

# EVALUATING THE EFFECTIVENESS OF HR POLICIES IN EMPLOYEE RETENTION AND ORGANIZATIONAL PERFORMANCE

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## ABSTRACT

In the current competitive business climate companies are realizing more and more how important good HR policies are to improving employee retention and overall organizational performance. This study uses a quantitative approach to assess how effective HR policies are at improving both organizational performance and employee retention. To find out how 100 respondents felt about HR interventions a survey using a Likert scale was administered. The results show that employee retention is greatly impacted by HR policies especially when it comes to competitive pay and opportunities for career advancement. Additionally, the study emphasizes the close relationship between organizational performance employee engagement tactics and strategic HR policies. These observations offer insightful suggestions for businesses looking to improve employee efficiency and stability.

**Keywords:** HR policies, employee retention, organizational performance, career growth, employee engagement, strategic HR interventions

## 1.0 INTRODUCTION

Effective human resource (HR) policies are becoming in the modern, fiercely competitive commercial world, as they help retain employees and boost overall performance. Since high employee turnover rates can have a detrimental effect on output morale and financial stability employee retention has become a crucial component of HR management (Al-Emadi et al. (2015). A major factor in determining employee commitment and lowering turnover intentions is HR policies which include talent acquisition career development performance management compensation and employee engagement tactics. Employers who make strategic investments in human resources are more likely to keep their employees which promotes stability and long-term growth.

HR policy's ability to retain employees is directly related to how well an organization performs. A supportive work environment that encourages job satisfaction and loyalty is produced by organizations that employ strategic HR interventions such as training initiatives competitive benefit packages and recognition systems (ALDamoe et al 2012). By keeping seasoned and competent workers in the workforce employee retention not only lowers the expenses related to hiring and onboarding new employees but also improves organizational outcomes.

HR policies and organizational performance are closely related with good HR management techniques having a positive impact on workers dedication and output. HR practices that prioritize leadership training employee engagement and a good work-life balance result in a motivated workforce that boosts productivity and gives businesses a competitive edge (Keir and Youssif 2016). On the other hand, poor HR practices can cause discontent burnout and higher employee turnover all of which can seriously impair an organizations capacity to meet its strategic goals. Employee performance creativity and overall profitability are also generally higher in companies that match their HR policies with their business objectives. In the end implementing HR best practices improves organizational resilience and operational efficiency by fostering a culture of trust and cooperation (Gberevbie 2008). Research shows that workplace culture leadership effectiveness and career growth opportunities all have an impact on employee retention in addition to monetary incentives. Businesses are more likely to succeed in the long run if they comprehend these dynamics and proactively put retention-focused HR policies into place.

Evaluating how well HR policies retain staff and enhance organizational performance is the goal of this study. In order to improve workforce stability and competitive positioning in the market this study looks at the relationship between HR practices employee satisfaction and business outcomes.

## OBJECTIVES:

1. To examine how HR policies influence employee retention and reduce turnover intentions.
2. To explore the correlation between strategic HR interventions and overall organizational performance.

## 2.0 LITERATURE REVIEW

Alkalha et al. (2012) investigated how HR practices affected Jordanian commercial banks organizational performance. According to the study good HR procedures greatly improve organizational results. These procedures include performance management employee training and remuneration. But the lack of a cross-

industry perspective limits how broadly the study can be applied. Future studies should examine the efficacy of HR policies across a range of industries to obtain a more comprehensive understanding of how they affect performance.

“Human resource management (HRM) and organizational performance” were examined by Kalleberg and Moody (1994). Their results demonstrate how strategic HRM increases worker output and general effectiveness. Concerns are raised regarding the study’s general applicability to other cultural and economic contexts though because it primarily concerns Western organizations. To comprehend its universal and regional effects on performance more research should look at HRMs role in diverse economies.

Çalışkan (2010) looked into how strategic HRM can enhance organizational performance. The study came to the conclusion that efficiency creativity and competitiveness are increased when HR procedures are in line with corporate objectives. Although it offers insightful information the research’s generalizability to other industries is limited due to its primary focus on naval organizations. Future research should examine strategic human resource management in a variety of industries to determine its wider applicability and confirm its efficacy in diverse organizational contexts.

The findings’ ability to be broadly applied is limited by the scant sectoral analysis of HR policies. Many studies still use antiquated HR models that don’t account for the dynamics of today’s workforce. Not enough research has been done on the integration of digital HRM strategies.

### 3.0 RESEARCH METHODOLOGY

A Likert scale survey was used as part of the quantitative research methodology for this study in order to assess how well HR policies affect organizational performance and employee retention. The surveys two questions for each objective were intended to gauge how employees felt about HR interventions and their results. Using a purposive sampling technique data were gathered from 100 respondents guaranteeing that participants had relevant experience with HR policies in their organization. Frequency distribution analysis was used to examine the gathered data and find trends and patterns in the responses from the employees. Correlational analysis was also used to investigate the connection between organizational performance employee retention and HR policies.

### 4.0 Data Analysis

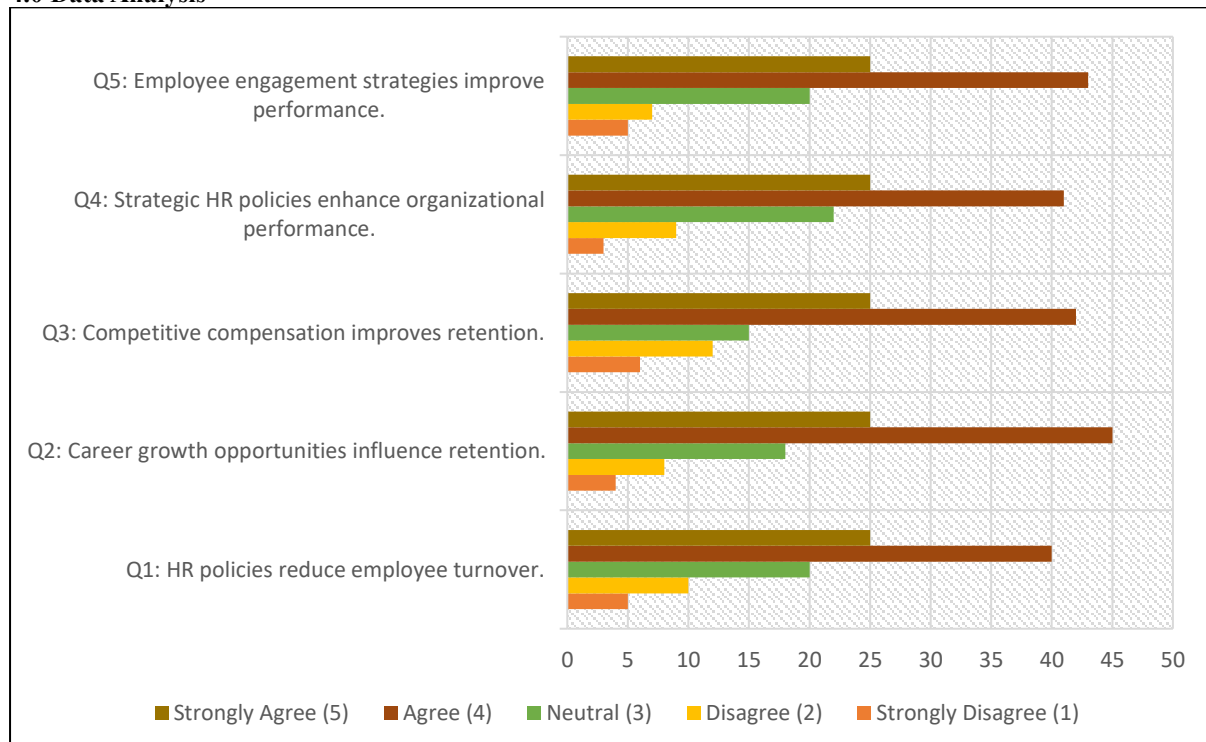


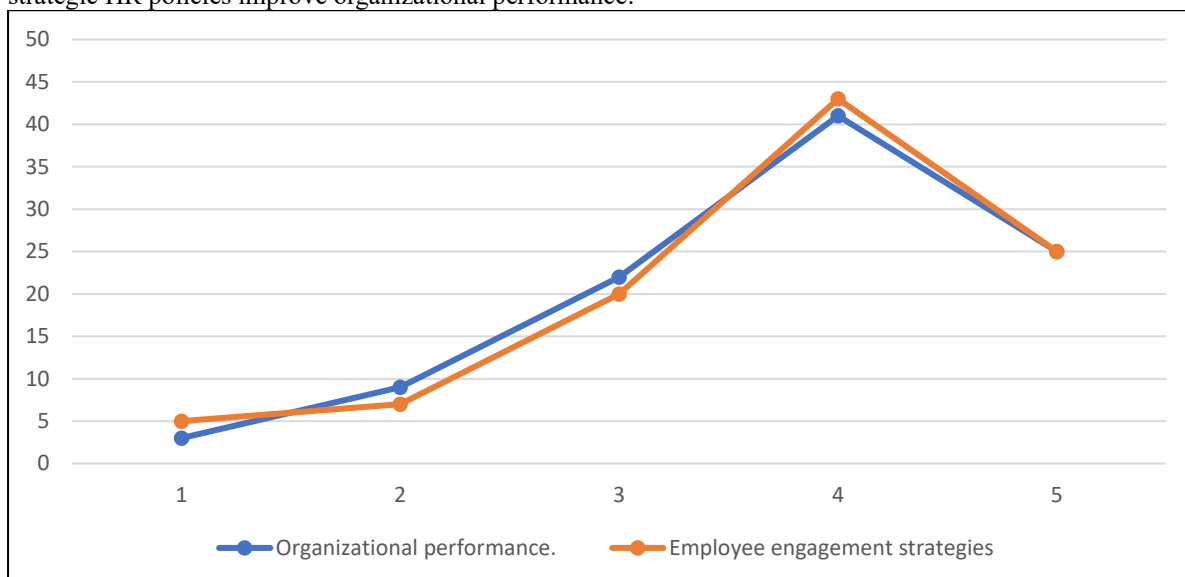
Figure 4.1 Graphical Representation of Responses

“Table 4.1 Frequency Distribution of Responses”

Question	“Strongly Disagree (1)”	“Disagree (2)”	“Neutral (3)”	“Agree (4)”	“Strongly Agree (5)”
Q1: HR policies reduce employee turnover.	5	10	20	40	25
Q2: Career growth opportunities influence retention.	4	8	18	45	25

<b>Q3:</b> Competitive compensation improves retention.	6	12	15	42	25
<b>Q4:</b> Strategic HR policies enhance organizational performance.	3	9	22	41	25
<b>Q5:</b> Employee engagement strategies improve performance.	5	7	20	43	25

With 65 percent of respondents agreeing or strongly agreeing that HR policies effectively reduce employee turnover the survey's findings show that HR policies are essential in lowering employee turnover. Similarly, 70% of respondents agreed or strongly agreed that career growth opportunities improve retention indicating that they were viewed as influential. With 67 percent of respondents recognizing its role in retention competitive compensation also demonstrated a significant impact. 68 percent of respondents thought that employee engagement strategies had a positive impact on performance while 66 percent agreed or strongly agreed that strategic HR policies improve organizational performance.



**“Figure 4.2 Correlation Chart between Organizational Performance and Employee Engagement Strategies”**

**“Table 4.2 Correlation Table between Organizational Performance and Employee Engagement Strategies”**

	<i>Organizational performance.</i>	<i>Employee Engagement strategies</i>
Organizational performance.	1	
Employee engagement strategies	0.991934	1

These results are corroborated by the correlation analysis which reveals a strong positive correlation (0.991934) between employee engagement strategies and organizational performance suggesting a close relationship between the two.

## DISCUSSION

The results indicate that clear HR policies are essential for improving organizational performance and encouraging employee retention. Their significance in lowering turnover intentions is highlighted by the high levels of agreement on opportunities for career advancement and competitive pay. This is consistent with earlier studies showing that fair compensation and career advancement are important factors influencing employee commitment. HR departments must concentrate on workplace culture and employee motivation due to the fact that strategies for engaging employees directly correlate to improved business outcomes. Increases in efficiency and production are likely to have experienced by organizations that place a high priority on engagement initiatives like team-building exercises recognition programs and feedback systems. In order to guarantee that retention tactics complement overarching business goals the study also highlights the necessity of a comprehensive approach to HR policies. Businesses that incorporate HR best practices into their strategic planning can gain a competitive edge in their sector and experience long-term success.

## 5.0 CONCLUSION

The study comes to the conclusion that Performance of organizations and retention of employees are significantly influenced by HR policy. While strategic HR practices and engagement tactics were found to improve performance career advancement opportunities and competitive pay emerged as crucial retention factors. Because employee engagement and organizational success are strongly correlated businesses must implement comprehensive HR strategies that promote a positive work environment. Organizations can lower employee turnover increase employee satisfaction and eventually improve business performance by putting targeted HR interventions into place. Future studies could examine more variables affecting HR efficacy and increase the sample size for a more thorough examination.

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