CHAPTER 3: REVIEW OF LITERATURE

Over the past decade, the way in which people are managed and developed at work has come to be recognised as one of the primary factors in achieving improvement in organizational performance (Marchington and Wilkinson 1997; Phillips 1997). (Anand, 1997 and Maguire, 1995) acknowledged that successful organizations share a fundamental philosophy of valuing and investing in their employees. In fact several research studies have described human resource management as a means of achieving competitive advantage. (Huselid 1995 and Walker 2001). Consistent with this perspective, the retention of their employees is an equally important issue for organizations.

This chapter explains various research studies related to human resource practices and the retention of employees. It also presents literature review on the causes of poor employee retention. Keeping in mind the topic of present research the following related literature is presented under the following headings:

3.1. Studies related to Employee Retention and HR Practices

Yiu Lichia and Saner Raymond (2014), measured HR function by reporting on the findings of a survey of attrition in Indian companies and discussed the possible strategies chosen by Indian companies to counter costly labour turnover. Higher attrition can be minimised through the payment of higher compensation packages. The researches suggested that Indian companies should do more to strengthen the bonding of internal social networks and deepen individual job satisfaction and organizational commitments to ensure talent retention through competence development and career planning.

Jeen Dorance Batty S. (2014), aimed to the factors which may be the possible reasons for an employee to leave an organization. Employee’s turnover intention and its impact on organizational outcomes were analyzed.
and that was collected through questionnaires from the first and middle line employees in selected organized retail outlets in Bangalore. From the econometric analysis, it was found that turnover intention has influenced attrition factors such as Quality of Work Life, career growth, working hours, personal/family reasons, and relation with internal co-worker, welfare, working condition, and salary.

Rana Hussain, Aiza (2013), examined the influence of talent management (TM) and employee turnover intention (ETO) on organizational efficiency (OE) in telecommunication sector of Pakistan (TSP). It was found that by reducing ETO organizations efficiency can be enhanced. Research results revealed an interesting dimension of talent management which reflects negative relationship with organizational efficiency in TSP. This finding reflected that TM sometime elevates ETO and reduces the OE. TSP needs to reduce employee turnover rate by managing the talent properly to elevate OE.

Kanwal and Muhammad (2013), focused on the retention of employees in banks in Pakistan. Research focused on the factors that are in relevance to the bonus and rewards, satisfaction of employees with the job, training as a career exposure management team work, are the major contributors towards the employee retention in an organization. It was found that training and development had a significant impact on the employee retention. Other factors that have been recognized in the literature review had a synergic effect on the employees’ 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), aimed to understand the impact of retention strategies on employee turnover in sugar industry in India. The focus of this study was on dysfunctional turnover. Other variables such as welfare benefits, personal satisfaction and organization culture, which are associated with the employee turnover, were also investigated as a part of this
study. It was found that the main reason for leaving the organization by employees were compensation and working environment. Results of the study revealed that retention strategies have direct impact on employee turnover. 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.

**Balakrishnan and Masthan, D. (2013)**, identified the drivers of the employee engagement and also examined the relationship between employee engagement and employee retention. It was observed that employee engagement leads to commitment and psychological attachment and reflects in the form of high retention (low attrition) of employees. The study suggested that the level of engagement in employees can be enhanced by identifying its drivers (influential factors). Organizations can design good practices in the light of findings to retain their best talent (highly skilled and specialized human resources) without much financial burden. Statistical evidence in the study confirm that the employee retention can be improved by addressing non-financial drivers of employee engagement like communication, recognition, manager/supervisor support (relationship), work engagement, team work and role clarity.

**Kwenin, O. D. and Muathe S. 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 organizations’ fair reward systems lead to equity and increase retention. The findings also revealed that job satisfaction and favourable human resource policies have positive link with retention. Moreover, the study also identified that employee job satisfaction as a strong signal for retention. Consequently, the study recommended that management of the organization should provide intrinsic values in the jobs to make them more satisfying for the employees to stay.
Human resources policies were also identified to connect directly with retention, and was thus suggested that the company should take a second look at its policies to promote growth and opportunities for employees.

**Appiah, A. F. and David A. (2013),** focused on human resource management activities that were 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 organization 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’ intension to leave and retention in the mining sector in Ghana.

**Lakshmi Devi, R., Amalraj R. et. al. (2013),** aimed to study the employee turnover ratio in a pharmaceutical industry in India. It was observed that the mean of the pull factors was higher owing to higher turnover intention of the employees. Under this study, all factors were divided into two clusters using hierarchical clustering technique namely push and pull factors. The various push factors identified in case study were: Health reasons (Personal), family problems, pursuance of higher education, behavior of boss, conflict of employees, motivation and encouragement of good work, size of the organization, difficulty of job and social status. Among the pull factors, expectation of a high salary, expectation of promotion and reputation of the organization was the most significant reasons for which the employees quit. Among the push factors, family related problems were the most significant push factor contributing to employee exit. This study concluded that the most significant factor is pull factor. The push factor also contributed to the turnover, but not significantly.
Reiche Sebastian B. (2008), conducted a research to explore the determinants which influence retention capacity of MNCs. Researcher proposed a conceptual framework through linked institutional and human resource management perspectives. Labour market perspective and psychological perspective were addressed. It was found that the level of satisfaction and commitment of subsidiary staff which may be affected by HR practices can be moderate by locally oriented management style.

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, and the perspective was 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. It was found that use of effective human resource management practices enhances firm performance.

Ichniowski C., Shaw K., Prennushi G. (1993), analyzed the impact of cooperative and innovative HRM practices on organizational productivity. It was found that "bundles" of internally consistent HRM practices were associated with higher productivity and quality. Study concluded that perceptions of job security, compensation level, job satisfaction, organizational tenure, demographic variables such as age, gender, education, and number of dependents, organizational commitment, whether a job meets an individual's expectations, and the expressed intention to search for another job were all predictors of employees' leaving the organization, Sheridan (1992) also found that perceptions of organizational culture influences turnover.

Spencer, G. Daniel (1986), examined the extent to which employees have opportunities to voice dissatisfaction and voluntary turnover in general
care hospitals. Responses to declining firms in terms of exit and voice were extensively studied. Researcher focused on the amount of opportunity available for voice and not on the quality of that opportunity. Researcher conducted two studies for this purpose. Under first study it was found that the more an organization gives employees the opportunity to voice dissatisfaction over aspects of their work in order to change dissatisfying work situations, the greater the likelihood that its employees will remain with the organization. It was revealed that in general care hospitals Registered nurses' turnover rates in short-term, were significantly lower in hospitals with many mechanisms for the voicing of employees' dissatisfaction. The results of study two indicated high numbers of voice mechanisms were associated with high levels of employees' expectancies for problem resolution and high perceived effectiveness of an organization's procedures for resolving problems. Results revealed that high numbers of mechanisms for employee voice were associated with high retention rates.

Petkar, R. and Suhas, S. (2013), triggered to examine the various functions and HRM practices adopted at TCS with the main focus on its retention management. Researcher focused on the balancing of the global trends in human resource management and the various changes in the policies made accordingly by the company which affects the people working in the organization. This study found that HRM for a global firm has become extremely challenging, among all the functions, talent management and retention appears to be the most significant function of Human Resource Management. With the help of a brief case study of TCS retention policy researcher revealed that the dynamic and employee oriented flexible retention policy based on its own values is a clear ‘X’ factor for the success of TCS in retention. It was also revealed that the rate of attrition in TCS was only 13.1%.

Shukla, K., Somesh and Sinha, Deepti (2013), study was undertaken to understand the major issues associated with the retention of the
pharmaceutical employees in Dehradun city. The objective was to identify the major causes of the high level of attrition. The study also investigated the influence of HR policies, compensation and benefits, work pressure and relationship with the superiors on employee retention. It was found that due to growing expectations among employees at all levels, a majority of employees want to have an improved quality of work life.

Narang, Uma (2013), analyzed the impact of HRM practices i.e. 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. The findings of the study concluded that there was a good relationship between the employee retention and the HRM practices. The frequencies of career development, allocation of rewards regarding work and work environment revealed the highest values in relation to their perceived level of retention with the concern. It was recommended that Organizations should provide their employees with the best career growth opportunities, working environment, rewards, supervisor support and work-life balance and should work on them.

Thite M., Russell B. (2010), addressed the human resource (HR) implications of providing customer service by Indian customer contact centers and the BPO model. The main aim of the researcher was to explore the effects of HR practices on employee retention and attrition in Indian BPO. Researcher critically analyzed the role that HR played in the very dynamic context of offshore business process outsourcing by conducting study of retention and attrition at four large Indian BPO providers. Indices of work load manageability, job skills, training, monitoring, team functioning, workplace socialization practices and elements of the employee relations climate were
analyzed. It was revealed that high employee turnover were potentially destabilizing effects for the industry with flow-on effects on other aspects of HR, including recruitment and training, remuneration, and finally for productivity and unit costs. It was also found that the relationship between globalization and HR were mainly seen in a linear fashion. The relationship between work designs, strategic HR practices and employee retention was moderated by external labor market conditions, changing business models, emerging technologies and employee aspirations.

Bawa, A. M. and Jantan, M. (2013), investigated the relationship between human resource (HR) practices and employee turnover in Malaysia where companies were generally experiencing labour shortage and labour turnover. Researches attempted to distinguish between the causes of voluntary and involuntary turnover in organizations, though recognized for quite some time. The two phenomena seem to be influenced by a different set of factors. It was found that (1) staffing process and employee monitoring were effective in reducing involuntary turnover, and (2) none of the HR practices were effective in reducing voluntary turnover. The study concluded that economic factors such as availability of alternative jobs were most likely relevant in explaining the turnover process. As a practical strategy for combating involuntary turnover, managers should retain and reinforce the current staffing practices (recruitment, selection, orientation training, etc.) and uphold the existing style of performance measurement.

Perumal, P., Choi S. L., 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. The study was conducted to examine whether and how quality employee-organizational relationship influence turnover intentions. Studies have shown that turnover was one of the most researched phenomena in organizational behaviour. The broad range of turnover studies indicated the significance and complexity of the issue. Results
revealed the relationship between employees’ job performance management and their intention to quit. Results indicated a strong negative relation between positive employee relations as an HR practices against turnover intentions.

**Shanmugam, R., Anbu, A.et. al. (2012)**, conducted a study with threefold objectives: first to identify the crucial factors of retention; next to attempt determining the extent to which these factors were affecting employee retention and finally a case study was analyzed in major IT Company for identifying the factors of retention. It was revealed that the human resources were not only the drivers and principal value-creators of the output of the industry but they were also the intellectual capital or the ‘infrastructure investment’. Moreover attracting, training, retaining and motivating employees were the critical success-determinants (Kiran Karnik, 2006). Author also revealed that factors related to compensation (Compensation related policies and non-financial benefits) issues have the highest effect on attrition.

**Zin, M. S. and Ahmad, N., et. al. (2012)**, intended to elucidate one particular issue with regards to Malaysian SMEs which was employee retention and in more specifically, this study aimed to produce a model for employee retention. To attain this aim, the two-factor, or motivation-hygiene theory (Herzberg, 1968) was taken as the basic foundation. Study recommended that HR managers must endeavour to redesign the job to be more varied and decentralized in order to encourage sovereignty among employees. Therefore, motivation model were considered as relevant to be employed in HRM practices for employee retention.

**Rao, Aparna, K. (2012)**, attempted to bring out employee retention approaches, strategies for knowledge workforce, for achieving competitive advantage. Researcher explored all aspects related to workforce stability issues in the employment market with a focus on retaining employees. It was found that Employee retention was the most critical issue facing corporate leaders as a result of the shortage of skilled labor, economic growth and employee turnover. Researcher concluded that employee retention can be practiced better
by motivating the employees in the aspects of Open Communication which enforces loyalty among employees.

**Akuoko, O. K. and Ansong, F. (2012),** focused on role of employee retention strategies played in organizations because it affects workers’ performance. The study investigated the various employee retention strategies and its effect on workers’ performance. Five organizations were selected by simple random sampling technique. They were stratified into three production and two service organizations. It was revealed that the impact of employee turnover on organizations was often endangers far-reaching consequences and may jeopardize efforts to attain organizational objectives (Hill and Jones, 2001). The study found that employee retention strategies contributed to employees’ commitment to organizational goals, thus, exposing their loyalty to their organization. It was also found that when employees were retained, the knowledge they had acquired facilitated the development of operations of the organization they worked for (Butler, P. and Glover, L., 2007).

**Netswera, FG, Rankhumise, E.M. (2005),** analyzed human resources turnover data, and interviewed academic managers and employees in order to examine the possible employee retention factors for a higher education institution in South Africa. They observed that the success of the most competitive companies throughout the world, including higher education institutions, lies in their highly skilled employees on which these institutions spend millions to retain. It was revealed that the cost of losing best employees to be enormous – beyond monetary quantification. It was also noticed that the loss of one competent employee to a competitor institution strengthens the competitor’s advantage. It was also found that different institutional interests between institutional managers and employees. The former were concerned more about profits, business sustenance and justification for spending, while the latter were driven by introverted interests such as development, monetary rewards and personal fulfillment.
Philpott, John (2007), surveyed emerging trends in people resourcing practice. Researcher examined the relationship between organizations and third-party recruitment agencies. Researcher focused on the fact that the pay on offer in a job, though very important, but no more significant than lack of development or career opportunities within an employee’s current organization. It was found that, more than seven in ten organizations were still using recruitment agencies as part of their attraction process (73%). It was also revealed that, according to the survey the desire for a change of career, or the possibility of promotion opportunities in another organization, were the main reasons for which employees quit their jobs. Similarly, as the survey also showed that, quit rates were relatively low for managerial, professional and highly skilled staff.

Nazia, Sultana & Begum, Bushra (2013), focused on the practices followed by a selected Indian MNCs in retaining their employees and also highlights the opinions of the employees about such retention practices mass. Author has thrown light on how MNCs in India are making strategic moves in retaining their talent. This study attempted to fill the gaps by analyzing the impact of three R’s i.e. Respect, Recognition and Rewards on satisfaction level of the employees and by examining the various practices adopted by Indian MNCs in retaining their employees. It was found that most of the employees opted either yoga or other recreational activity to manage stress. The study concluded that organizations must take some measures to relieve the employees from the workload through job rotation, change in work location and other recreational activities.

Chughtai, A. T. (2013), identified the mediating role of employee engagement between HR practices and turnover intentions in the telecom sector of Pakistan. In addition to that the research also provides an effective model for the stake holders of concern telecom companies to keep hold their capable work force in a highly dynamic and fluid business environment. The results
turned out to be extremely noteworthy as they highlighted a definite relationship between HR practices, employee engagement and turnover intentions. It was also revealed that engagement in the purposeful work can bring payback from that work. Work engagement governs turnover intention by mediating the link with job resources. Therefore the implication of employee engagement in any profit or non-profit organization can’t be ruled out.

Sinha, C. and Sinha, R. (2012), explored to identify the main factors of retention management strategies in two heavy engineering manufacturers based in India. The factor analysis of the component ‘retention management strategies’ led to the extraction of 3 factors each from both the organizations. The factors considered for the organizations were “competence & relationship oriented”, “scholastic & futuristic oriented”, “developmental & reward oriented”. The results indicated that these factors have substantial roles to play in making employees stay and how at middle managerial level different aspects were valued while deciding upon the retention strategies.

Nienaber, H., Masibigiri, V. (2012), investigated the factors that Generation X public servants in South Africa perceived as influencing their turnover intent. Furthermore, these factors were also matched with the drivers of engagement i.e. compensation, community and career. It was found that the factors influencing the turnover intent of the Generation X public servants correspond to some of those proposed in the literature, including the nature of the job, traditional attitudes, and organizational context, both on the macro- and the micro-levels. One of the implications of the findings of this study was that although the value of employees to organizations were established as long ago as the Renaissance, organizations still do not capitalize on their most important asset.

In the study researcher Khan, A. A., Mahmood, B. (2011), aimed to identify factors reducing employee turnover and to explore the impact of retention strategies on workforce in Serena Hotel, Faisalabad, Pakistan.
Variables like HR strategies, workplace environment, training and development, and compensation were found more effective in employee retention at Serena Faisalabad. The study suggested that for higher control over retention, management must work over monetary rewards and career progression.

Sheikh, A. M. and Wusat-ul-Qamar (2011), conducted a 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 as well as the banks in Bahawalpur. Employee retention was the dependent variable, which was analyzed 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. It was also found that the frequencies and cross tabs relating to the working environment and career development opportunities were showing the higher values.

Masibigiri, V. and Nienaber H. (2011), investigated the factors affecting retention of employees. The purpose of this study was to explore the factors that affect the retention of Generation X public servants. The study revealed that the factors affecting the retention of Generation X public servants were work content, utilisation of skills, career advancement, work–life balance, compensation, security needs, leadership and drive. It was found that the retention problem was worse for the public sector as there were fewer financial rewards in the public service than in the private sector. It was suggested that Retaining Generation X employees, in particular, was important for both the private and public sectors.

3.2. Studies related to Organizational Climate and HR Practices

Sheridan (1992), investigated the effect of Organizational Culture on employees’ job performance and their retention. Organizational culture values
varied significantly among the firms. Researcher collected data of six-year period from the professional employees of all the firms. This study was conducted with the cooperation of six international accounting firms having offices located in a large western city. The influence of organizational culture values on voluntary retention rates was examined through survival analysis (Morita, Lee, & Mowday, 1989; Peters & Sheridan, 1988). Survival analysis provides actuarial estimates of the survival and hazard rates of new hires at increasing seniority. It was found that focusing on a specific industry in a particular city had the advantage of controlling for variation in regional labor market conditions that could influence retention rates in different cities. Since people join organizations partly because they are attracted to the culture and structure, this is where retention management, begins. Managers who want to examine how effective their organization culture and structure are at retaining employees need to do so from the ground up (Judge and Cable 1997; Sheridan 1992). Kopelman, Brief, and Guzzo (1990) and Kerr and Slocum (2005) argue that the culture and core values present within an organization can have a direct influence on employee retention.

Ashique, Ali (2007), aimed at the understanding of ‘integrated role of HR practices, organizational cultural values and the attitudes of supervisor on personality dimensions and employees intentions to stay or quit. Therefore researcher investigated impact of HR practices, organizational cultural values and attitudes of immediate boss on personality dimensions and work-related factors. Such positive and integrated organizational climate directly generates overall satisfaction, organizational commitment and OCB which virtually forces employees’ stay in the organization and vice versa. It was found that positively implemented HR practices, conducive organizational culture and friendly attitudes of supervisor separately and collectively leave strong impact on personality dimensions of individual at workplace.
There are differences in HRM Practices adopted by International and Domestic companies (Hiltrop, 2002). Internal work was affected by Socio-cultural environment, which in turn affects HRM Practices. A model of culture fit comparing Indian and Canadian managers and employees has been discussed. In assessing socio-cultural environment and internal work culture, the “participant” technique was used in Study 1 (the respondents indicated their own beliefs and assumptions) and the “observant” technique was used in Study 2 (the respondents indicated beliefs and assumptions of the majority of individuals in society). In both studies India scored higher than Canada on paternalism, power distance, uncertainty avoidance, reactivity and futuristic orientation (Zeynep Aycan et al, 1999).

**Kaur, Sharan and Hong, C. L. (2008)**, examined the relationship between organizational climate, employee personality and their intention to leave an organization in the Malaysian context. Four organizational climate dimensions were chosen for this study, i.e. structure, responsibility, rewards and support. Dominance and sociability were the personality dimensions chosen and its moderating effects were on the relationship between organizational climate and intention to leave. This study focused some light for organizations that encounter high turnover rates resulting from unfavorable organizational climate. It was revealed that organizational climate has a significant association with employees’ intention to leave. All the four organizational climate dimensions had significant negative correlations with employees’ intention to leave. Study suggested that knowing more about why people intent to leave is important to develop general guidelines to improve the relevant organizational climate factors that are considered short-coming in the organizations.

**Govaerts N. and Kyndt, E. (2010)**, aimed to investigate some factors that have an influence on employee retention. Researches focused on the factors i.e. Both “Appreciative learning and working climate” and “Following
procedures”, have a positive influence on the intention to stay. In the case of the intention to leave, the predictors operate in the opposite direction, thus having a negative influence. In contrast, the absence of these two factors will increase the intention to leave. It was found that when organizations want to retain their employees it seems important to pay attention to the learning of employees. Results concerning the selected employee variables show that only age has a significant relationship with retention. Regarding the intention to stay, there exists a positive relationship between age and retention. In the case of leaving, a negative relationship was revealed. Hence, researcher concluded that the older an employee, the more likely he will stay and the less likely he will leave the organization.

Dochy, Filip (2009), examined the influence of organizational and personal factors on employees. Researcher stressed on securing and retaining skilled employees, because employees’ knowledge and skills are central to companies’ ability to be economically competitive. The researcher found that a large positive contribution of appreciation and stimulation of the employee to employee retention. This study showed that individual differences influence employee retention. Relationship between employee and retention revealed that leadership skills and seniority have a positive relationship with employee retention and the level of readiness and initiative regarding learning is negatively related to retention.

HRM practices also act as a mediator between organizational culture and transformational leadership whose outcomes are hypothesized as lower levels of individual employee’s intention to quit the organization and shows higher level of performance (Soumendu Biswas, 2009).

Bryman (1992), defined Leadership as the behavior of an individual that results in non-coercive influence when that person is directing and coordinating the activities of a group toward the accomplishment of a shared goal. Leadership was conceptualised in terms of four tasks that need to be
accomplished in any organization: providing direction, assuring alignment, building commitment and facing adoptive challenges (Risher and Stopper 2002). It was found that leaders were central to the process of creating cultures, systems and structures that foster knowledge creation, sharing and cultivation (Bryant 2003). It was also found that leadership enhances organizational commitment (Alimo-Metcalfe and Alban Metcalfe 2001; Allen 1996; Ferres and Convell 2002; Podsekoft, Mackenzie and Bommer 1996). Though there were differences between the transformations and Charismatic leadership theories, it was now become more common and referring to this body of work as the “new leadership” theory (Gumbus and Johnson 2003) or “neo-charismatic” leadership theory (Nanus 1992). Transformational leaders were regarded as active leaders (Yammarino and Bass 1990).

3.3. Studies related to Job Satisfaction and HR practices

Arshad, A., M., Amin G. (2013), explored the impacts of performance appraisal politics on job satisfaction, turnover intention and loyalty to supervisor as perceived by the employees of telecommunication organizations of Pakistan. Performance appraisal politics was highly related to job satisfaction as the compensation decision, benefits and rewards were given according to the performance appraisal of an employee. It was found that if in any case there is a difference in ratings due to any reasons, it will affect the reward system of the worker and the compensation which will ultimately influence the job satisfaction. Moreover, the politics in performance appraisal also influences the organizational justice and it may also affect job satisfaction. The results concluded that the political motives of the appraisers during performance appraisal process causes in reduced job satisfaction and loyalty of supervisor and increased turnover intentions of the employees.

Basically, employees perform the essential tasks within the organization, and organizational human resource systems were designed to support and manage the human capital (Gramm and Schnell 2001). Current HRM practices emphasis the benefits of meeting employee needs and enabling workers to have
control over their work lives. Many firms recognize the necessity to provide the information, flexibility and voice that employees require to contribute to organizational success (Becker and Huselid 1998; Capelli 2000).

Job Satisfaction is a set of favourable or unfavourable feeling and emotion with which employees view their work (Newstorm, 2009). He explains job satisfaction as a pleasurable feeling that results from the perception that a job fulfills or allows for the fulfillment of its holder’s important job values (Cascio, 2007). Hom and Griffedn (1995), said that satisfied employees have lower level of turnover while dissatisfied employees have higher levels of turnover.

Job satisfaction has a number of facets such as satisfaction with work, pay, supervision, quality of work life, participation, organizational commitment, and organizational climate (Lillie, John, Kathleen, Frank, & Wendy, 1998). Researchers have verified the importance of pay, work organization and work conditions in shaping job satisfaction (S. Cohen & Bailey, 1997; Harley, 1999; Maertz & Griffeth, 2004; Taplin & Winterton, 2007). Although these facets were correlated, satisfaction with one facet does not guarantee satisfaction with all other facets (Kavanaugh, Duffy, & Lilly, 2006).

Valahzagharda, K. M. (2012), identified the effects of related services to support employee to reach job satisfaction and employee activities in one of Iranian banks called Mellat Bank. Researcher divided the process into two categories: Under first category different activities were included such as having health and safety in working centers, performing healthy and sport programs and some other similar activities to save and improve employees' physical characteristics. The other important issues included under second group normally called benefit packages, which involves good health insurance and retiring plans. It was found that employees were relatively satisfied from the benefit package of the bank and they were relatively happy on working for
such organization. Study concluded that an organization which provides good benefit package and supporting programs, will result in a better job satisfaction among employee.

Shaheen, A. and Uddin, N. (2012), aimed to find out the level of job satisfaction of the bankers of Bangladesh. In this study 50 bankers from different areas of Janata Bank Limited (JBL) were selected without considering their demographic variables and both parametric and non-parametric statistical analysis have been conducted to draw conclusions. This paper revealed that the job satisfaction of the bankers mainly depends on some aspects like: salary, promotion, supervision, benefits, rewards, operating procedure, co-worker, nature of work, communication etc. It was exhibited that the overall job satisfaction of the bankers prevailed in JBL although in some of the aspects or areas they were not satisfied such as salary, promotion and benefits. The overall results of the study showed that services of the officers of the JBL were significantly satisfactory.

Researchers have developed a relationship between HRM practices and organizational performance, but the relationship between HRM practices like job analysis whereas employee Job performance remains unexplored (Rehman Safdar and Ajmal Waheed, 2010). This study was based on a study of employees of Pakistan Public sector regulatory authorities of telecommunication, oil and gas, power, media, security exchange, banking sector and organizations. Researcher developed a hypothesized model linking HR importance of job analysis with employee job performance. It was found that, even if a HR practice does not show positive connection, it significantly influence performance outcomes indirectly.

Misra, Pooja, Rana, Neeti et. al. (2012), analyzed the impact of Compensation components in terms of Rewards and Benefits and Organizational Justice on Turnover Intentions and the role of Job Satisfaction in terms of Pay. It was examined that compensation influences key outcomes
like job satisfaction, attraction, retention, performance, skill acquisition, cooperation, motivation and turnover intent of employees. This study has been done on the Indian Retail Industry with special reference to Retail Store Operations. It was found that rewards and organizational justice in terms of distributive and procedural justice impact job satisfaction which in turn affects and described as one of the reasons for high attrition rates. The independent factors of Financial (base pay, merit pay, incentive, bonus etc.), non Financial Reward (discount coupons, employee of the month), benefits, distributive and procedural justice impact job satisfaction which in turn impacts absenteeism and attrition rates in the retail industry.

Kehinde, Obasan, A. (2011), evaluated the impact of job satisfaction on absenteeism in Black Horse Industries Limited, a plastic manufacturing industry situated at Ibadan, Oyo State, Nigeria. Researcher considered seven major extrinsic sources of job satisfaction relative to absenteeism including pay, promotion, work interest, supervision, co-workers, working condition and fairness of supervisors. Job satisfaction has been noted as one of the factors influencing an employee’s motivation to attend. It was revealed that there was a direct linkage between employee absenteeism and job satisfaction. It was also discovered that the absenteeism of workers in a workplace may be caused by a lot of factors which in most cases were related to the dissatisfaction of the employees.

Salazar, John (2011), focused on the impact of human resources practices on various organizational outcomes. In this article the relationships between training and development, and employee job satisfaction, loyalty, and intent to stay in four lodging properties was explored in the United States. The purpose of this study was to explore the degree to which training and development opportunities influenced employee job and company satisfaction, as well as loyalty and intent to stay. Result indicated that employees who perceive they have the opportunity to develop new skills were more satisfied with their jobs, more loyal, and more likely to stay with the organization. It was
also revealed that both the opportunity to develop new skills and the opportunity for advancement significantly influences an employee’s job and company satisfaction.

Training is considered a form of human capital investment whether that investment is made by the individual or by the firm (Goldstein 1991). Once employees are hired, training programs enhance employee job skills. Employees are expected to acquire new skills and knowledge, apply them on the job, and share them with other employees (Noe 1999). Lauri, Benson and Cheney (1996) found that firms often delay training to determine whether workers are good matches and therefore have a lower probability of leaving the firm. Frazis, gittleman, Horrigan and Joyce (1998) found that firms that provide more benefits and have innovative work practices train their employees more than other firms.

HRM Practices also have a positive impact on job satisfaction of employees in Bangladesh. An analysis from 20 manufacturing companies suggests that, human resource planning, and training and development were found to have positive impact on job satisfaction and among them training has the greatest impact on job satisfaction (Narul, A. and Mir, M., 2010).

Kamal, Raj and Sengupta, Debashish (2008), focused on the degree of overall job satisfaction prevailing among the Bank Officers and also to elicit officer’s views on the different factors contributing to their job satisfaction, in the light of current realities. Banking sector which was undergone a sea-change over the years, this has put new pressures and realities in front of the bank employees. Bank Officers form a delicate link between the management and the clerical staff. The success of the bank to a large extent depends upon the coordination, synchronization and cooperation of the bank officers with these two very divergent entities. It was revealed that with the change of satisfaction determinants, level of job satisfaction also varies. It was also observed that as a person ages, his job satisfaction shows an increasing trend.
With age, spiritualism of the person increases, but his alternatives for change decreases. Younger employees have more energy, more expectations and more options, and hence have lesser satisfaction with the job. Overall the job satisfaction of bank officers though was not very high but still it was found satisfactory.

Ngute, L. K. (2008), determined the relationship between recruitment practices, job satisfaction and employee retention in the Kenyan manufacturing sector. Researcher focused on the dynamic business environment that caused by increased competition, increase customer demand and improved technology and the need for strategic planning call for a business management strategies that encompassed the use of strategic human resource management practices included strategic recruitment and selection of human resources, improved employee satisfaction and employee retention. From the study it was established that of all the recruitment and selection methods tested all of them were being used by all the companies, but interviews stood out as the most common used method while medical examination was least preferred. The results of research indicated that job satisfaction was a key requirement of employee retention. The study also revealed that there exists good employee relation and proper communication channels across manufacturing firms in Kenya.

Canter, D., Deborah, B., Chun-Fang, C. et. al. (2005), investigated the expectations and perceptions of training quality between hotel managers and employees, and to suggest implications for improving training quality and increasing training satisfaction, job satisfaction, and intention to stay among employees in the hotel industry. The conceptual model of this study was developed based on SERVQUAL and the Service-Profit Chain model. Data analysis included t-test measuring training quality, factor analysis confirming the underlying structures, and regression analysis examining the relationships among training, job satisfaction and intention to stay. Job satisfaction led
positively to intention to stay. The indirect effect of training quality on intention to stay was mediated by job satisfaction. It was revealed that training has been found to link with improving job satisfaction and employee intention to stay. This study suggests more understanding of the importance of training quality and its consequences, and to pay more attention to employee training.

Sundaray, Kumar & Bijaya (2001), has examined various determinants of job satisfaction and suggested some strategic initiatives which contribute to job satisfaction and ultimately to employee retention. Few models based on theoretical review of research studies conducted in the past depicting the relationship between job satisfaction and its positive outcomes as well as the outcomes of employee retention was proposed. Job satisfaction has been found to be the most important tool for employee retention. Several positive outcomes of job satisfaction have been observed which eventually leads to employees’ intent to stay with the organization. Employee satisfaction has been found to be positively related to the intent to remain with the company and negatively related to intention to quit and turnover (Clark, 2001; Kristensen et al., 2004). It was also found that quantifiable and positive links have been established between job satisfaction and organizational effectiveness, better individual performance and customer satisfaction.

Williams, J. Larry, et. al. (2001), examined that a positive correlation exists between organizational commitment and job satisfaction (T. Becker, 1992). Organizational commitment has a deep relationship with organizational goals, and represents both an individual’s relationship with those goals and how much an individual values, and works towards, attaining those goals (Mowday, et al., 1979). Rainey (2001) identified motivation as ‘the extent of work and input delivered by an individual in the current work setting. Research revealed a relationship between job satisfaction and organizational commitment (Mosadeghrad, Ferlie, & Rosenberg, 2008). Williams and Haze (1986) employed structural equation methodology and correlate job satisfaction with
organizational commitment. Both on an organizational and individual basis, it was observed that commitment was aligned to performance (K. Ferris & Aranya, 1983) and had a negative impact on turnover and intent to leave.

3.4. Studies related to Organizational Commitment

Lamba, Shruti, Choudhary, N. (2013), focused on the era of highly competitive environment, organizations in Manufacturing sector and Service sector that were trying hard to win the mind of customers by providing them value added service and quality innovative products to remain competitive in the market. The study focused on HRM practices and their impact on Organizational commitment of Employees in various sectors in India. The study revealed that how HRM practices provide an edge to employee’s commitment towards an organization goal in the global competitive market. The study also revealed that HRM practices such as Compensation, Training & development and Employee participation play a significant role on Organization Commitment in banking sector. In academics sector, HRM practices viz. career development and job satisfaction has significant impact on Organization Commitment. In Hospital industry, supportive reward oriented HRM Practices increases employee commitment towards Organization.

Joarder, Mohd., H. R. et. al. (2012), examined the intervening effects of affective commitment on the relationship between certain human resource practices and turnover intention in the context of private university in Bangladesh. Results revealed by the authors suggest that all the human resource practices and affective commitment were significantly and negatively related to turnover intention. The study also found that affective commitment fully and partially mediated the proposed relationship between human resource practices and turnover intention except job autonomy practice.

Maluti, V., Lucania et. al. (2012), explored the various employee commitment initiatives as exercised by both employees in relation to the impact they have on employee retention in state corporations in Kenya in the
last 5 years (2005 – 2010). The results indicated that there was no statistically significant relationship between employee commitment and employee retention in state corporations. It emerged that exit interviews seemed to assist firms to restructure so as to reduce absenteeism cases. It was observed that working schedules of SFCs seem to be rigid such that flexible working was accommodated, it was suggested that this concept need to be accepted and adopted as a modern, effective, efficient, productive, competitive and sustainable HR practice.

Gnanakkan, S. S. (2010), conducted a study to test the influence of HRM Practices on turnover intentions mediated by organizational commitment on Information and Communication technology. The results of the study partially support that HRM practices mainly compensation and training, has a significant direct effect on turnover intention and the Organizational Commitment contribute to turnover intention when combined with HR Practices in the model. Moynihan, Lisa, M. et. al. (2000), examined the influence of job satisfaction and three dimensions of organizational commitment (i.e., affective, continuance, and normative) on the intention to leave, job search activity, performance and leadership effectiveness of executives. Study revealed that affective and continuance commitment showed an incremental effect in the presence of job satisfaction. Job satisfaction is associated positively with performance, though not with leadership but Continuance commitment is negatively associated with both performance and leadership. Pare Guy et al. (2007), investigated the relationship between HRM Practices and turnover intentions of highly skilled employees. It was concluded that non-monetary recognition and competency development and to a lesser extent, fair rewards and information-sharing practices were negatively and directly related to turnover intentions.

Tek-Yew, Lew (2011), explained the relationship between career development opportunities perceived organizational support, felt obligation,
affective organizational commitment and turnover intention of academics working for one of the foreign offshore campuses of Australian universities in Malaysia by testing the structural model. The study was driven theoretically by the social exchange theory and the organization support theory. Another study conducted in nine organizations of Australia proved that HRM Practices showed a positive impact on organizational commitment of academicians and practitioners that positively relates to retention of employees (Chew Janet in 2005). It was also found that the empirical support for organizational support theory’s that a practice such as career development opportunities signals the organization commitment of academics.

**Kotze, K., Roodt, G. R. (2005)**, conducted study about the factors affecting the retention of managerial and specialist staff amongst the employees of two banks. The study investigated the Employee Commitment model. The study also explored whether retention factor differences exist amongst biographical groupings. Various differences were identified between previously disadvantaged individuals (PDIs) and non-PDIs, male and female, service tenure groups and age groups. It was found that the response rate was 86%. This study suggests that retention could be enhanced with strategies or interventions which are targeted at the indicated age categories where the identified problems exist.

**Brum, Scott (2007)**, examined the effect that training and workplace education programs can have on various organizations. The study analyzed numerous outcome variables that may be achieved through training. Variables related to performance, wages, productivity, satisfaction, motivation, and absenteeism were all examined. These variables were analogous too many of those that are commonly scrutinized in the training and development literature. This study seeks to move away from the frequently assumed training outcomes and focused more on the relationship of training and employee commitment. It was found that, an effective training program was one such organizational practice that can lead to greater employee commitment and a more stable workforce.
Wellins, S., Richard, Bernthal, Paul et.al. (2006), fostered the positive relationship between engagement and performance provided a way for HR to prove its contribution. The research investigated that the higher the employee engagement scores, the better the performance of the organization. This paper triggered that changes in leader behaviors can have a real impact on employee engagement. Engaged employees look for better ways to do their work, spend less time on wasted activities, and make effective use of resources. Researcher revealed that for an environment of engagement, organizations need strong systems and strategies that promote and support engagement. Hiring and selection systems that measure motivation and the propensity for engagement, leadership training in certain skills (coaching, influencing others, managing change), performance management and accountability systems that provide direction, support, and objective assessments—all work together to provide a foundation and environment in which engagement can flourish.

Watson, L. John (2002), focused on the fact that employee retention was dependent upon levels of organizational commitment. With the help of some organization behavior studies, author collected data on human resources practices at thirty-four public institutions of higher education. In addition, staff employees from institutions completed a survey measuring affective, continuance, and normative organizational commitment levels. Statistical analysis procedures found significant relationships between the HRM strategies and two of the commitment constructs. The study indicated that certain HRM strategies affected organizational commitment and potentially influence turnover. It was revealed that there was potential influence of human resources management (HRM) strategies on organizational commitment levels among staff employees.

Some bodies of research focused on the consequences of employee commitment. Reichers (1985), speculates that ‘though the literature was fairly clear with respect to the outcomes of commitment, the antecedents of
commitment seem to be much more varied and inconsistent due to the several different ways in which commitment has been defined and operationalized’. According to Steers (1977) and Gellatly (1995), one of the most significant outcomes of employee commitment was higher levels of attendance by workers. In a study involving a group of nurses in a hospital, it was established that those employees with lower levels of commitment to their organization demonstrated higher absenteeism (Somers, 1995). The findings of Somers were supported by Blau and Boal (1987), whose study was on insurance employees similarly revealed that those employees committed to the organization demonstrate lower levels of absenteeism and turnover.

3.5. Studies related to various Interactive Variables

Ahmad, R., Bujang, S. et. al. (2013), triggered the relationship between the types of benefit (leave, loan and retirement plan) and employees’ retention. The implication of this research indicated that the combination of non-monetary and monetary types of benefit does affect the employees’ retention. Based on the findings of the study, it was concluded that the employees would remain with the employers longer because of the leave, loan and retirement benefit plans as these three benefits positively influenced the employees’ retention. Leave was the dominant factor among three types of benefits in influencing the employees’ retention. These benefits affected the employees’ decision to stay or leave the organization. Therefore, it was recommended that the organization must concern on employee benefits base on their needs in order to retain capable and productive employees. Salary benefits must be taken into consideration in Bangladesh Banks as per their Business strategy (Sarker, Md. Atiqur Rahman, 2012).

Kwenin, O. D. (2013), explored the link between work environment, career development opportunities and employee retention in Vodafone Ghana Limited. The implication of the study was that, the management of Vodafone Ghana Limited should provide advancement opportunities to increase
employees’ career growth to help retain employees. It was revealed that work environment and career development opportunities had positive relationship with employee retention and thus affect employees’ decision to stay in Vodafone Ghana Limited. Moreover, it was also identified that career development opportunities also indicated a strong signal for retention. Finally the study also recommended that thriving and friendly environment should be provided at the workplace to make employees more satisfied to remain in Vodafone. Consequently, it was recommended that management of the organization provide development opportunities to increase employees’ career growth and to make them satisfied to remain in the organization.

Fatima, Hira (2011), focused on the factors that influence any organizations’ skilled labors decision to stay or to leave the organization and simultaneously. It was found that reward system of any organization regardless of its size, comprised on the decision of staying or leaving the present job. Secondly the career and growth opportunities offered in the organization are according to employee’s sense of fulfillment. Thirdly, supervisors or the managers of the organization who are directing the employee play a vital role in employee retention and challenging and meaningful work climate. Research revealed that rewards, career progressing opportunities, a supporting boss and a meaningful work climate provides organizations with improved ability to attract more skilled workers and also retaining the talented ones.

Vanhala, Mika et. al. (2011), examined the effects of various HRM practices on the impersonal dimensions of organizational trust among the employees working in ICT and Forest industry in Finland. Hypotheses were tested on a sample of 715 respondents. By using structural equation modeling, it was found that employee trust in the whole organization was connected to perceptions of the fairness and functioning of HRM practices. Such practices were therefore be used in order to build the impersonal dimension of organizational trust.
Kim, J. W. and Phillips, P. (2010), focused that by giving health care coverage probability of worker retention can be raised. Researcher used a shared frailty survival model by taking samples of blue collar construction workers from the 1996 and 2001 SIPP. It was found that controlling for wages, occupational and demographic factors, both portable union and non-portable nonunion employer-provided health insurance increase the probability of worker retention within the construction industry. It was also revealed that portable union health insurance increases the probability of worker-industry retention by 30 to 41% compared to 13 to 18% for nonunion employer-provided insurance.

Eisenberg, Robert et. al. (2002), investigated the relationships among employees’ perception of supervisor support (PSS), perceived organizational support (POS), and employee turnover. Three studies were conducted for this purpose. Under study 1, with 314 employees drawn from a variety of organizations, it was found that PSS was positively related to temporal change in POS, suggested that PSS leads to POS. Under study 2, with 300 retail sales employees, it was found that the PSS–POS relationship increased with perceived supervisor status in the organization. Under study 3, with 493 retail sales employees, it was found that POS completely mediated a negative relationship between PSS and employee turnover. These studies suggested that supervisors, to the extent that were identified with the organization, contribute to POS and, ultimately lead to job retention.

Kreisman, J. B. (2002), intended to illuminate numerous employee-retention related issues that were particular significant to organizations. Author discussed how the Insights Discovery System can be utilized as a powerful force to engage, or re-engage employees in a manner that fosters greater job satisfaction and commitment thus improving business results and retention of an incumbent workforce though increased understanding of human behavior. It was found that 85 percent of all difficulties in organizations arise from
interpersonal relations, not the competencies of individuals. It was also found that approximately 45 percent of all “executive derailments” occur because the manager were failed to develop and maintain a network of relationships both inside and outside the organization (Dalton and Thompson, 1987). Strong relationships at work treated as a key to retain an organization’s people. The study found that some engineers depend on the workplace as a primary source of social relationships (O’Malley, 2000; Thomas, 2000; Trice and Beyer, 1993).

**Kar, Subhasree & Misra, K. C. (2013)**, analyzed the impact of work life balance practices on employee retention and the mediating effect of a supporting culture based on empirical evidence drawn from Indian IT sector. It was found that work-life conflict was a serious problem that impacts workers, their employers and even the communities. Evidence suggested that improvements in people management practices with a high supportive work culture characterized by work time and work life flexibilities contributes to increased work life balance and make the employees more productive. It was revealed that a work life balance supportive culture mediates the effect of the availability of work life balance practices on organizational performance.

Many researches indicate that an organization’s commitment to family needs and work–life balance will ultimately impact upon the commitment of their employees and the retention rate (Haar & Spell, 2004; Rothbard, Phillips, & Dumas, 2005; Wang & Walumbwa, 2007).

**Shiralashetti, A.S. (2008)**, focused on the fact that the retention was very difficult without job satisfaction and motivation. Experts on behavioral science like Maslow, Herzberg, McClelland, Elton, Mayo and Vroom, et. al. identified the needs of employees in organizations and suggested for providing financial and non-financial incentives to retain employees for longer period. Data was collected by selecting employees as sample from four group of (food based, forest based, service based and electric and electronic) SMEs in Dharwad district. Further, secondary data like newspapers, journals and books
were used for the present study. However, it was identified that the right motivating factors become very difficult for small firms due to many limiting factors.

Researchers have found that the attitudes and expectations of leaders and organizations have a heavy impact on the enthusiasm and enjoyment of work by the workers (Lok & Crawford, 2004). It was believed that if an employee has an affinity with the employer (Lin, Lin, & Lin, 2010), then the actions of the supervisor will be supportive and help the worker enjoy his work. Interaction greatly helps a worker to enjoy work, and makes his or her attitude highly regarded in the society (Naumann, 1993). A study of transparency in management found that workers who were able to see their leaders developing procedures and rules, predicting and controlling problems, and offering corrective measures enjoy their assigned work (Mosadeghrad & Yarmohammadian, 2006). It was observed that it helps in reducing the percentage of employees resigning on the grounds that the job is unfair and unreasonable (Jones & Skarlicki, 2003).

Scott, Dow (2010), confirmed that total rewards structures, programs and policies influence employee engagement. Employee engagement was typically described as a high level of employee involvement, commitment to the organization and job satisfaction. The authors’ survey explored the gap and determines how total rewards programs and employee engagement were related. However, it was also evident that the majority of compensation professionals do not necessarily consider how total rewards programs affect employee engagement in the design of rewards structures, policies and programs. When the impact of different categories of rewards programs on engagement was studied, it was discovered that base pay and benefits had the overall weakest relationship with the organization’s ability to foster high levels of employee engagement and motivation compared to incentives, intangible rewards and quality of leadership on engagement. It was ascertained that quality of leadership had the strongest relationship with effectively engaging and motivating employees.
Habeck, R., Kregel, J. et al. (2010), aimed to examine company (Absence and Disability Management) ADM and retention practices and their effectiveness, as well as how these company policies and practices might influence hiring of people with disabilities. Items most highly correlated with retention effectiveness address the provision of development opportunities to employees at every level, seeking the ideas and involvement of employees, and assuring they know how their work and performance support the mission. ADM practice was related to improving health and managing health conditions and resolving disability and bringing back to work. Retention practice, ADM practice, retention effectiveness, ADM effectiveness and disability attitudes comprised a model to predict the hiring of people with disabilities. Findings substantiate a positive relationship among retention practices, ADM practices and outcomes. Both were associated with retaining employees who develop potentially disabling conditions; but they were not directly connected to hiring people with disabilities.

Samuel, O. Michael and Chipunza, C. (2009), examined the extent to which identified intrinsic and extrinsic motivational variables influenced the retention and reduction of employee turnover in both public and private sector organizations. The study adopted the cross-sectional survey research design, investigating the extent to which selected motivational variables influence employees’ decision to either remain or quit an organization. The study examined two public and two private sector organizations in South Africa. The result showed that employees in both public and private sector organizations were, to a very large extent, influenced to stay in their respective organizations by a combination of intrinsic and extrinsic motivational factors. The following motivational variables were found to have significantly influenced employee retention in both the public and private sector organizations: training and development, challenging/interesting work, freedom for innovative thinking, and job security. Younies, Barhem and Younis (2008) found that recognition and reward played an important role as stimulating factors in the sectors, both non-private and private.
Scandura and Lankau (1997), performed a cross-organizational study that shows that providing women employees with support in the form of flexible working hours, maternity leave, and similar benefits eventually results in an increase in their organizational commitment. Similar commitment was seem to rise when people with family responsibilities were given the option of working flexible hours. A limited amount of information and literature, mainly considering the health care industry in the public sector, shows that motivating initiatives helps employees to retain (Nowak, Holmes, & Murrow, 2010; Willis-Shattuck et al., 2008; Yildiz, Ayhan, & Erdogmus, 2009). Ultimately, motivating employees is a healthy factor in managing the workplace environment.

HRM Practices namely Human Resource Planning, Job analysis, Recruitment, Selection, Training, Compensation and Welfare, Performance appraisal, Orientation shows the relationship on productivity of labours. The data collected from selected manufacturing firms located at eight large industrial estates representing three provinces in Sri Lanka and it was analyzed that HRM Practices were significantly correlated with the labour productivity (Navaratne N.N. J et al, 2009). Tremblay Michel et al in 2010 analyzed whether procedural justice, organizational support and trust, as relational exchange mechanisms mediate the relationship between HRM practices and performance among Canadian employees working in Hospitals. It was found that HRM practices although innovative does not suffice to improve behavioral performance. UK-based small and medium-sized enterprises adopt HRM Practices by which small firms face product market competition. Also, group culture is a key factor to which HRM practices are adopted and helped in increasing labour productivity (Patel, Pankaj, C. et. al., 2010)

The organizations which implement innovative HRM practices with dedication, remains ahead of their competitors because such practices affects other related variables such as competitive advantage, job satisfaction, financial
performance, employee turnover, service quality, employee commitment etc. in a positive manner and leads to overall corporate performance (Tiwari Pankaj, et al, 2009). Cabrales Alvaro Lopez et al (2009) found in a similar study that innovative HRM Practices are directly associated with employees’ knowledge in Spanish Industries.

HRM Practices like structural training and development, retention oriented compensation are related to firm’s performance where country’s origin plays an important role. Author has conducted the study in firms based on United States, Great Britain, Japan and Hong Kong firms. It was found that relationships of structural training and development and retention-oriented compensation were stronger for Hong Kong Firms (Yue Ngo Hang et al, 1998).

Berry, L. M. and Morris, L. Michael (2008), examined the relationship between the antecedent -- employee engagement factors and the outcome variable turnover intent mediated by job satisfaction. Kahn’s Personal Engagement Theory, Equity Theory, and Herzberg’s Two-Factor Theory of Job Satisfaction were used as the theoretical underpinnings for the review. Implications for human resource development were discussed. It was recommended that not only retain talented people, but fully engaged them; capture their minds and hearts at each stage of their work lives.

Stassen, M., Armstrong (2008), conducted a research in 25 countries to analyze whether employers had strategies in place to retain their mature or aged employees. It was found by the author as well as The Conference Board of Canada that a great deal has been written about what employers should do to deal with workforce aging, but evidence documented what Canadian employers were actually doing was rare.

Under the study of Oikarinen, Tuija et. al., (2007), it was examined that Organizational citizenship behavior can also be enhanced by HRM Practices. HRM Practices like performance management and reward systems; communication; empowerment; team working; and training and development
in network companies have a positive impact on employee’s organizational citizenship behavior. In North East England HRM practices shows a positive impact on organizational citizenship behavior, through an effect on perceived job influence (Redman Tom, 2006). Employees working in North-East England suggest that there is a positive impact of HRM practices on organizational citizenship behavior, through an effect on perceived job influence (Snape E et al, 2010).

Poh, V. B. (2002), examined three antecedents of turnover intention, which were demographic (age, tenure, marital status, education level, employees status and gender), controllable factors (Job satisfaction, organizational commitment, procedural justice, career and self-development, and stress), and uncontrollable factor (perceived alternative employment opportunity). The data was collected from an electronic company in kuching by using questionnaire. It was found that employee turnover intention was significantly affected by age, tenure, marital status, job satisfaction, procedural justice, stress and perceived alternative employment opportunities. Findings suggest that employee turnover problem in the electronic company can be controlled by improving the management practices.

Terence, R. Mitchell, Brooks, C. Holton et. al. (2001), discussed some new research and its implications for managing turnover and retention due to the intense competition to retain key employees. Data was gathered from five separate samples that addressed the principles of the unfolding model. It was found that many cases employees leave their jobs because of unexpected events and shocks. It was also revealed that employees often stay because of their attachment and sense of belongingness, both on the job and in their community. It was recommended that retention cannot be accomplished purely through money. A host of on-the-job and off-the-job factors must be considered while developing employee retention plan.

Muser, R. Linda (2001), focused on certain effective strategies for employee retention. Methods to determine why employees leave or stay were discussed as well as the retention tools that work best to retain diverse
employees. These tools include mentoring, networking, career and learning opportunities, a balance between work and home life, a welcoming climate, and support for research. There was much concern about recruitment and retention of diverse employees but usually the focus was on the former with little or no discussion of the latter. Researcher revealed that seventy-seven percent of organizations in a study stated that recruitment and retention of a diverse workforce was a high priority but less than ten percent had professional development or mentoring programs.

**Thio, S. (2000),** addressed some issues that related to voluntary welfare organization. Researcher focused attention on attrition and retention in a context of rapid organization growth and social environmental change. Number of insights from the human resource management research field was derived; the focus was on the application of those ideas in a voluntary welfare organization which were required to give greater emphasis for professional decision making input and discretion. It was recognized that attrition and retention were not just organization behaviour terms but pressing issues for organizations. Author concluded that Retention of key staff needs continuing leadership influence and management attention.

For achieving competitive advantage it is necessary that employees who are good performers and exhibit potential for even better performance will be assets to the firm. To maintain this attitude it is necessary for the firms to devise means and ways to keep the employee satisfied and committed (Sharma, Archana et. al., 2012).

### 3.6. The present studies in relation to above literature

Some of the findings that are relevant for present study are being extracted here:

i. Jeen, Dorance, Batty, S. (2014), observed that turnover intention has influenced attrition factors such as Quality of Work Life, career growth, working hours, personal/family reasons, and relation with internal co – worker, welfare, working condition, and salary.
ii. The training and development had significant impact on the employee retention out of several major factors related to employee retention. (Kanwal, Ambreen and Majid, Muhammad, 2013),

iii. Mathur, Atul and Agarwal, P. K. (2013), recognized that the main reason for leaving the organization by employees was compensation and working environment. Retention strategies have direct impact on employee turnover.

iv. Employee engagement leads to commitment and psychological attachment and reflects in the form of high retention (low attrition) of employees (Balakrishnan, C, Masthan, D. et. al., 2013).

v. Kwenin, O. D. and Muathe, S. et.al. (2013), observed that organizations’ fair reward systems lead to equity and increase retention. It also revealed that job satisfaction and favourable human resource policies have positive link with retention. Moreover, the study also identified that employee job satisfaction also indicated a strong signal for retention.

vi. Ichniowski, C., Shaw, & Prennushi G. (1993), concluded that perceptions of job security, compensation level, job satisfaction, organizational tenure, demographic variables such as age, gender, education, and number of dependents, organizational commitment, whether a job meets an individual's expectations, and the expressed intention to search for another job were all predictive of employees' leaving.

vii. Muhammad and Muhammad (2013), summarized that economic factors such as availability of alternative jobs are most likely relevant in explaining the turnover process. As a practical strategy for combating involuntary turnover, researcher suggests that managers should retain and reinforce the current staffing practices (recruitment, selection, orientation training, etc.) and uphold the existing style of performance measurement.
viii. Rao Aparna K. (2012), concluded that employee retention can be practiced better by motivating the employees in the aspects of Open Communication which enforces loyalty among employees.

ix. Nazia Sultana & Begum Bushra (2013), concluded that steps must be taken by the organizations to relieve the employees from the workload through job rotation, change in work location and other recreational activities. It was also found that most of the employees opted either yoga or other recreational activity to manage stress.

x. Muhammad A.A., Amin Ghazala et. al (2013), observed that the political motives of the appraisers during performance appraisal process causes in reduced job satisfaction and loyalty of supervisor and increased turnover intentions of the employees.

xi. Job satisfaction of the bankers mainly depends on some aspects like: salary, promotion, supervision, benefits, rewards, operating procedure, co-worker, nature of work, communication etc. Services of the officers of the company were fully depended upon job satisfaction (Shaheen, Ahmed and Uddin, N., 2012).

xii. Muser, R., Linda (2001), concluded that seventy-seven percent of organizations in the study stated that recruitment and retention of a diverse workforce was a high priority but less than ten percent had professional development or mentoring programs.

xiii. Thio, Sally (2000), summarized that attrition and retention were not just organization behaviour terms but both were pressing issues for organizations which have not thought more systematically about them. Retention of key staff needs continuing leadership influence and management attention.