

## **FACTORS AFFECTING EMPLOYEES RETENTION: EVIDENCE FROM LITERATURE**

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### **Abstract**

The article describes the relationship between human resource practices and employees retention in a given organization. The research reviews relevant literature to identify elements of HR practices that influence employee retention. Over the past decade, the way in which people are managed and developed at work has come to be recognized as one of the primary factors in achieving improvement in organizational performance.

[Key words: Employees, retention, compensation, rewards, training and organizational justice.]

The related literature review of the title unanimously acknowledges that successful organizations share a fundamental philosophy of creating value and investing in their employees (Maguire, 1995; Annand, 1997) and managing retention of promising employees' is considered as fundamental mean of achieving competitive advantage among the organizations (walker, 2001). Aliya and Fariduddin (2003) found that the findings tend to prove hypothesis showed that the factors leading to positive and negative attitudes are different. It could also be said that the categories mentioned by the contents analysis and techniques are mostly applicable in our environment. The major drift is seen in low feelings where some categories were added to record the

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responses. Only one part of the original research has been replicated for the study; the extension of this study might also be possible if the responses could be coded as the sequences mentioned in the original research. The study makes an original contribution to the study of retention among Pakistani professionals. It is hoped that it will lead to similar work in future, particularly with respect to research areas identified herein.

Kehr (2004), explains that the implicit retention factors are spontaneous, expressive and pleasurable behavior and can be divided into three variables: 'power' achievement and affiliation. Power refers to dominance and social control. 'Achievement' is when personal standards of excellence are to be met or exceeded and affiliation refers to social relationships which are established and intensified. Implicit and explicit retention factors relate to different aspects of the person, but both are important determinants of behavior.

Previous researches suggested several factors which play a pivotal role in employee retention, Cappelli (2000). The factors which are considered and have a direct effect are: career opportunities, work environment, work life balance, organizational justice, and existing leave policy and organization image. Employees stay loyal with such organizations where employees have value, sense of pride and work to their full potential, Cole (2000). The reasons for staying employees in organization are organization reward system, growth and development, pay package and work life balance.

Employee retention is the most imperative target for the organization because hiring of a qualified candidate is essential for the organization but their retention is more important than hiring, because a huge amount is spent on the orientation and training of the potential employees. Research finds that the cost of replacing old employees

with new ones is estimated up to twice the employee's annual salary. When employee leaves the job, organization lost not only employee, but also lost the customers & client who were loyal with the employee, knowledge of production, current projects, competitor and past history of the organization

Organizations make enormous efforts to attract handfuls of employees and sustain them in the organization. In today's business scenario only high salary and designation is not significant for employees to retain them in the organization, but others factors also play important role in their retention. The intent of this research is to how the organizations retain the talented employees in the organization focusing on the factors i.e. career development, leave policy, leadership style, work environment, remuneration & rewards, Organization Justice, and performance appraisal, and this research would also helpful to know the determinants that why employees leave the organization.

**Factors Affecting Employee Retention:** From literature review, it is recognized that human resource management play pivotal role in employee's retention. Researchers finds that human resource management practices in compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice can help to reduce absenteeism, employee retention and better quality work, (Meyer and Allen, 1991; Solomon, 1992; Snell and Dean, 1992; Arthur, 1994; Snell and Youndt, 1995; MacDuffie, 1995; Delaney and Huselid, 1996; Ichniowski, Shaw and Prensushi, 1997). According to Accenture (2001), study on high performance issue found that organization strategy regarding employee retention primarily started from US, Europe, Asia then Australia.

According to Osteraker (1999), the employee's satisfaction and retention is considered the cornerstone for success of organization. Previous study divided it into social, mental or physical dimension. The grouping is based on social contacts at work, characteristics of the work task or the physical and material circumstances associated with work. The retention factors of the mental dimension are work characteristics, employees retaining by flexible tasks where they can use their knowledge and see the results of their efforts. The social dimension refers to the contact employees with each other, both internal and external. The physical dimension consists of working conditions and pay. In order to retain employees, the organization need to gain information about the dynamics that characterized the motivation to work.

Van Knippenberg (2000), suggested that employee can become more loyal and stay in the organization when they identify themselves within a group and contribute to the performance as a group. This suggestion relies on work performed by Locke and developed good setting theory. The goal is team performance and the individual's feeling part of the group. The focus of Locke was on the goal, but in order to reach the goal one must associate oneself with the group and task. Glen (2006), described another framework that manager can use when communicating with its employees to know that the cause of retention consist of nine different predictors: organizational processes, role challenge, values, work, life balance, information, stake/leverage/recognition, management, work environment and product or service.

Fitz-enz (1990), recognized that only one factor is not responsible in management of employee's retention, but there are several factors that influence employee's retention which need to manage congruently i.e.

compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice etc. Accordingly, organization utilizes extensive range of human resource management factors that influence employee's commitment and retention (Stein, 2000; Beck, 2001; Clarke, 2001; Parker and Wright, 2001). The aim of this study is also to find out the factors which influence employees' retention, for this purpose these factors are categorized into organizational factor i.e. supervisor support, organizational justice, organization image and work environment and Human resource factors i.e. employee value match, training & development, remuneration & reward, job security and employees promotion aspect.

**1. Employee Personal Value Match with Job:** The concept of employee value match with job means jobs matching with employees in terms of skill, knowledge, qualifications, ability and other characteristics of employees which match and suitable for the job (Lofquist and Dawis, 1969; Edward, 1999). According to Amar (2004), the sociological driver, previous work showed that value system centred on the self and family, but now employees see it as a place of belonging. The psychological driver, in the past the focus was more on money, but now the prime positive reinforce is self. The generational driver, a new generation is entering more and more at the workplace, it consists of 70 million people and is referred to as generation Y. The knowledge work driver, science and technology have been two important variables and are expected to continue in the future. To gain competitive advantage, organizations have to innovate and managers have to search for employees with useful knowledge who are motivated to use it for the

benefit of the organization. The cultural driver, have been brought up due to globalization in the world. The cultural differences have a special emphasis in order to understand how to retain the talented workers.

Personal value match with job is considered in the perspective of employee selection and based on the beliefs of employee value congruent with organization, or person and organization goals (Reilly et al., 1991; Kristof, 1996; Netemeyer et al., 1997). According to Brown (1969); Kidron, (1978); Steers, (1997); organizational fit concept identifies confluent goals and recognized the employee and organization value as an important aspect of affective commitment. Research explained organizational fit as employee cooperation and willingness toward organization and proposed that requisite disposition to work together (Barnard, 1938). According to Cable and Judge (1997), employee selection process should also consider improving congruent between employee values and corporate culture.

**2. Compensation:** The literature considered that compensation is one of the largest factor for the retention of employees. Compensation plays significant role in attracting and retaining good employees, specially those employees who gives outstanding performance or unique skill which is indispensable to the organization because company invest heavy amount on their training and orientation. According to Lawler (1990); company adopt the strategy of low wages if the work is simple and requires little training and companies competing in high labor markets, adopt the high wages strategy. Some researchers argue that competitive compensation package is the only strong commitment and also build strong commitment on the workers side. However, the contribution of compensation towards retention, help in retention of employee irrespective of their skill and contribution to the company and

it likely affect both turnovers desirable and undesirable. The total amount of compensation offered by other companies also affects the turnover. Organization who offers high compensation package who is being compared to others would a large number of candidates applying for induction and have lower turnover rate. Moreover, the high compensation package, the organizations would create culture of excellence (Lawler 1990),

According to Smith (2001); money brings the workers in the organization but not necessary to keep them. According to Ashby and Pell, money satisfies the employee but it is not sufficient to retain the employee means it is a insufficient factor. Money is not considered as primary retention factor, (Brannick, 1999); Many organizations implement very good employees retention strategy without offering high compensation or pay based retention strategy, (Pfeffer, 1998). In such circumstances, a wide number of factors seems successful retention of employees. The existence of other retention factors cannot be ignored.

Ihsan and Naeem (2009); indicated that Pharmaceutical sales force rated pay and fringe benefits as the most important retention factor which is supported by the findings of past studies In addition, it indicated that pay and fringe benefits is highly valued by the sales force of all demographic backgrounds. Its possible explanation could be that pay and fringe benefits enable salespersons to fulfil their physiological as well as esteem needs. Thus, critical review of the current incentive schemes is required to make them more effective to cater the needs of the sales in both multinational and local pharmaceutical companies to retain their talent workers.

The review of the literatures relived that it is very important to separate normal and standard compensation i.e. salaries, wages and

benefits etc. they are normally referred to as compensation on performance based or performance pay. The company objective to retain their valuable employee performance pay is considered important factor for it, (Harris and Brannick, 1999). Compensation is considered the most important factor for attracting and retaining the talent (Willis,2000). Fair wages are the key element of the implied and contractual bond between employers and employees, the underlying supposition being that monetary can persuade behavior, (Parker and Wright, 2001). Organizations often offer high pay packages i.e. stock options, special pay, retention pay, gain share pay, performance base pay and bonus etc. for attraction and retention of talented employees of the market.

Williams and Dreher (1992); wage is the key factor influence the employee's attraction and retention, and play important role in the recruitment process. Highhouse et al, (1999) recommended that only pay is not sufficient to retain the employees. He argues that low pay package would drive workers out the organization but it is not necessary that high pay package bring and keep the workers in the organization. Ultimately, the workers stay in the organization due to others factors as well i.e. work environment, co-workers behavior and supervisor support etc. which compels the employee to retain in the organization.

**3. Rewards:** The literature meaning of the word reward as, “it is something the offered by the organization to the workers in response of their performance and contributions which are expected by the workers” (Agarwal, 1998). That amount of pay, benefits, or equivalents employee received in return for the services which employee render to organization. A reward can be intrinsic or extrinsic, it can be in form of cash i.e. bounces etc or reward can be in form of recognition / certificate

such as commendation certificate or worker of the month etc. In business environments rewards are offered in several forms e.g. recognition, cash bonuses, awards, free trips and free merchandise etc. However, reward is the thing which offers by the organization in any form in response of employee's contribution, to become employees motivated for doing well with positive behavior in future. Reward is very important because it has enduring impression on employees and support the perception of employees that they are valued (Silbert, 2005).

Organizations that are more committed to their workers typically made more investments as compared to similar organization in progressive Human Resource practices i.e. education, training & development and compensation package, (Arthur, 1994; Huselid, 1995). These organizations also adopt deserving practices on rewards distribution and distribute the rewards more generously and equitably. According to Walker (2001), compensation offer recognition, but non-monetary forms of recognition are also not ignored and important. Recognition from bosses, team members, coworkers and customer enhance loyalty. Employee participation in decision making and influence in actions are also important (Davies, 2001; Gold, 2001).

Research studies highlighted the linkage between rewards and employee's retention (Watson Wyatt, 1999; Tower Perrin, 2003; Mercer, 2003) and give insights into what workers want to do, their words about the rewards and their feelings regarding the work and reward matters. The recent research studies on talent management also support assumption that well and broad implemented reward practices help in talent retention and management.

The annual survey of "Watson Wyatt" on worker attitudes toward employers and workplace, work USA 2002, showed the opinions of

12,750 employees at all levels of job in all large companies, on different issues of workplace including rewards. The Watson Wyatt study found that recognition is important for workers and they want to listen that their work followed recognized and appreciated.

**4. Training and Career Development:** Investment on employee Training and career development is considered important factor in employee retention. Organization has the incentive to make investment in form of training & development only on those workers, from whom organization expect to return and give output on its investment (Messmer, 2000). According to Clark (2001), organizations are intensification development for talented employees, through proficiency analysis, input on employee interests, need development and multisource appraisal of capabilities and formulate plans for action. Wetland (2003), suggested that firms and individual made investment on human capital in the form of training. Training enhances the skills of employees. When employees are hired to enhance the skill, organization needs to start training program (Goldstein, 1991). According to Noe (1999), employees have perception to acquire new knowledge & skills which they apply on the job and also share with other employees. Research studies found that organization often delay employees' training program to determine that workers personal value good matches with organization culture or otherwise, therefore to peter out the employee turnover intention (Lauri, Benson & Cheney, 1996).

According to Gomez et al, (1995), training provides specialized technique and skills to employee and also helps to rectify deficiencies in employee performance, while development provide the skills and abilities to employee which will need the organization in future. Development of skill consists of improving interpersonal

communication, technological knowledge, problem solving and basic literacy etc. Garg & Rastogi (2006), explained that in today's competitive environment feedback is essential for organizations from employees and the more knowledge the employee learn, the more he or she will perform and meet the global challenges of the market place.

Bishop (1998), survey on training found that established, larger, manufacturing and unionized firms have tend to provide training to employee as did multi established firms with flexible production approach or high performance. Research study found that, larger companies, high performance establishment and those organizations which spend more physical resources were usually more probably to retain their talent (Black and Lynch, 1996). Firms in market with prompt technical advancement and output progress trained more and those firms which have not confronted any competitor in last decade. According to Frazis et al, (1998), firms that offer more benefits as compared to others and train their workers by adopting innovative job practices.

Storey and Sisson (1993), recommend that training is a sign of organization commitment to employees. Training also reflects organization strategy that is based on value adding rather than cost lowering. Leading firms of the industry recognized that comprehensive range of training, skill and career development are the key factors of attraction and retention the form of flexible, sophisticated and technological employees that firms strategy to succeed in the computerized economy (Bassi and Van Buren, 1999; Accenture, 2001).

It is concluded from the literature review that employee turnover ratio are inversely related with training: higher the rate of turnover, lower the volume of training. This statement is based on the opinion that longer the worker stay in organization, he would acquired higher amount of

training. Frazis et al. (1998), found that employees working in organization have low turnover rate, normally spent 59 percent time, on formal training from total training period, as compared to organization spent 18 percent and have high turnover rate. According to the workers opinion, training likely to increase productivity if it consists of skills related to the organization. Organizations have greater productivity will also likely to increase employee's wages beyond their expectation, thus help in employee retention. In short, training help to lower turnover rate and considered as important factor in employee retention (Wetland, 2003).

**5. Career Advancement Opportunities:** Employee's career advancement is a phenomenon which is formalized, organized and it is planned effort to accomplish the balance between requirement of organization workforce and individual career needs. The rapidly rising awareness makes it evidence that employees can give leading edge to the organization in market place. It is challenge for today HR Managers to identify the organization developmental strategies which enthusiasms the employee commitment to the organization vision and values to motivate the employees and help the organization to gain and sustain the competitive advantage (Graddick, 1988). Greller (2006) states that people always work for a reason and the cause should be provided by work, organization, co-workers or from within. Findings showed that when employees want to advance in their careers, a motivational factor, it does not matter how old one is, a lot of stay in the organization as a way to advance.

In order to strengthen the bond with employees, organization must spend on the development of employees (Hall & Moss, 1998;

Woodruffe, 1999; Steel et al., 2002; Hsu, Jiang, Klein & Tang, 2003). It creates promotion opportunities within organization and provides training opportunities and skill development to improve their employee's employability on the internal and / or external labour market (Butler & Waldrop, 2001).

Career development is vital for both the employees and employers (Hall, 2002). Career development is mutual beneficial process because it gives imperative outcomes to employer and employees, (Hall, 1996; Kyriakidou and Ozbilgin, 2004). To gain and maintain competitive advantage organizations required talented & productive employees and these employees need career development to enhance and cultivate their competencies (Prince, 2005).

6. **Supervisor Support:** The leadership style consider affective factor in employee retention. The relationship between supervisor and worker play pivotal role in employees' turnover intention. The organization "human face" is supervisors. Leaders are the human face of the firm. Eisenberger and associates (1990), suggested that employees view regarding organization are strongly concerned to their relationship with supervisor. If supervisor support, open communication and have good relationship with employees, the employee's turnover intentions are likely less and more engaged with organization, (Greenhaus, 1994). Leaders interact as a bond to perform application between expectations and stated goals. By harmonizing the rivalling demands supervisor support and manage the inside / outside work environment. If the relationship among workers and supervisors are exceeding / strong the workers will never seek to any other new employment opportunity rather

than stay in the organization and vice versa. Employees leave the leaders not jobs so leader support is also essential in this regard. (Ontario, 2004)

Employees who are valued and they feel esteemed will take active part in the organization goals, show productive behavior, workplace and increased job involvements, which decrease absenteeism and turnover intention rates. The effective leadership style can be revealed by formal and informal acknowledgment. In organizations employees responds to admire, support and encouragement, no matter the environment is profession or personal (Silbert, 2005). To ensure accurate performance appraisal management leader must discusses the progress with employees outside the time of formal evaluation process. They assist workers to find the right place in the firm, not only move in the hierarchy next position (Freyermuth, 2007).

According to Silbert (2005), well skilled and talented workers may easily find good job, position and workplace elsewhere; however the effective way for retaining these talented employees is to enhance friendly and close working environment and to promote leader support. Freyermuth (2007), recommended that organization must groom leader to support the employees and to well build the work environment where workers want to stay. Providing opportunities, testing their abilities and providing level of performance can enhance employees' capability and make them to stay in the organization.

**7. Work Environment:** A number of studies have conducted to explain the work environment with different aspects such as job satisfaction, (Iaffaldano & Muchinsky, 1985) and employee retention (Martin 1979), employee turnover, organizational commitment and job involvement, (Sjoberg & Sverke 2000). Work environment is considered one of the most important factors in employee's retention (Zeytinoglu & Denton, 2005). According to Hytter (2008), work environment is generally discussed as industrial perspective, focus on aspect i.e. noise, toxic substances exposure and heavy lifts etc. The interesting part of work environment is; work environment characteristics in services sector is differ from production sector, because services sector directly deal with consumers / clients (Normann 1986). The interactions depend on the kind of job or / and kind of business, it may be more or may be less. The interaction between employees and clients / consumers move from physical to psychological dimension. Psychological work environment consist of work load, decision, support, stressors, latitude and decision etc. It is of much importance to know and recognize the emerging needs of employees and providing good work environment in order to keep the employees committed with organization.

According to Ramlall,(2003), people strive to work and to stay in those corporation that provides good and positive work environment, where employees feel that they are valued and making difference. Proficient employees of such organizations are dragging together to push the organization forward. Research conducted by ASID found that physical & work environment play pivotal role in employee's decision whether to leave the job or to stay and consider as a major factor in employee's retention. Light has been identified is a casual factor of job performance, sometime noise disturb the working environments and

create a hitch in office which is harmful to employees psychological & physical welfare, encouragement and at times productivity. The most plentiful audio grievances are, short of speech isolation, such as eavesdrop people discussion and receiving the same feeling as well. It is beneficial for office environment as well as for health to reduce apprehension and stress.

#### **8. Family Support and Flex Time Work Culture:**

Research indicates that the existence of family support (such as alternative schedules, supervisor support, co-worker support, flex time, work-family culture and family benefits etc) within the organization helps a lot in the retention of talented employee (Gaan, 2008). Research also recognizes that organization who support their employees in integrating between family responsibilities and work reduce the employee intention regarding leave the job (Allen, 2001). According to Wirth (2006), it is the woman in the market place who has to stand behind all the changes that they want to be made, and this highly has to retain them, because otherwise no changes will be made. A turnover trend in developing countries is that women are leaving larger corporation for smaller companies because they want more flexibility and recognition. Rosenthal (1995), added that self-confidence is a general problem being placed by while women when working. Studies have been done to investigate that why women and men perceive their performance differently, so the results showed that men are egoistic and women are more modest with their own performance.

Pasewark and Viator (2006) stated that flexible work arrangement a very important part of work family support that plays pivotal rule in the retention of employees. Thompson and Prottas (2005), examined the relationship between employee's turnover intention and organization

support such as supervisor support, flex time work family culture and co-worker support etc, and they concluded that organization support reduced the employee's turnover intention. Yanadoria and Katob (2010) investigated that the family support effects at workplace and concluded the statistical importance of relationship between work family support and employee retention The recent research recognized that existence of family support within the organization reduce the turnover intention and help the retention of talented employees in the organization.

**9. Organizational Justice:** Organizational justice means the just & ethical employee treatment within the organization. (Cropanzano, 1993). Greenberg (1990), define the organizational justice that it is term refer to the treatment of employees by the organizations in just and fair manner. The popular Oxford dictionary defines the meaning of word justice as, "the quality of being just or fair, fairness". In daily life, the word justice refer to righteousness. However in organizational research, justice is social construction which means the process is considered to be just if perceived by the employees, (Cropanzano & Greenberg, 1997). Ethically justice means as just the comparison with an existing philosophical system. However, regrettably there is no term and condition is prevailing that what philosophical system would be followed. Every organization formulated their own rules and implemented on their employees, (Aristotle reprinted in Frost, 1972; Colquitt et al., 2001). Social psychological researches give importance to the fairness in the concept of attitudinal. An action, event or decision which judged as fair or unfair on the basis of individual attitude about the decision and his/her normative / value system which is associated to those beliefs(Bies, 1987).

The distributive justice study has its genesis on equity theory of Adams' (1963, 1965). According to equity theory, employees compare their input (effort & time) versus output (status, reward & pay) ratio with others employees and judge that they are treated fairly or unfairly. The result of favour ratio is remorse, guilt or create embarrassment situation, whereas the more favourable ratio leads to resentment and anger. Accordingly, employees respond to this fair or unfair distribution of outcome (reward) with satisfaction or dissatisfaction attitudes. This satisfaction or dissatisfaction of employees with their work or job leads to behavioural decision and intentions of employees regarding to stay in the organization or leave the organization. (Mowday and Colwell, 2003)

**9.1 Distributive Justice:** Prior to 1975, research of organizational justice was only concerned with distributive justice, which was based on equity theory of Adams' (1965). According to equity theory employee's fairness perception is the outcomes receive versus their contributions comparison it with the contributions and outcomes of others employee. The main focus of Adams' were on individual fairness concerned to their outcomes such as reward, performance appraisal or pay (Deutsch, 1975). When employees as treated inequity, they change their effort or perceptions of inputs and outcomes. Frame work of social exchange theory was used by Adams to evaluate fairness. According to Adams (1965) the employees were not much worried about the supreme level of their outcome as much they were worried about the fairness of these outcomes. For the determination of fairness Adams suggested calculation of the ratio (between input & outcome and compare with other input & outcome) of one employee input or contributions (intelligence, education & experience) toward outcomes to that employee outcomes and compare

it with the ration of others employees means how much they contribute and how much they received. Adams also clear that this process was totally “subjective” even that it consist of “objective” component. In other words, the assessment of employees and distributive justice are subjective not objective and based on equity theory perception (Adams, 1965; Folger & Cropanzano, 1998).

Leventhal (1976) identified some other factors in addition to the Adams (1965) equity rule i.e. equality and need. According to equity rule of Adams individuals receive same or equal output, however the need rule recommend that employees should receive outcome on need (Leventhal, 1976). The research has also recommended that different organizational goal, contexts and different personal interests can excite the use or dominance of that particular allocation rules (Deutsch, 1975). To achieve the distributive justice is the main purpose of the standards allocation (Colquitt et al., 2001).

Distributive justice is related to outcomes when employees are treated unfairly regarding any particular outcome, it effects the employee’s emotions and intentions such as guilt, happiness, pride or anger (Weiss, Suckow & Croponzano, 1999). However, when employees are treated fairly regarding their input verses outcome, the employees feel satisfaction in all respect and their loyalty are increased and want to stay in the organization (Adams, 1965).

## **9.2 Procedural Justice**

It refers to the procedures or process which is used to allocate the resources or decision regarding design a compensation program, pay raises and employees performance evaluation are made (Hendrix et al. 1998). Organization researches showed that only distributive justice is

not sufficient for employee's satisfaction regarding organizational outcomes. Employees are not only worry about the outcome amount but also worry about its process of allocation. Early research focused on the structural elements of procedural justice which influenced in the fairness perception of employees. Such as voice & process control and other justice rules, (Thibaut and Walker 1975), for example; information accuracy and rule which determeng the outcomes etc were examined in relation to procedural justice (Leventhal 1980).

Procedural justice based on two theories. First, according to control theory of Thibaut and Walker (1975), employees want to control in organization what happens to them either, they are treated fairly or unfairly, fair procedures are valuable to employees because in fair procedure, employees control over outcomes. Second, according to the group value model of Lind and Tyler (1988) in which employees want to become a valuable member of the group and fair procedure reflects the employees' valued in organization so it is more desirable to employee. According group value model, employees are not only worried about the procedural fairness of organizational outcome which are employees want to increase, but the employees are also worried about the procedures which used to make decisions and communicated to employees how much organization give it value (Lind & Tyler, 1988). It is also suggested that the relationship within working, "member of group are concerned with neutral treatment of that group member, social status and trust the leader in the group" Trevino, (1992). The perception of employees regarding procedural fairness of organization to determined their value within the organization(Lind &Tyler, 1988).

The organization must give significant value to determine whether procedural justice is encounter to employees or not (Colquitt et al., 2001; Folger & Cropanzano, 1998). Procedural justice is different from distributive justice both by empirically and conceptually. Procedure justice is the fairness of procedures followed by organization for distributing and allocating of rewards and also employees have the power in the process of distribution (Colquitt, 2001; Folger & Cropanzano, 1998).

**Findings:-**

The review of the literature finds that HR practices are the most important and valuable means that influences employee's retention in any organization. Some of the specific findings in this regard are:

In the area of organization fit (employee personal value match), organization culture play important role in employee retention. Family support and flex time culture is considered significant factor in employee's retention.

Compensation, reward and recognition play a key role in employee's motivation which leads to employee's retention in the organization.

Similarly, Training and career development was found motivating factor which leads to retention and career development was also associated with employee's retention and was found important influencing factor in employee retention in the organization.

Employee career advance aspect or promotion opportunities have significant relation with employees' retention and consider as important factor in employee retention.

The area of work environment found that it is a key factor in employee's retention, it is also found that employee leave the job due to work environment.

Organizational justice (distributive justice and procedural justice) also plays pivotal role in employee's retention, it is revealed from study that, if organization wants to retain their employees, organization must follow fairness formula.

### **Recommendations:-**

Some of the recommendations for the management tasked to manage employees towards successful attainment of organizational goals are:

- Organization needs to further improve its culture as it has the potential to retain employees, which will help it to retain its valuable assets (employees).
- Interview system may be introduced which will help management in answering the question why employees leave them, and then work on those areas which influence employees to leave their organization.
- Turnover rate should be monitored and consider it as important in policy formulation regarding HR factors and organization factors; it will help management in retaining their employees.

- It is suggested that employees want fair treatment and fair appraisal regarding the HR practices, so organization needs to bring fair policy and communicate it to their employees.
- Recognition of the employees' input and outcome needs further improvements. This concept may be improved if organization introduced formal recognition system i.e. certificates, employee of the year etc.
- Reward should be awarded on merit basis and promotion should be on seniority and merit both, which help in production and retention.
- The salary of employees should be increased, which will not only retain the present employees but will attract employees of other organization as well.
- Organizations should identify those benefits which have more influence on employee's retention. Furthermore, Organizations need to revise their present benefits package to identify those benefits which are not useful in order to replace them.
- A training program may be established as a regular practice for provision of training and retraining (refreshment courses) opportunities for their employees. This would not only satisfy employees' growth need but also enhance employee retention.
- A counselling system may be established regarding counselling employees for their career development, which will enhance employee loyalty with the organization.
- Employees need to understand that they are in organization, where they are offered multi training and career development opportunities

so they should avail these opportunities to increase their marketability / employability.

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