

Role of Human Resource Management in Higher Educational Institutes for Employee Retention

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ABSTRACT

The foundation of any organization is its workforce. Therefore, employee retention is crucial in maintaining the organization's direction. Whether they are tiny businesses or multinational corporations, tactics focused on meeting employees' requirements are used to retain the greatest personnel. Typically, a company would keep its employees for a predetermined amount of time in order to use their abilities and skills to finish specific tasks or projects. To put it another way, we can think of it as employee retention when the task's scope is typically more than that of a simple task—preferably a real-world job. In terms of creating happy and motivated co-workers who will deliver better customer service and increased productivity, which in turn leads to sales generation, customer satisfaction, seamless management succession, and improved organizational learning, an organization can gain a competitive edge by keeping its desirable employees. This research article deals with how human resource management techniques affect the employee retention in an organisation, especially in the higher education system, in which education is provided to the society.

Keywords: Employee retention, HRM practices, Human resource Management, Higher Education.

INTRODUCTION

Research suggests that employee retention is influenced by four distinct factors. Figure 1 provides a visual representation of these factors, highlighting their significance in driving faculty retention. By examining these four pillars, organizations can better understand the dynamics of employee retention and develop targeted initiatives to boost retention rates.

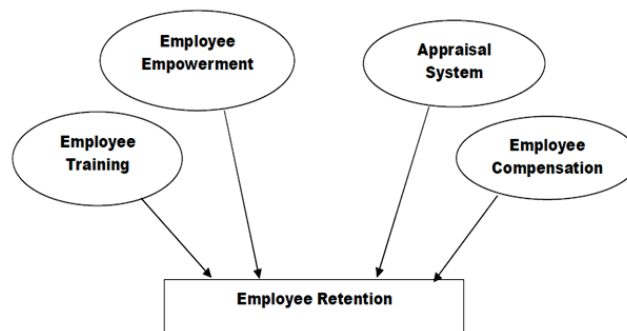


Figure 1: Model representing factors affecting employee retention

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Important HR practices that the HR department has created include employee empowerment, training, appraisal, and remuneration. These are the key factors that contribute to the institute's faculty members' retention. For example, the study attempts to determine how training contributes to employee empowerment and how appraisals relate to pay. To put it briefly, the suggested framework outlines how training, empowerment, appraisal, and pay can all be connected to ultimately become important elements in determining an employee's decision to stay with a company. This study focussed upon employee empowerment as a means of keeping the best workers across all four parameters. The study's main focus in this literature is on how fundamental HR procedures impact professor retention.

RESEARCH OBJECTIVES

The following research objectives are focused in this study.

- Effect of employee training on faculty retention and performance.
- Find the key points about the performance appraisal to enhance the performance of the employee.
- Impact of employee empowerment on faculty retention and job satisfaction.
- Point out the relationship between employee compensation on faculty retention and job satisfaction.

Factor affecting Employee Retention

Employee Training

HRM practices can significantly affect employee retention, especially those pertaining to training and development. Training and development initiatives help staff members to gain new knowledge and expertise, which eventually improves their capacity to carry out duties successfully and efficiently (Bukhatir et al., 2023). One of the most important aspects of keeping employees funding for training and development initiatives (Alajlani & Yesufu, 2022). Employees who are involved in this area of HRM practices feel appreciated, which helps them develop and contribute to the company. For the development of Staff initiatives significantly and favorably affect motivation, loyalty, and staff retention. This is also consistent with (Shah & Soomro, 2023) research outcomes that revealed that variable might boost performance and productivity and motivate employees to stay with a company longer.

Skilled workers are necessary in the modern age for the business to be competitive and productive (Aboramadan, 2022). Long-term employee retention, particularly among skilled personnel, is thought to result from training being viewed as a significant element influencing work performance. There are several ways to perform training, including general and specialized training, job training, and vocational training. The most popular forms of training include on-the-job and off-the-job training, which may improve productivity, spark interest, and foster commitment among staff members, all of which raise retention rates (Gyensare et al., 2024). In addition to training, job rotation is another way to develop skilled workers. Employee engagement and retention can be positively impacted by job rotation (Irani & Kilic, 2022). Employees that participate in the work rotation scheme report feeling content and devoted to the company, claim (Mittal & Kaur, 2023).

Employee engagement and retention are positively impacted by job rotation, which also allows the worker to expand their skill set. According to (Irani & Kilic, 2022) in the framework of higher education, certain institutions are making an attempt to create units within their organizational structure with the goal of guaranteeing that professional and academic development occurs. Attending professional events and research functions allows faculty members to benefit from the intellectual and collaborative stimulus provided by their colleagues (Ahmed Qayed Al-Emadi et al., 2015). Therefore, it is necessary to draw the conclusion that certain institutions are devoted to this important feature of academic engagement and replenishment via the rate of investment in human capital and budgetary requirements of a restricted type.

Performance Appraisal

The process of assessing an employee's performance on the duties they have been given in order to support their continued professional growth is known as performance evaluation; it primarily involves communication between the employee and management (Hong et al., 2012). Employee feedback, communication, goal-setting, performance evaluation, and periodic review are some of the essential elements of performance appraisal. Employee appraisals have the power to influence behavior, improve job performance, and increase retention, claim (By & By, 2017).

(Ma et al., 2021) found that performance appraisals had a strong positive association with employee retention because they boost employees' confidence. This study supports the favorable effect of performance appraisals on employee retention. (Azeez, 2017) found that performance assessment is one of the HRM practices that has a favorable but non-significant impact on employee retention in the retail business. The study's findings are similar yet different. If the objective is tough and significant, the goal-setting process helps employees stay more engaged and stay with the company. This encourages workers to fulfill the organization's goals on time (Gupta & Gomathi, 2018). Additionally, performance reviews helped retain staff members by demonstrating to them that the company is dedicated to meeting their requirements and fostering their growth, which improves output (Halid et al., 2024).

Last but not least, the period review enables the business to often detect the employee's lack of ability, lack of effort, and advancement, which may decrease issues and improve performance (Zubair Aslam Marwat, 2008), thus leading to employee retention. Within a company, an assessment system will help to improve communication, relationships between superiors and subordinates, and management and individual efficiency (Verma & Kaur, 2024).

Employee Empowerment

Employee empowerment is defined as giving employees the authority to make decisions and take action, as well as the responsibility and authority to finish the assignment (Nwafor, 2024). Employee empowerment, according to (Abbas, 2023), can take the shape of involving staff members in decision-making, goal-setting, and motivational strategies. It is believed that employee empowerment is among the powerful factor for organisation success as employees feel motivated to work and feel a sense of belongingness and ownership to the organisation (By & By, 2017). Employee retention is essential because turnover is expensive and negatively impacts a company's reputation.

According to a prior study by (Ma et al., 2021), low retention results from a lack of support and empowerment from superiors. They have more control over the decision-making process, empowered individuals are more likely to feel self-assured and want to offer their company their best effort (Chung & Kowalski, 2012). Empowerment of employees can make them feel obligated to remain with the company. Because they feel like they belong to the company, employees would therefore prefer to stay there even in the face of pressure from others who want to quit (Lecturers, 2011). Employee work satisfaction essentially determines whether an employee plans to stay with the company or quit. People who are happier in their jobs are more likely to be loyal to the company.

Employee Compensation

One of the fundamental aspects of personnel management is compensation, which each employee receives in return for his or her contributions to the company. Compensation is defined by the American Compensation Association as monetary and non-monetary currency paid by an organization to its employees for tasks completed on behalf of the organization. According to (Hong et al., 2012), compensation is a set sum of money that an employer gives an employee in return for their contributions to a successful job. Additionally, the majority of studies have found a strong correlation between employee work satisfaction, retention, incentives, and awards and staff compensation (Mittal & Kaur, 2023), (Gupta & Gomathi, 2018), and (Abbas, 2023) . The

core features of a company that influence employee retention and job satisfaction are salary packages. Cash, incentives, bonuses, promotions, perks, and recognition are all included in salary (Tindowen, 2019), and each of these elements has a significant impact on workers' performance.

FINDINGS

- After reviewing the employee training literature, it is concluded that the institutions enhance the knowledge and skills of the employee through training, which helps to lead the employee productivity and satisfaction, but does not play a major role in faculty retention.
- Factor performance appraisal plays the major role in faculty retention since it is the process of assessing the past performance of the employee, identifying the gap in employee performance, and the area of improvement, according to the finalized compensation and promotions is given to the employee. The compensation and promotion based on past performance motivate the employee to perform better and enhance the loyalty towards the organisation.
- As employee empowerment impacts of the institution to increase employee engagement, job satisfaction as well as in retention.
- The employee compensation considerably affects in various aspects of an institution, like Job retention, motivation, attraction, satisfaction, etc. An adequate and competitive package helps to retain employees for the long term and reduces the turnover of employees in institutions.

CONCLUSION

One of the main factors influencing employee motivation is human resource management. This study looked at how work satisfaction and retention are affected by employee empowerment, performance reviews, training, and pay. The results showed that pay has a significant impact on job satisfaction and the retention of qualified staff in educational institutions. Additionally, the study demonstrated that academic staff members who receive high compensation are more inclined to provide excellent work.

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