ABSTRACT: The demand for talent in the country like India has increased to a great extent due to globalization. Globalization has changed not only the business world but also the minds of the individuals. Every organisation is interested to grab the fittest from such a competitive environment. The retention of human resources has been shown to be momentous to the development and the accomplishment of the organization’s goals and objectives. Increased emphasis has been laid on retention especially with the onset of revolution of information technology which is human sensitive. In this paper, an attempt has been made to analyse the impact of HRM practices (Human Resource Planning, Recruitment and Selection, Training and Development, career planning, Reward and Recognition, Welfare activities) on employee retention in the banks.

Key words: Employee, HRM practices, Retention

INTRODUCTION

HUMAN RESOURCE MANAGEMENT PRACTICES

The business world is changing at a very rapid speed, in the global economy, increasing regulatory scrutiny, the looming talent crisis, the recognition that mental illness is dramatically affecting the workplace. All of these are having a huge impact on the HR profession. Human resource management is a process of bringing people and organizations together so that the goals of each other are met. The role of HR manager is shifting from that of a protector and screener to the role of a planner and change agent. Indian organizations are also witnessing a change in systems, management cultures and philosophy due to the global alignment of Indian organizations. There is a need for multi skill development. Over recent years, there has been a widespread assertion that HRM has become more strategic in its focus and operation (Beer 1997; Hays and Kearney 2001). There is a growing awareness of the importance and role of Human Resources in defining an organization’s cutting edge. Today's competitive business climate presents the HRM function with a number of important challenges and opportunities. Dramatic advances in technology, new forms of employment, and focus on cost-cutting necessitates concomitant modifications in recruiting, selection, training, appraisals, rewards and other human resource practices.

Human resources management practices play a very crucial role in achieving the organization’s goals and maintain the competitive advantage. HRM practices refer to organizational activities directed at managing the pool of human resource and ensuring that the resources are employed towards the fulfillment of organizational goals (Schuler & Jackson 1987). Human resource management practices is the management of people within the internal environment of organizations, comprises the activities, policies, and practices involved in planning, obtaining, developing, utilizing, evaluating, maintaining, and retaining the appropriate numbers and skill mix of employees to achieve the organization’s objectives (Appelbaum 2001). Organisations are competing through implementing the unique HRM practices and due to the globalization organizations adopt the most up-to-date HRM practices in order to accomplish the organizational goals. Best HRM practices are advantageous for both employee and employer; it plays an important role in constructive growth of the organization.

There is a new alertness to the profound impact of human nature in the workplace. For this they are undertaking exclusive HRM Practices for their most valuable human assets. These HRM practices pivot not only in inculcating empowerment amongst the employees but also help in shaping a healthy organizational culture, which leads to higher performance. The influence of organizational culture values on voluntary retention rates was examined through survival analysis (Morita, Lee, & Mowday, 1989; Peters & Sheridan, 1988).

It is quite common for organizations to profess that employees are their greatest asset and treat them as an organizational overhead. The root cause of failure of strategic plans or process could be attributed to the way they managed the human resources. Organisations today constantly wrestle with revolutionary trends: accelerating product and technological changes, global competition, deregulation, demographic changes, and at the same time, they must strive to implement trends towards a service and information age society (Kane 2000). Due to this business environment, one of the challenges facing many business organizations is the retention of
HRM Practices

1. **Human Resource Planning**
   - The process that links the human resource needs of an organization to its strategic plan to ensure that staffing is sufficient, qualified, and competent enough to achieve the organization's objectives. HR planning is becoming a vital organizational element for maintaining a competitive advantage and reducing employee turnover. This includes analysis of the current workforce and how it aligns with future employment needs. By planning for the future, human resources create action plans to meet organizational goals.

2. **Recruitment and Selection**
   - It is the process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization (Edwin B. Flippo, 1980). Some organizations like private sector adopt centralized recruitment, whereas other organizations resort to decentralized systems. There can be different sources of recruitment, namely internal sources like vacancies, transfers, promotions, retired and retrenched employees, dependants of deceased or retired employees, or it can be external sources like education and training institutions, search engines, employment exchanges, etc. Recruitment technically precedes selection.

   Selection is the process of choosing the most suitable persons out of all applicants. It is the process of matching the qualifications of applicants with job requirements. According to Dale Yodder (1972), selection involves test, interview, and medical examination of the candidates.

3. **Training and Development**
   - Training is the process of raising the knowledge and skills for doing a particular job. The purpose of training is to bridge the gap between job requirements and present competence of an employee. Training is aimed at improving the behavior and performance of persons. Many of the world’s most successful companies are aware that the provisions they make for training and development activities lie at the heart of their ability to attract and retain the best employees for their organization (Bassi & Buren, 1999). Appropriate training contributes positively to employee retention because it makes employees feel recognized for their strengths, and it creates possibilities to develop their qualities (Kyndt, et al., 2009; Visser, 2001).

4. **Reward and Recognition**
   - According to a study by Mercer (2003); employees will stay if they are rewarded. Employee reward systems refer to programs set up by a company to reward performance and motivate employees on individual and/or group levels. They are normally considered separate from salary but may be monetary in nature or otherwise have a cost to the company. Although employee recognition programs are often combined with reward programs, they retain a different purpose altogether. A sense of accomplishment is recognized as important and a strong motivator. Employees tend to remain with the organization when they feel their capabilities, efforts, and performance contributions are recognized and appreciated (Davies 2001).

5. **Performance Appraisal**
   - It is the formal, structured system of measuring and evaluating an employee’s job-related behaviors and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee as well as the organization can mutually benefit (Andrew, 2009). It is also a motivation technique for communicating performance expectation assessments of the potential of employees and identifying the need for improvement (Kusluvan, 2003).

6. **Career Planning**
   - It is the systematic process by which one selects career goals and the path to those goals. It is a lifelong process a person goes through to learn about himself develops a self-concept, learn about careers, and work situations and then make a career choice based on information gathered while developing coping and social skills. The major focus of career planning is on assisting the employees achieve a better match between personal goals and the opportunities that are available in the organization.

7. **Welfare Activities**
   - It means anything done for intellectual physical, moral and economic betterment of employees by employers, Govt. or other agencies. These welfare services may be classified into Intramural and Extramural. In Intramural services are provided within establishment and in Extramural services are provided outside the establishment. They help to increase employee’s productivity, morale, industrial relation, goodwill etc.
PROMOTIONS AND TRANSFERS-- Promotion refers to advancement of an employee to a higher post carrying greater responsibilities, higher status and better salary. Promotion can be made on different criteria’s like seniority, merit etc. They help to recognize an employee’s performance and commitment. It also helps to boost the morale and also help to develop a competitive spirit among employees for acquiring knowledge and skills. Transfers refer to a horizontal or lateral movement of an employee from one job to another in the same organization without any significant change in status and pay. There are different purposes of transfers like to meet both organizational and employee needs, to make employee more versatile, to adjust workforce, to provide relief etc.

EMPLOYEE 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. It is an effort by a business to maintain a working environment which supports current staff in remaining with the company. Many employee retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff. Employee retention is beneficial for the organization as well as the employee. Retention Strategies helps organizations provide effective employee communication to improve commitment and enhance workforce support for key corporate initiatives. Employees today are different. They are not the ones who don’t have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best employees. If they don’t, they would be left with no good employees. A good employer should know how to attract and retain its employees.

Retention involves five major things: Compensation, Support, Relationship, Environment, Growth etc.

The retention of talented employees is an advantage to an organization because employees’ knowledge and skills are central to a company’s ability to be economically competitive (Kyndt, et al., 2009). Employee retention becomes increasingly important to organisations because periodic labour shortages can reduce the availability of high performing employees (Jones & Skarlicki, 2003, p. 1227); thus, workers are searching for better employment opportunities, and firms are seeking to improve the productivity of their workforce (Leeves, 2000).

However, the retention of employees has been shown to be significant to the development and the accomplishment of the organization’s goals and objectives. Retention of employees can be a vital source of competitive advantage for any organization. This study attempted to explore the main factors that contribute to employee retention existing in the private sector banks.

HR Practices in the organization should meet the needs and the expectations of employees to increase their efforts and for long term stay of employees in the same organization. Research has found that highly retained employees may perform better than new employees.

Types of Employee Turnover
In their research work Heneman and Judge (2006) highlight four distinct types of employee turnover that exist across two categories: involuntary turnover, instigated by the employer, and voluntary turnover, prompted by the employee.

Involuntary Turnover
Within Heneman and Judge’s categorisation, involuntary turnover is either by discharge or downsizing. Discharge turnover concerns the removal of poorly-performing or dishonest employees from an organisation, while downsizing turnover is a necessary activity to increase the effectiveness of an organisation and its ability to meet shareholder targets (Donoghue & Castle, 2006).

Voluntary Turnover
Voluntary turnover is separated into two further types: avoidable and unavoidable turnover. Avoidable turnover concerns the exit of an employee from an organisation under circumstances that could have been avoided: if the employee had felt more valued, for example. Conversely, unavoidable turnover relates to employee exit that occurs independently of any action that the firm could have taken: such as an employee passing away unexpectedly, or compulsory relocation. According to Heneman and Judge’s categorisation there are some elements of employee turnover that are beyond the control of management. In recent years, however, one role of HRM has been to identify elements of turnover that were traditionally classified as unavoidable and find methods of counteracting them. For example, historically many people would have viewed an individual’s decision to leave work in order to raise a child as unavoidable turnover. Today however, pressure is placed on HRM to develop policies that no longer render this unavoidable, by putting provisions in place to allow the individual to continue to work while also meeting family commitments (Ongori, 2007).

After reviewing the several articles relevant to the employee retention, we have selected the following six variables to study the impact of HRM Practices on retention of employees.

- Organizational Climate
- Job Satisfaction
- Employer of Choice
- Propensity to stay/leave
• Employee Well-Being
• Organisational Commitment

Organisational Climate- Organisational climate is defined as an enduring characteristic of an organization which embodies the employees’ collective perceptions about their organization with respect to dimensions such as trust, cohesiveness, support, recognition, innovation and fairness. It also reflects the prevalent norms, values and attitudes and the organization’s culture. Organizational climate is a concept of employees’ attitude and feelings towards their organization which has great impact towards their working ways and contributions; in consequence organizational climate causes organization performance because this relates directly to employees’ satisfaction and commitment towards organization. Organisational climate forms part of the broader climate concept, which includes aspects of the social environment that are consciously perceived by the organisational members (Patterson et al., 2004). Litwin and Stringer (1968) conducted the first comprehensive study on organisation climate that was based on theory developed by McClelland et al. (1953) and focused on how climate affects human motives for achievement, power and affiliation.

Job Satisfaction- It means how content an individual is with his/her job. The happier people are within their job, the more satisfied they are said to be. Job satisfaction is a very important attribute which is frequently measured by organizations. The most common way of measurement is the use of rating scales where employees report their reactions to their jobs. Employees that are satisfied and happy in with their jobs are more dedicated to doing a good job and taking care of customers that sustain the operation. Job satisfaction is something that working people seek and a key element of employee retention. Employees who are satisfied with their jobs are more productive, creative and be more likely to be retained by the company.

Employer of Choice – Employer of choice programs are designed to aid an organization in outperforming its’ competition in the recruitment and retention of top talent in order to secure an exceptional workforce. It is basically a self-proclaimed achievement.

Propensity to Stay/Leave –Intention to stay is the converse of the turnover intention. Turnover intention is defined as a conscious and deliberate willfulness to leave the organization (Tett and Meyer 1993, p.262). It is employees’ willingness to stay with an organization. Intention includes special things or action with a special attitude or with means, purpose, or plan in the individual heart”(Chang and Chang, 2008). Price and Mullar (1981) stated that intention to stay is an estimated probability that an employee will continue to work in an organisation. According to Fishbein and Ajzen (1975), “The best single predictor of an individual’s behavior will be a measure of his intention to perform that behavior.”

Employee Well-Being - The well-being of employees is the best interest of communities and organizations. The workplace is a significant part of an individual’s life that affects his or her life and the well-being of the community. The well-being of employees is also in the best interests of employers who spend substantial resources hiring employees and trying to generate work, profits, and maintain loyal customers.

Organisational Commitment- Organizational commitment is related to how an employee feels about the organization as a whole. It has been conceptualized as the emotional (Rhoades, Eisenberger & Armeli, 2001) and psychological (Ensher, Grant–Vallone, & Donaldson, 2001) bond between the employee and the organization. It is defined as a psychological state that is representative of an employee’s relationship with the organization, and influences the employee’s decision to remain employed at a particular organization. Organizational commitment is also the degree to which an employee identifies with the organization, and the desire to, or likelihood of, staying with the organization (Camp, 1994). This includes sharing and supporting corporate goals (Rogg, Schmidt, Shull, & Schmitt, 2001) and values, as well as a willingness to work on behalf of the organization (Taormina, 1999). Steers (1977) suggest that the more committed an employee is, the less of a desire they have to terminate from the organization. These “highly committed” employees were found to have a higher intent to remain with the company, a stronger desire to attend work, and a more positive attitude about their employment. Steers (1977) concluded that “commitment was significantly and inversely related to employee turnover.” When an employee is committed to an organization, she personally identifies with the organization, and wants to see the organization succeed (Wright, Gardner & Moynihan, 2003). Additionally, organizational commitment’s influence on an employee’s likelihood of staying with the organization reduces turnover.
The idea of writing this paper is to study, analyze and examine the impact of HRM Practices on Employee Retention in Banking Sector. So, this research paper aims to develop a research model which can justify this paper and find out the possible ways of influential role of HRM practices on Employee Retention. Hence, we have used Secondary data for our research. The source of data was secondary data which has been collected while studying various research papers and result will be analysed with the help of literature reviews.

Kanwal Ambreen and Majid Muhammad (2013), conducted study to identify the several major factors that are contributing to the employee retention. Among all the factors training and development had a significant impact on the employee performance. Therefore it was suggested that both the employees and the Manager must work in a team and had an effective collaboration with each other while performing in the team work.

Mathur Atul and Agarwal P. K.(2013), focused on the impact of Retention Strategies on Employee Turnover in sugar industry in India. Researcher suggested that by using different HR practices like effective compensation policy, performance appraisal, training and development programme, feedback and assigning competitive work the condition of employee retention can been increased. Results of the study showed that Retention Strategies has an impact on Employee Turnover.
Kwenin Ofosuhene Daisy and Muahe Stephen et.al (2013) analyzed the influence of employee rewards, job satisfaction and human resource policies on employee retention in Vodafone Ghana Limited. The results showed that when organisations’ reward systems are adequate, it does not only lead to equity, but increase retention. The findings again showed that job satisfaction and favourable human resource policies have positive link with retention.

Appiah Asiedu Felicity, David Asamoah (2013) focused on human resource management activities that frequently used in the mining industry in Ghana and their effect on employee retention. The main findings of the study were that majority of turnover intentions within the study organisation were attributable to human resource management. Training and development, communication and information sharing, health, safety and welfare, incentives and compensation and job security factors were very significant in bringing about turnover intentions within the mining industry. The study provides insights into the effects of human resource management practices on employees’ intention to leave and retention in the mining sector in Ghana.

Huselid A. Mark (1995) examined human resources literature in three ways. First, the level of analysis used to estimate the firm-level impact of HRM practices is the system, and the perspective is strategic rather than functional. Second, the analytical focus was comprehensive. Third, this study provided one of the first tests of the prediction that the impact of High Performance Work Practices on firm performance was contingent on both the degree of complementarily, or internal fit, among these practices and the degree of alignment, or external fit, between a firm's system of such practices and its competitive strategy. He found that use of effective human resource management practices enhances firm performance.

Narang Uma(2013) analyzed the impact of HRM practices (career development opportunities, supervisor support, working environment, rewards and work-life policies) on employee retention in the banks. The retention of human resources has been shown to be momentous to the development and the accomplishment of the organization’s goals and objectives. Increased emphasis has been laid on retention especially with the onset of revolution of information technology which is human sensitive.

Bawa Aminu Muhammad and Jantan Muhammad (2013), investigated the relationship between human resource (HR) practices and employee turnover in Malaysia where companies were generally experiencing labour shortage and labour turnover. Researcher attempted to distinguish between the causes of voluntary and involuntary turnover in organizations, though recognized for quite some time, receive little attention from researchers.

Perumal Panniruky, Choi Sang Long, et al (2012), discussed extensively the impact of human resource practices that can alter the negative effect on the organization due to high employees’ turnover. Results revealed that there is relationship between employees’ job performance management and their intention to quit. The study was conducted to examine whether and how quality employee-organizational relationship influence turnover intentions. Results indicated a strong negative relation between positive employee relations as an HR practices against turnover intentions.

Shanmugam R., Anbu A.et. al (2012), revealed the human resources are not only the drivers and principal value-creators of the output of the industry but they are also the intellectual capital or the ‘infrastructure investment’. Therefore, attracting, training, retaining and motivating employees are the critical success-determinants (Kiran Karnik, 2006).

Sheikh Azhar Muhammad and Wusat-ul-Qamar et. al (2011), conducted research to study the impact of HRM practices (career development opportunities, supervisor support, working environment, rewards and work-life policies) on employee retention in the Islamia University. Employee retention was the dependent variable, which was going to be checked for relationship with career development, supervisor support, working environment, rewards and work-life policies that were considered as independent variables. The findings showed that there was a good relationship between the employee retention and the HRM practices.

A number of studies have found that managing turnover is a challenge for organizations, as different organizations using different approaches to retain employees (American Management Association, 2001). Employee retention is also likely to be important for firm performance. If the company is not able to retain its employees, it will not be able to capitalize on human assets developed within the organization. (Shekshnia, 1994) Retention is considered as all-around module of an organization’s human resource strategies. It commences with the recruiting of right people and continues with practicing programs to keep them engaged and committed to the organization (Freyermuth, 2004).

Under one study, Appiah Asiedu Felicity, David Asamoah (2013) focused on human resource management activities that frequently used in the mining industry in Ghana and their effect on employee retention. The main findings of the study were that majority of turnover intentions within the study organisation were attributable to human resource management. Training and development, communication and information sharing, health, safety and welfare, incentives and compensation and job security factors were very significant in bringing about turnover intentions within the mining industry. The study provides insights into the effects of human resource
management practices on employees’ intention to leave and retention in the mining sector in Ghana.

Through the literature survey we have found the different HRM practices that affect the employee retention in an organization. After reviewing the several articles relevant to the employee retention, we have selected the following variables to study the impact of HRM practices on retention of employees. Thus, above discussed HRM practices, shows a significant relationship between HRM Practices and Employee Retention.

**RESEARCH FINDINGS**

The purpose of the study was to determine the extent of impact of HRM practices on Employee Retention can be explained by differences in Human Resource Planning, Recruitment and Selection, Training & development, Reward and Recognition, Career Planning and Welfare HRM Practices. The study found out that HRM practices such Human Resource Planning, Recruitment and Selection, Training & development, Reward and Recognition, Career Planning play a significant role on Employee Retention in Banking sector. While it is found that HRM practices such as Human resource planning, recruitment & selection, Compensation has significant importance on Employee retention but same HRM policies cannot be set for two different set of identities among Private Sector Banks across globe. In some banks it was found that rewards were given on seniority based not on the basis of employees’ competency and performance. It was also revealed that sometimes there is lack of communication between employees and management. Some Banks are not using proper methods of career planning. Study found out that promotions and transfers criteria are not properly followed.

**RECOMMENDATIONS**

It was found that HRM practices have a significant role on Employee retention but there need to be improvement in the area like Human resource planning, Recruitment & selection, Training & Development, Compensation and Employee welfare. To avoid such type of problems Banks should consider effective HRM policies. Banks should organize training and development programme according to the need of the employees. There should a fair performance appraisal programme. The competitive rewards should be provided to the employees according to their performance. It motivates the employees for better work and devotion towards the company. There should be adequate communication between the employees and the supervisor. It is helpful to create belongingness behavior within the employees towards the organization.

The conclusion builds on previous researches shows that HRM practices such as Human resource planning, Recruitment & selection, Training & development, Reward & recognition and welfare activities has significant effect on Employee Retention in Banks. Employee retention is a very important for the organization. It helps the organization in reducing the cost of turnover, loss of company knowledge, interruption of work, regaining the efficiency and increases the productivity of the organization. The important reason for leaving the organization by the employees is money & their working environment. It means the employees are not satisfied with their salary and other monetary benefits which are provide by the organization to them. It is very important for organization to make an effective compensation policy which is able to satisfy the employees. By using different HR practices like HRP, training and development programme, Career planning, promotions & transfers, the condition of employee retention has been increased.

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