of freedom (df)	3
p-value	7.34×10^{-12}
Significance level (α)	0.05
result	significant

INTERPRETATION

Since $p < 0.05$, we reject the null hypothesis. This means that the distribution of satisfaction levels is not equal — some satisfaction levels were chosen significantly more or less often than others.

INFERENCE

The Chi-square goodness of fit test was conducted to determine whether there is a significant difference in the distribution of responses regarding satisfaction with the training and development programs provided by HR.

With a Chi-square statistic of 54.86 and a p-value of 7.34×10^{-12} , which is far below the standard significance level of 0.05, the test result is statistically significant.

ANOVA TABLE

Source of Variation	Sum of Squares (SS)	Degrees of Freedom (df)	Mean Square (MS)	F-ratio	p-value
Between groups	480.29	3	160.10	18.29	< 0.001
Within groups	860.45	99	8.69		
Total	1340.74	102			

ANOVA EFFECT SIZES

Effect Size Metric	Value	interpretation
Eta Squared (η^2)	0.358	Large effect
Partial Eta Squared	0.358	Large effect
Cohen's f	0.74	Large effect

- Null hypothesis (H0) : There is no significant influence impact on hr practices in employee development and programmes
- Alternative hypothesis (H1) : There is an significant impact on hr practices in employee development and programmes

INTERPRETATION

There is a significant difference in satisfaction levels among respondents, with a large effect size ($\eta^2 = 0.358$), indicating a strong association between the observed frequencies and satisfaction categories.

INFERENCE

An ANOVA-style analysis was conducted to examine whether there is a statistically significant difference in the distribution of responses regarding satisfaction with the training and development programs provided by HR.

The analysis revealed a statistically significant difference between groups, with an F-ratio of 18.29 and a p-value less than 0.001.

5.DISCUSSIONS AND CONCLUSIONS

- ❖ HR plays a key role in designing smooth onboarding processes that make employees feel welcomed. Proper orientation helps new hires understand the company culture and expectations.
- ❖ HR ensures continuous learning opportunities through training programs and workshops. Career growth plans and skill development motivate employees to stay
- ❖ Regular performance reviews by HR help employees know their strengths and areas to improve. Setting clear goals keeps employees aligned with organizational objectives
- ❖ HR organizes engagement activities like team-building, wellness programs, and recognition events. High engagement levels create emotional commitment to the organization.
- ❖ Offering flexible work arrangements, wellness programs, and mental health support shows that HR prioritizes employee wellbeing, which directly impacts retention.
- ❖ HR can design clear career paths, promote internal mobility, and support learning initiatives, making employees more likely to stay for growth. Regular feedback, recognition programs, and engagement surveys led by HR help employees feel valued, increasing job satisfaction and reducing turnover.

CONCLUSIONS

effective employee retention strategies require HR to focus on key areas such as career growth, compensation, work-life balance, employee recognition, and proactive engagement. By implementing clear career progression paths, competitive salary structures, flexible work policies, and structured recognition programs, organizations can enhance job satisfaction and reduce turnover. Additionally, fostering HR approachability through regular feedback mechanisms and ensuring ongoing professional development opportunities will create a more engaged and committed workforce. Ultimately, a well-structured HR-driven retention strategy not only improves employee morale but also strengthens overall organizational performance and stability.

REFERENCE

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