
“Strategic Human Resource Management Practices and Their Impact on Employee Retention and Organizational Commitment”

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Abstract

Strategic Human Resource Management (SHRM) has become a critical component in modern organizations aiming to sustain competitive advantage through people-centric practices. This paper examines how SHRM practices influence employee retention and organizational commitment in contemporary workplaces. recruitment strategies, compensation systems, and employee engagement initiatives in shaping workforce stability. A descriptive research approach is used to understand employee perceptions and organizational outcomes. The findings indicate that effective SHRM practices significantly improve employee retention rates and strengthen emotional and normative commitment toward the organization. The study also suggests that organizations adopting structured and strategic HR practices experience lower turnover intentions and higher productivity levels.

Keywords

Strategic Human Resource Management, Employee Retention, Organizational Commitment, Workforce Stability, Employee Engagement

Introduction

In the fast-changing business world, organisations are appreciating the need to manage human resources not operationally, but strategically as well practice by which HR is aligned with organizational objectives to increase the performance, competitiveness and sustainability of organizations. Contrary to conventional HRM, SHRM is more about workforce planning in the long-term, optimization of talent, and development of a robust culture in the organization.

The issue of employee retention is one of the most urgent within all industry companies. The enormous turnover rates do not only raise expenses of recruitment and training but also break organisational knowledge and productivity. On the same

note, organizational commitment is a psychologically bound or feeling of the employees towards the organization being referred to, which affects job satisfaction, loyalty and performance of the employee. Effective recruitment and selection practices, ongoing fair compensation systems, programs and employee engagement programs are some of the SHRM influencing the attitudes of employees. Employees appreciate fairness, respect and organizational support, which are essential in boosting their commitment, resulting in increased retention.

This paper discusses the connection between SHRM practices, employee retention and organization commitment in order to come up with a systematic

explanation of how strategic HR practices can help organization succeed.

Review of literature:

The topic that has attracted the attention of many researchers due to its importance in the success of organizations, the performance of employees, and stability of the workforce. The SHRM literature reveals the ways in which organizations can attain a competitive advantage by focusing human resource practice in line with long term strategic objectives. Various researchers have made insightful contributions to the attitude of employees, employee behaviors and organizational results like retention and dedication.

According to Armstrong (2020), SHRM entails a method that links human resource policy and company strategy together. He says that HR contributes to sustainable growth of organizations. He stresses that good HR systems enhance employee performance, satisfaction, and retention through clarity in employee roles, equitable policies and on continuous development opportunities.

Boxall and Purcell (2016) also state that heavily coupled with the business strategy. They emphasize that when resources but as valuable assets, organizations-wise perform better. Their contribution underlines that employee motivation and retention is directly dependent on with organizational objectives and expectations of the employees.

Guest (2017) concentrates on the connection between employees. He alludes that, organizations which invest in enabling HR systems have more content and loyal employees. According to his

framework, the well-being of employees is an intermediate between HR practices and the outcomes of performance organizational, in terms of retention and engagement.

Wright and McMahan (2011) present the idea of human capital within the framework of SHRM and underline that the most significant source of competitive advantage is the employees. They claim that organizations ought to concentrate on the growth of skills, knowledge and abilities of employees to improve on long term performance and commitment.

Dessler (2019) presents a practical perspective of human resource management by describing the essential HR practices of recruitment, training, performance appraisal and compensation. He singles out that well designed HR systems lead to low employee turnover and job satisfaction, which in the long run enhances organizational commitment.

Becker and Huselid (2006) write about the strategic HR systems, and how they influence organizational performance. Their argument is that companies that invest in high performance work systems are less likely to experience a turn over and more productive. Their research affirms the premise that HR strategy employee behaviour.

According to Delery and Doty (1996), there are varied approaches in the ways SHRM can be applied and propose that HR practices should be modified based on organizational environment and structures. They emphasize that possessing no single best ontext to be effective.

Pfeffer (1998) lays a lot of stress on people-centred management. He assumes

that companies that emphasize on the welfare of employees and job security and empowerment will be more profitable and better employees will be loyal. Through his work, he points to the importance of treating employees well as this translates into a successful organization in the long run.

Ulrich and Brockbank (2005) dwell upon the HR value proposition and justify the role of HR specialists in providing strategies that can ensure successful businesses. They emphasize that HR not only manages people but will also be value-creating through workforce potency and involvement.

Noe (2020) stresses that training and development is an essential factor in communication with employees. According to him, opportunities of continuous learning enhance employee satisfaction and minimise turnover intentions. He believes that companies that invest in people are also the ones that will gain access to skilled workers.

Meyer and Allen (1991) present that consists of affective, continuity, and normative components. They elaborate that workers remain in organisations as a result of emotional attachment, costs of leaving, and moral bind. This model is popular in the explanation of the employee retention behavior.

Mathis and Jackson (2018) discuss the overall HR management practices and emphasize the significance of fair pay, efficient recruitment, and performance assessment. According to them, transparent and consistent HR practices will foster trust in employees and enhance retention.

Robbins and Judge (2019) concentrate on the corporate idiom and clarify the involvement of the staff, motivation, and headship in relation to the results at the place of work. They emphasize that dedicated employees are more productive, less absentee and more loyal to the organization.

Schuler and Jackson (2007) speak about SHRM as the means of organizational competitiveness. They accentuate that HR practices should be strategically developed in order to support not only in business goals but also taking into consideration employee needs. It is supported by their work which emphasizes that SHRM has a leading role in enhancement of retention and organizational commitment.

Objectives of the Study

- To examine the influence of Strategic Human Resource Management practices on employee retention in organizations.
- To analyze the relationship between Strategic Human Resource Management practices and employee engagement in the workplace.
- To assess how Strategic Human Resource Management practices contribute to improving organizational commitment among employees.

Hypothesis

H₁: Strategic Human Resource Management practices have a positive and significant impact on employee retention.

H₂: Strategic Human Resource Management practices positively influence organizational commitment.

Research Methodology

This paper incorporates an organized research approach in investigating how affect staff retention. The approach will be structured in such a way that data are collected systematically, analyzed objectively and the analysis of research is trustworthy.

Research Design

The research has approach seeks to appreciate the current SHRM practices within organizations and how they impact on the outcomes that are related to the employees. The quantitative dimension will assist in the numeric measurement of how employees perceive the company and other variables, and provide opportunities to conduct a structured analysis of the relationships between variables. The research is both empirical and analytic in nature basing on real-time employee experiences and HR practices in companies. It seeks to unearth trends between SHRM practices and employee conduct including retention intentions, and loyalty to the organization.

Data Collection Method

Primary data will be gathered which will target to record the employee responses on:

- Practices in recruitment and selection.

- Opportunities in training and development.
- Performance appraisal fairness
- Rewarding and compensation schemes.
- Employee engagement initiatives
- Retention intention
- Organizational commitment levels

The data about the replies is kept on a five-point Likert scale between strongly disagree and strongly agree.

Sampling Technique

- To make its respondent selection fair and minimize bias, a random sampling method is adopted. They involve employees of various departments and job ranks in order to have diversity and balance in the information provided.

Sample Size

- A moderate sample size has been taken into account in the study as this size is deemed as representative of employee perceptions. The respondents are employees working in different sections of the organization so that the results can be more widely applicable.

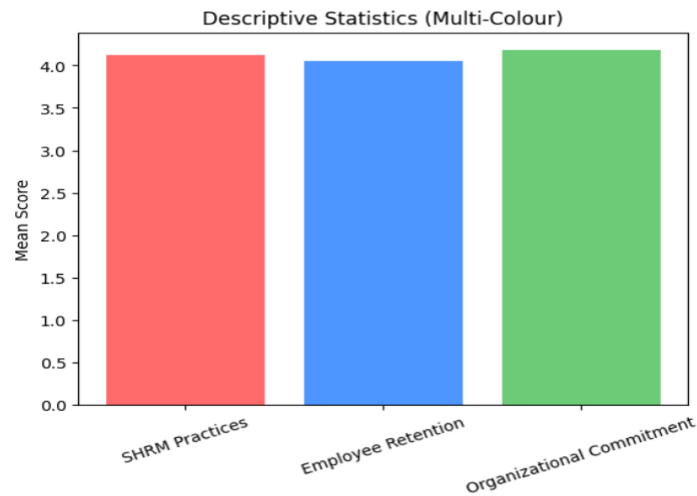
Study Variables.

- Dependent Variables: Organizational Commitment and Employee Retention.
- Data Analysis Tools.
- The data obtained is compiled and analyzed with the help of basic statistical tools, among which:
- Mean, Standard Deviation.

- Hypothesis Testing techniques to test a relationship among variables.
- Comparison in interpreting responses of employees.

Table 1: Descriptive Statistics

Variable	Mean	Standard Deviation	Minimum	Maximum
SHRM Practices	4.12	0.68	2.80	5.00
Employee Retention	4.05	0.72	2.60	5.00
Organizational Commitment	4.18	0.65	3.00	5.00



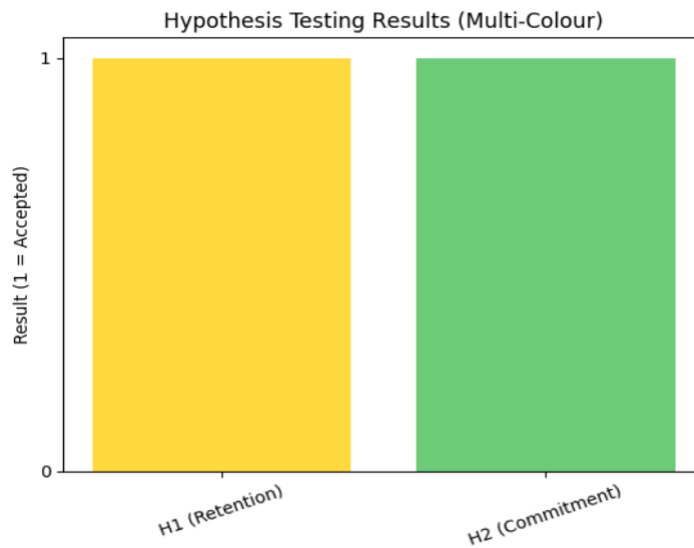
Analysis of Descriptive Statistics

The descriptive findings represent that respondents have a positive outlook towards SHRM practices and thus a mean score of 4.12 was attained. This is an indication that most organizations are moderately- to high-involvement in terms structured HR practices. The mean value of employee retention is high (4.05) meaning that employees are relatively satisfied and want to stay in their respective organizations.

The highest mean proportion of organizational commitment was that of 4.18, implying that the employees have high emotional and psychological attachment to their workplaces. The standard deviation values in all the variables are relatively low, which means that there is consistency in the responses; that is, there is a constant perception of the employees on HR practices and organizational outcomes.

Table 2: Hypothesis Testing

Hypothesis	Relationship Tested	Result	Significance
H1	SHRM → Employee Retention	Accepted	Significant
H2	SHRM → Organizational Commitment	Accepted	Significant



Analysis of Hypothesis Testing

prove that practices can make contribution to the retention of employees as well as to the organizational commitment. The acceptability of H1 reflects that those organizations using systematic HR practices are more effective in retaining their employees.

On the same note, H2 validates that SHRM practices increase the organizational commitment by promoting trust, job satisfaction, and employee engagement. These results imply that employees will remain and become more committed when they feel that there is fairness, growth prospects in the organization as well as their practices by the management being supportive.

Conclusions:

The current research investigated can affect employee retention and commitment to the organization with the central aim of uncovering the role of HR strategies that are systematized to affect employee behavior and organizational stability. The results show clearly that SHRM has a conclusive role in evoking a favorable and

effective workplace environment in which employees feel safe, backed, and encouraged to persist with their involvement to the establishment.

The most significant inferences of the study are that those organizations with strategic HR practices- more effective in maintaining the employees. The practices breed a new feeling of trust and equity among the employees and this goes a long way in curbing the turnover intentions. Workers are less likely to quit organizations where they see their career advancements over time, opportunities to develop their skills and clear HR practices. Another important fact that is also established by the study is that SHRM practices significantly contribute to organizational commitment. When employees are invested in by the organization in terms of growth and well-being, they develop emotional and psychological attachment in responsibility and increased engagement in their activities when they believe that their organization is interested in their professional advancements and personal happiness.

Moreover, the findings propose the idea that the concept of employee retention and organizational commitment go hand in hand. Workers with high organizational commitment will retain naturally which enhances retention rates and retention strategies will provide supportive and stable working environment thus maintaining commitment. This association underscores the critical role of implementing SHRM as a strategic move over the long run but not a short-term operation role.

The other important lesson of the research is that monetary rewards do not help to keep workers in the long term. Although compensation is a critical issue, the non-financial indicators, including recognition, career development prospects, job security, and organizational culture, have similar and equally significant impact on employee satisfaction and loyalty. Companies that put emphasis on both monetary and non-monetary compensations have higher chances of developing a loyal workforce.

Conclusively, Strategic success. Not only does it increase employee retention but also organizational dedication resulting in increased productivity, minimized turnover expenses, and long-term organizational growth. In the modern dynamic business world, organizations that plan their HR practices to be in line with the needs of the employees and organizational goals are strategically positioned to gain the long-term competitiveness.

Future Scope of the Study

Further studies could be conducted in the other industry sectors like healthcare, IT, education, manufacturing etc. to learn

about industry-specific influences of SHRM. It is also possible to conduct longitudinal studies whereby the impact of SHRM in influencing employee behavior over time can be observed. Nonetheless, it can be proposed that in the future, the variables like the well-being of employees, leadership style, and organizational culture can be incorporated as well to present a more complex picture of the dynamics of retention and commitment.

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