



Adoption of HR Strategies and Its Influence on Employee Retention in Service Sector with Special Reference to Chennai City

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Abstract. The current study's objective focuses on HR strategies and its implication on employee retention in Service sector at Chennai city. The middle-level managers and supervisors employed in Chennai service industry are included in this sampling frame. Data for the study was gathered through a survey method utilizing a questionnaire specifically designed for the sample of 398 people employed in management and supervisory roles in the automotive sector. In this study Confirmatory factor analysis were used to reduce the statements provided in the questionnaire as well as SEM model is used in this study. This study discovered a strong correlation between employee involvement and workers' job happiness.

Keywords: Job retention, Job satisfaction, HR Strategies, Service Sector.

1 Introduction

Organizations are always looking for long-term sources of competitive advantage in the quickly evolving commercial landscape. An organization may gain a competitive edge through the new strategic development provided to their employees such as increments and better working environment, but these advantages are not long-lasting or sustainable to retain employees in the organization. Employee efforts are used effectively, they can be a valuable asset for the company and give it a competitive edge in its strategic business plan. Thus, it is imperative that the organization cultivate the capacity to draw in and hold on to skilled personnel who actively support the organization's higher objectives. Malhotra, N. (2008)[14] According to earlier research, workers have three essential needs: engaging work, being acknowledged for their personnel as well as they were given shares to motivate them. This work serves as a foundation for producing a workforce that is engaged and prepared to help the organization achieve its goals, rather than just being dissatisfied with their current workplace. This study aims to critically examine the phenomenon of employee retention and how it affects an individual's job satisfaction, with a particular focus on Service industry in Chennai city.

2 Literature Review:

According to [3], the majority of research studies examining the relationship between job performance and employee retention are coming to the same conclusion, which is that there is a positive correlation between the two. [6] confirms that building a psychological bond with the work is the foundation of employee retention, but it goes on to explain it by concentrating on two concepts: attention and absorption. Attention is concerned with an individual's cognitive availability in an appropriate way and the amount of time they spend whereas observation is

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more concerned with the level of involvement and intensity with which they focus on their work [2]. [5] analyzed that the employee can be retained through providing positive motivation either in the way of monetary rewards or even fringe benefits. The productive time spent by the worker provides profitability to the organization. If the organization fails to retain the employees the turnover rate will be high. Strategic human resource management help to maintain the organizational growth. [4] focused on the employee engagement and retention of employees, they also used factor analysis in their study to determine the variables which were attracted for them to retain the employees in the organization. The concepts such as employee motivation, training and development, employee engagement activities need to be focused more. In HR strategies the concept called KAIZEN will be practiced in the organization before which means continuous improvement but as implementation of new trends the concept called KAIRO that means immediate improvement has to be practiced, which creates more stressful environment as a result employee retention is difficult [12].

The smart and the employee who were following theory X of motivation (Optimistic) only sustain in the work for longer period of time, just as in the JCM, to enable them to flourish at work and be willing to go above and beyond the call of duty in order to accomplish goals [1]. Lack of these motivators or qualities may result in a group of disgruntled workers who do not put out their full effort to meet the organization's goals. Scholars have demonstrated a robust correlation between the construct of employee retention and motivation factors [13]. To ensure that employee retention is a important issue to surpass job requirements, meaning that workers are willing to go above and beyond to accomplish the organization's higher goals, enabling workers to perform in original ways and with all of your passion, particularly when the job demands are somewhat high.

3 Research Methodology

The objectives of the present study include

- To identify the impact of Employee strategies in implementation of HR strategies in Service Sector.
- To identify the factors influenced by the employees in continuing the job in service sector.
- To recommend suitable measure to the service sector in Chennai City to reduce the employee turnover.

This study adopted the conclusive research design which helps to identify the social construct by identifying the cause-and-effect link determined in adoption of HR strategies to retain the employees in the service sector for long period of time [10]. A structured questionnaire was used in the primary research, and determining a valid and reliable scale to measure the dimensions in the proposed model was one of the tasks involved. Secondary data refers to information gathered from already-published materials, such as study reports, journals, and other publications, that contain details relevant to the current research question [11]. The sample frame in

this instance consists of middle-level managers employed by Chennai Service industry [9]. In order to conduct this study, the researcher sent out a thousand questionnaires, of which 398 were fully completed by respondents who held management or supervisory roles in the automotive sector. The researcher employed non-probability judgmental sampling in order to accomplish this study. Credible publications and periodicals were also sought after [15]. Cronbach alpha is used to assess the internal consistency reliability of the responses obtained in relation to the various study components. The study's items were from measures created by earlier research in order to assure validity. The construct validity of the scale is further investigated using the CFA approach. The information gathered through questionnaires were analyzed using SEM and it has been used in the research study to assess the connection between worker performance and worker retention. However, in order to validate the components, confirmatory factor analysis (CFA) was done before SEM.

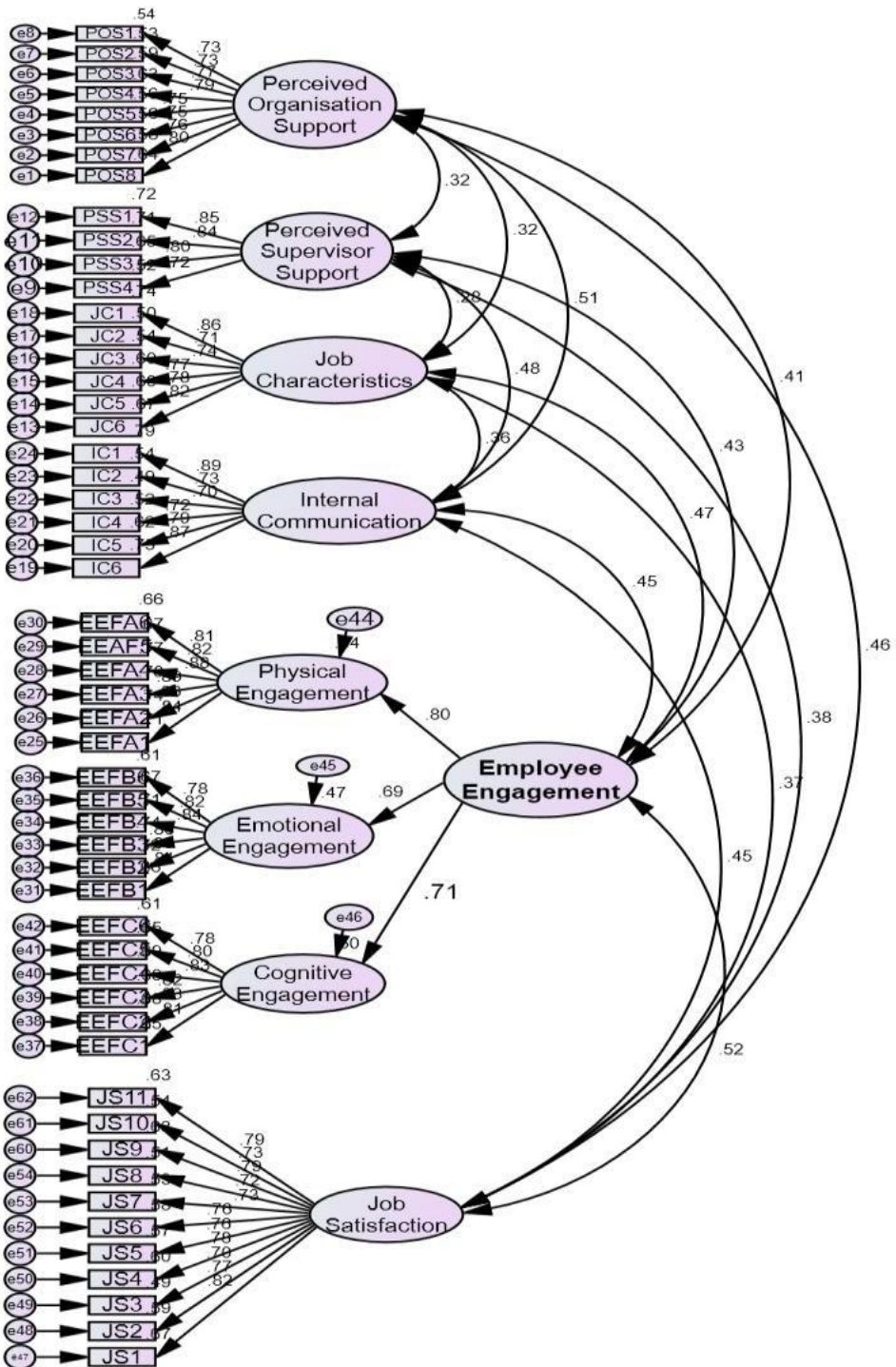
3.1 Constructs examined

- Employee Retention: Three components of retention—physical, emotional, and cognitive—are measured using an employee retention scale that was adapted from [7].
- Employee Job Satisfaction: An 11-point scale developed by Macdonald & Macintyre in 1997 was used to measure the employee satisfaction construct. Saks, [8].

4 Data Analysis and Interpretation

4.1 Analysis of Confirmatory Factors (CFA)

The information obtained through questionnaire were analyzed using the SPSS software. The confirmatory factor analysis is used to examine the factors' validity with regard to discriminant validity and conversion. Data obtained in the form of variance extracted measure and the CRS (Composite Reliability Statistics) can be used to test the convergent validity. It is anticipated that the average composite dependability number for each factor will be higher than 0.7.



From the above table no. 1 it is clearly indicated that the validity of discriminant analysis in the way of composite reliability and average variance extracted, maximum shared variance (MSV), and average shared variance (ASV), presents the findings of the CFA analysis performed on the measurement model previously displayed. The emotional engagement, cognitive engagement and physical engagement contributes to the Employee retention in an effective way. In the above SEM model 8 variables were tested for perceived organizational support (.32) which leads to perceived supervisor support (.32), employee engagement (.41) and job satisfaction (.52) (p values were higher positive values as given in the model i.e. POS1 to POS8 = .73, .73, .71, .79, .75, .75, .76, .80 respectively. Similarly, the HR strategies such as Physical Engagement (.80), Cognitive engagement (.71) and emotional engagement (.69) leads to employee engagement. Whereas it proves that the variables and strategies leads to employee engagement which in turn provides high job satisfaction. From this it is clearly depicted that the HR strategies will definitely leads to Employee Retention in the organization.

Table 1. Analysis of validity

	Composite Reliability (CR)	Average Variance (AVE)	Maximum Shared (MSV)	Extracted variance	Communication (Internal)	Organizational Support (Perceived Value)	Supervisor support Perceived Value	Nature of Job	Employee Retention	Satisfaction of Job
Communication (Internal)	0.824	0.516	0.324	0.786						
Organisational support (Perceived Value)	0.816	0.477	0.356	0.486	0.670					
Supervisor support (Perceived Value)	0.780	0.638	0.324	0.394	0.324	0.716				
Nature of Job	0.812	0.636	0.235	0.437	0.346	0.315	0.781			
Employee Retention	0.666	0.438	0.253	0.345	0.511	0.525	0.367	0.734		
Satisfaction of Job	0.837	0.86	0.363	0.552	0.362	0.479	0.466	0.483	0.659	

The findings show that each construct's CR measure is found to be greater than 0.7. It is discovered that each construct's AVE measure is higher than 0.5. Furthermore, it is discovered that each construct's AVE measure is higher than its MSV statistic. As a result, it is noted that all prerequisites for both discriminant and convergent validity are met. Therefore, it can be said that the constructs chosen for the study's measurement model are legitimate and that their relationships can be further examined. In the end, the model produced a good model fit.

Table 2. Regression Analysis

			Standardized Regression Weight	Regression Estimate	C.R.	P	R Square
Employee Retention	<---	HR Strategies	.873	.871	8.659	***	69.7%
Cognitive Component	<---	Retention Strategies	.607	.862	8.473	***	59.9%
Job Satisfaction	<---	Retention Strategies	.704	.671	9.998	***	46.5%
Physical Component	<---	Retention Strategies	.651	.891			46.4%
Emotional Component	<---	Retention Strategies	.566	.892	7.430	***	34.4%
Perceived Organizational Support	<---	HR Strategies	.730	.998			49.7%
Perceived Supervisor Support	<---	HR Strategies	.694	.973	8.786	***	38.3%
Job Characteristics	<---	HR Strategies	.543	.825	8.408	***	38.5%
Internal Communication	<---	HR Strategies	.733	.962	7.815	***	54.7%

Inference:

The results show that p value is less than 5% level of significance which confirms that the data collected were true at 95% level of Confidence. Therefore, it is possible to draw conclusions about the impact of precedent on employee retention and job satisfaction with a 95% confidence level based on the data. Therefore, it is possible to accept the study's hypothesis, which states that there is positive impact on adoption of HR strategies to retain employees in the organization. A rise in employee retention is positively correlated with increased job satisfaction among staff members. Additionally, the findings show that all cause and effect relationships have positive standardized construct loading. This suggests that the level of employee retention is positively impacted by all of the precedents. Put another way, if the organization follows all of the precedents, employee retention will be high. Furthermore, the findings suggest that a high degree of employee retention is positively correlated with high levels of job satisfaction. The estimated and reported goodness of fit indices for the SEM model displayed above are provided in the table.

Table 3. Goodness of fit indices

Statistical fitness index	CMIN/DF	RMR	GFI	AGFI	NFI Delta1	TLI rho2	CFI	RMSEA
Default Model	1.839	.054	.724	.706	.765	.826	.829	.039

From the above table the regression value have been inferred in an effective way as the RMSEA Value is 0.039 which is less than .05. And the GFI = 0.724, NFI = 0.765 and CFI – 0.828 which is higher positive value which depicts the goodness of regression fit.

5 Findings and recommendations

An attempt is made to determine job satisfaction as a factor influencing employee retention in the existing review. The review indicates that while the concept of employee retention has been thoroughly explored by scholars and practitioners, the majority of research in this field has been done in Western contexts and has not concentrated on the needs of a particular industry. Through his research, the researcher hopes to fill in the gaps in the literature and address issues related to the Service industry in Chennai. The study's goal was to investigate how employee retention affects workers' job satisfaction in the Indian auto industry. Previous research has demonstrated a strong correlation between job satisfaction and retention as a construct. The study's findings demonstrated a strong correlation between employee retention and job satisfaction, with the p value in relationship being less than 5% level of significance. Additionally, the findings show that all cause and effect relationships have positive standardized construct loading. This suggests that the degree of employee retention is positively impacted by job satisfaction overall.

6 Conclusion

Finally, to conclude that as a result, job satisfaction is a strong result of a company's successful employee retention strategy, and efforts must be made to ensure that workers are able to fulfill their desired roles within the company. This aids in retaining staff, winning their loyalty, and, most importantly, sharpening their focus on the operations of the company. A contented worker consistently prioritizes his work and concentrates on the expansion and long-term success of the company.

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