REVIEW OF LITERATURE ON IMAPCT OF HR OPERATIONAL EXCELLENCE ON EMPLOYEE EXPERIENCE AND RETENTION: EVIDENCE FROM THE INDIAN IT SECTOR

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Abstract: Employee engagement is an important factor for the success of an organization. Employee engagement is the level of involvement and commitment of an employee to their organization and its values. The focus of the study is to determine the level of employee engagement in the private banking sector and IT-ITeS companies to identify the factors that contribute to employee engagement and to examine employee engagement and its impact on employee retention. Employee engagement is referred to as a work-related state of mind. This can be categorized by 3 things – namely - vigor, dedication, and absorption. A quantitative method was used, and questionnaire was developed using the Utrecht Work Engagement Scale (UWES), which assesses the level of energy and mental resilience during work, as well as the sense of meaning, inspiration, pride, challenge and focus on work. The author has majorly focused on the identification of the impact of the factors of the employee engagement on the retention of the employees in the two types of industries organization i.e., Banking industry and the IT companies' employee. To achieve these objectives the researcher has applied various statistical test for the first identification of the important factors for the employees engagement and its impact on the retention of them which are first is the descriptive statistics for the identification of the employees profile in the Bank and IT companies and out of which it has been noted that Male as a gender, 25 – 35 years as a age group of employees, post – graduation as a majorly education, Rs.15,000- Rs.30,000 category as a major employees salary, 2-5 years category as a tenure of employees, Below 5 years category as a working experience of the employees are the common in both the Industries employees.

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Introduction: Employee retention can be regarded as "the entire HRM policies for retaining the current or expected high-performing employees within organizations for long periods, enabling them to exercise or develop their capabilities" (Pham et al, 2023, p 137704). The organisation can influence a good relationship with the staff through some effective policies and immense support that can foster their attitudes and behaviours at the workplace. This, in turn, can retain them and increase their commitment level towards the organisation. The growth of the organisation can develop with an increase in the degree of employee retention. Employee retention is significant for the success of the organisation and it contributes to improved job satisfaction among the employees (Vasquez, 2014). Effective HRM ensures keeping the staff in the organisation along with a reduction in the turnover rate. As stated by Lwin (2022), HRM practices have a wide effect on the retention of employees. The employees remain committed towards the organisation due to positive HRM practices. Employee retention has the potential to decrease the extra business costs and enhance the profit margin. HRM practices are a valuable asset of the organisation and a significant source of competitive advantage. HRM practices involve the necessary systems and policies that have a major influence on behaviour and also on the attitude of the employees (Alajlani and Yesufu, 2022). The effective incorporation of HRM practices is a significant tool for acquiring competitive advantages. In the modern business scenario, employee retention is a major challenge encountered by businesses in the competitive business scenario. As a result, strengthening the HRM practices has become quite significant to effectively retain employees. The study concluded that the HRM practices have impacted employment retention by evaluating several strategies. The study has also discussed possible

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difficulties and obstacles that can stand through the implementation of the HRM practices effectively and attempting to retain employees (Mohamed et al. 2024). The conclusion of the research can help to discuss the strategies of HRM data specific to the requirements of the banking industry promoting the stability of organisation and also long term growth of the business market.

Review of Literature:

HRM refers to human resource management that covers many practices such as recruiting employees, onboarding process, performance evaluation, pay and most importantly providing required training to the consumers (Adp, 2023). The management system reflects the approach taken by the HR staff in optimising the company's workforce, so therefore, they can meet the business goal (Adp, 2023). According to Stone and Deadrick (2015) the economic shift, effects of globalisation, and technological advancements have created a huge shift in the demand of organisations that opened a competitive new path for the HRs. In this situation, the two main drivers of change for HRM are technology and talent management. Here technology refers to the one that is used for storing HR-related data, however, the field of talent management is huge. However, currently, the HRM is facing challenges such as globalisation, expansion to innovation and sustainability (Stone, and Deadrick, 2015).The adaptation of the HRM principles has made a substantial impact on employee retention in the Indian banking industry. Muthuswamy (2023) research paper has discussed that the one benefit is that the HRM method strategically matches the organizational objective with the initiative including talent development programme and performance rewards, which encourage the employee for the improvement of business success. Garg et al. (2023) research paper has discussed that HRM also promotes a positive work environment by developing work satisfaction and reducing turnover through the program including employee engagement activities and the workplace environment. Notwithstanding, several obstacles persist, including the elevated need for proficient experts and fierce rivalry in the sector, resulting in instances of talent theft and concerns with employee retention. Khatun et al. (2023) stated that the efficiency of the HRM procedure might be restricted by the economical volatility and legal requirements which might affect how well they retain the employees. Kalia et al. (2023) discussed that Indian banks are able to develop the employees by proactively implementing the HRM concept which helps them for maintaining success and development in the Indian banking industry.

Talent management

According to Cappelli and Keller (2014) talent management refers to a practice that is running for the long term and aims to provide the right jobs to the right persons. It also includes services such as planning the workforce, employee engagement and overall career management. The term was first introduced in the year 1998 by the McKinsey report (Cappelli and Keller, 2014). According to Vaiman et al. (2012) in today's world companies are facing major challenges related to global talent management due to the highly competitive market. Talent management of high-potential and knowledge workers is becoming more and more strategic for companies worldwide. In the European context, talent management is considered one of the five major issues facing the HR profession. Interestingly, it is also one of the areas in which the function struggles the most. The implementation of the talent management strategy has been essential to improve employee retention in the Indian banking industry. Amjad and Khan (2024) paper discussed that one of the beneficial strategies is to develop the target market and identify the high potential personnel which decrease the turnover rate to offer several chances for internal recognition and growth. On the contrary, Senanayaka and Gunasekara (2024) research paper discussed career advancement and the recognition process. Additionally, Adeyefa et al. (2024) research paper stated that the leadership development and planning initiative among the talent management has guaranteed a pool of qualified workers, reducing the effect of employee attrition on the important positions. Hassanein et al. (2024) discussed Indian banks and increased highly dedicated and engaged workforce for improving the stability of organization and developed the success growth throughout the maintenance of competitive market by evaluating management programs.

Employee retention

According to Das and Baruah (2013), retaining important employees is essential to the longterm well-being and success of any organisation. The ability of any organisation to retain its finest employees is crucial for a number of reasons, including improved customer happiness, organisational performance as measured by higher sales, contented coworkers and reporting staff, efficient succession planning, etc. Encouraging workers to stay with the company for an extended length of time is known as employee retention (Das and Baruah 2013). On the other hand, Singh (2019) stated that, though the phrase employee retention is defined in numerous ways, it fundamentally signifies various measures made by organisations to encourage

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their 15 employees so that they remain with it for a longer duration of time. Preventing talented employees from leaving is the main motivation behind employee retention. The employee retention has played an important role in improving the performance and stability in the banking sector. Bekhit et al. (2023) research paper discussed that building knowledgeable and devoted employees is one of the beneficial approcessors of placing the high priority on employee retention in the banking sector environment. In similar, Chav et al. (2023) research paper conducted that the staff contributes the knowledge and skills which is essential to sustain both operational efficiency and customer preferences. The retention initiatives including attractive benefits packages and chances for professional advancement encourage staff members to stick with their existing company, cutting down on turnover expenses and interruptions to business operations. On the contrary, Adeyefa et al. (2023) research papers discuss the obstacles encompassing the requirements of the consistent funding for the retention strategies to maintain the competitiveness in the constantly evolving employee potential and labor markets to get complacent if they perceive the minimal prospect for development and progression. Shrestha et al. (2023) research paper discusses that Indian banks may create a strong team, improve the business stability and maintain the long term growth in the constantly changing banking industry by strategically focusing on staff retention.

Employee engagement

Leadership now prioritises employee engagement as they continuously look for new ways to keep their workforce motivated (Chandani et al. 2016). Every day, the management faces tests in its ability to maintain employee engagement and carry out the established policies. The industry has seen a dramatic increase in employee turnover as a result of workers who are frequently changing employment and high attrition rates. Therefore, in these uncertain economic times, maintaining employee engagement and retention has become a difficult issue (Chandani et al. 2016). On the other hand, Markos and Sridevi (2010) stated that the focus of managers is on maintaining employee engagement in their work. Businesses today understand that they can build a more effective and productive staff by emphasising employee engagement. Without the deliberate participation and engagement of employees, management's improvement programmes will not be successful.The employee engagement has become a crucial element in improving the employee retention process in the Indian banking sector. Abbas et al. (2023) research paper discussed that one of the beneficial approaches was the investment of workers or significantly developed strong bonds with the organization to increase job satisfaction and commitment. The program including employee 16 appreciation event, skill And knowledge developing opportunity and feedback channel help to build community improvement and ownership among the staff members discussed in the research paper (Sypniewska et al. 2023). Additionally, productive workers and creative workers have a favorable effect on the performance of the entire organization. () Research paper discussed that the employee engagement through huge time is significantly developed in the banking sector. On the contrary, Shrestha et al. (2024) discussed that the work stress and little opportunity for professional development and poor work life balance are different factors that might hamper engagement and lead to employee disagreement and burnout. Execution of a successful engagement programme has required continuous commitment of the leadership approaches, resources and time which could put pressure on the management and financial time. On the contrary, Senanayaka et al. (2024) Research paper discusses that the advantages of employee involvement for the retention process has faced several drawbacks. The Indian banks can significantly establish an atmosphere where the workers feel encouraged and appreciate it to put in the best work by cultivating the business and marketing culture. Ali et al. (2024) stated that this will increase the success of the organization and develop retention rates in the Indian banking industry.

Effect of HRM on Employee Retention

According to the study by Boutmaghzoute (2021), it is stated that employee retention is guided by the effective roles of the HRM department that focuses on organizational success. Keeping similarity with the statement, the study by Singh (2019), declared that organizations with excellent HRM effects can tend to experience higher employee retention rates compared to those with less effective strategies that can decline the rate of employee retention. However, a specific research limitation is noted in his study that is created due to the implication of recent trends and not valuing the previous trends. Contradicting the statement Othman (2019), stated in his study that the recruitment of suitable employees is not the only activity of HRM but it also encompasses ongoing efforts to create a positive work environment, foster employee engagement and enhance the rate of performance. He has also stated in his study that the employees feel valued and satisfied with the implication of fair HRM practices in the organizations. As per the study by Hassan (2020), it

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is understood that the professional growth of the employees is influenced by comprehensive onboarding programs, continuous training, and career development opportunities that enhance the retention rates of the employees. Companies that have less efficient HRM initiatives often face issues due to insufficient support systems and limited avenues for career advancement that develop negative aspects 17 against the professional growth of the company. On the other hand, in the study by Ekmekcioglu (2023), it is seen that the role of HRM in mitigating organizational issues is paramount to developing strong HRM practices that can adapt to conflict resolution and a peaceful work environment. He has also stated in his study that effective communication with a proactive approach to employee retention contributes to a positive workplace culture that declines the likelihood of dissatisfaction among employees. However, due to the use of secondary findings in his study, a notable research gap has evolved. According to the study by Hassan (2022), it is declared that rewards and effective compensation are also important roles of HRM that enhance the motivation of the employees to stay in the company. He has also declared that skilled employees can be retained in the company with regular adjustments of the rewards system according to the industry standard. Contradicting the statement Johannsen (2021), declared in his study that organizations that neglect this aspect may face higher turnover rates due to the reduction in employee satisfaction and trust. Therefore it is understood that the impact of HRM on employee retention is evident in organizations that foster employee growth and the positive performance of the company. According to Kurdi and Alshurideh (2020) the capacity of any country to advance economically is greatly enhanced by the banking sector. Furthermore, staff turnover rates in the banking industry are rising, particularly when workers are not happy in their positions and are more likely to quit the company. This turns into a serious business problem and an expensive application, especially if valuable staff members are departing. Moreover, hiring a new worker comes with a large price tag and usually takes time. Consequently, have a big impact on bank employee retention. Several variables, including job security, affiliation, self-actualization, and esteem, can have a significant impact on employee retention. For example, Wells Fargo a US-based bank ranks in the top three in following the employee retention process successfully (Thebanker, 2023).

Relationship between employee training, employee engagement and employee retention in the banking sector

Employee training and engagement have a huge impact on retaining employees within any organisation. As per the studies of Chaudhuri et al. (2020), it has been found that the Indian banking sector needs to orient its working culture to the needs of the employees. This can help in making sure that the time associated with the working of the employees is adjusted as per their needs. The study also mentions that the presence of employee job satisfaction can be an important antecedent of employee turnover, which must be reduced with the help of the same. However, the studies are only a review of existing literature and do not contain 18 imperial data analysis. On the other hand, as per the studies of Houssein et al. (2020), it has been found that there has been a relationship between the impact associated with employee engagement and employee retention. On the other hand, it has been found that a positive relationship exists between employee retention and career development within the banks of East Africa. This is why it is important to make sure that the career development process of the employees is maintained. This will help the employees in getting more working scope and help them in developing the right attitude towards working. However, the study is limited as the data has been obtained through interviews with existing employees and not by employees leaving organisations. Houssein et al. (2020) also stated that in banking employers are becoming more aware of staff retention and turnover as maintaining a competitive advantage depends on them. Since their knowledge and core competencies are essential to the organization's ability to maintain a competitive advantage, skilled workers must be retained. Enterprises that maintain a low employee turnover rate and retain top talent can benefit greatly. The elevated incidence of employee turnover is among the factors that lead to the downfall of organisations. Organisations need to understand why people stay or go, as employee turnover has an impact on revenue and performance. On the other hand, as opined by the studies of Chaudhuri et al. (2020), it can be seen that there is an effect between employee engagement and employee retention, which is further facilitated by employee training. With the help of proper employee training, it is possible to inhibit the sense of job satisfaction within the banking employees and make sure that the employee engagement practices are in the proper place as it helps in making sure that the human resources performance goals are achieved. This helps in two ways: in explaining the HRM practices, and at the same time making sure that the employees are engaged with the given organisation throughout. This will help the organisation make sure that there is

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enough scope for career development and overall growth. Also, the HRM managers working within the banking industry must now be more focused and put more effort into the retention policies associated with the same which can help in making sure that the career development of the employees is maintained (Vu and Nwachukwu, 2020). However, the study only uses demographic content, which now means that it does not provide enough information to separate errors of coverage from errors in content. On the other hand, the studies of Ahmed et al. (2020), it can be observed that with the advent of Covid-19, there has been a growing need for a significant positive impact on organisational performance. With the help of this, it will be possible to note that the aspects of knowledge sharing can help in generating the factors associated with employee engagement, like employee job satisfaction. This in turn can help 19 in knowledge sharing and help in maintaining aspects of employee engagement and organisational performance. However, the study is limited to only Karachi, and might not be applicable in other regions as well.

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