

Research on Long-Term Sustainable Organisational Performance and Employee Retention

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Abstract

These days, a company's ability to retain employees and achieve sustained performance is crucial from a strategic standpoint. For the long-term benefit of the company and its members, it is not only critical to have the greatest and most talented personnel; it is also critical to be able to retain them. The human resources department has a plethora of options and opportunities due to this development and competition. Retaining these resources as well as managing them is the largest problem that organisations are currently facing. Since employees' knowledge and skills are essential to a company's capacity to compete economically, securing and keeping skilled workers is crucial for any organisation. And on the other hand, Sustainable industrialisation is currently being promoted by a number of social and political organisations through cultural changes in regulation through politics, ethics, education, research, and governance. Organisations must constantly modify their strategy in the current competitive business climate in order to address social, economic, and environmental concerns. Organisations are using the advent of Sustainable Human Resource Management (SHRM) as a crucial tool to attain sustainable organisational performance (economic, social, and environmental), which has emerged as a major problem. The current study attempts to review the numerous literature and research work on employee retention and organisational sustainable performance, taking into account the significance and sensitivity of the retention issue to any organisation and importance of sustainable performance of an organisation.

Key Words: Employee Retention, Organisational sustainable Performance,

INTRODUCTION

This review article examines the several human resource strategies that support employee retention and encourage long-term organisational sustainable performance. Workers are an organisation's lifeblood and core. Holding the key to employee retention is so essential since it keeps the organisation moving in the right direction. Regardless

of whether they are multinational corporations (MNCs), or small and medium-sized businesses (SMEs) a set of tactics targeted at meeting the demands of employees should be implemented to retain the greatest personnel. (Ng Chee Hong et al., n.d.). When it comes to the profitability of the institute and the general performance of workforce, employee retention is very critical. (Knott, 2016)

In today's global market, employee retention is a very critical component of the strategic human resource management (HRM) that helps organisations maintain a competitive advantage.(Mohlala et al., 2012; Tseng, 2010). The idea of "spaceship earth" may have been the origin of sustainability more than 130 years ago.(George, 2009).

The Brundtland Report introduced the term "sustainable development" in 1987, and as the idea evolved, its recognition grew significantly. The report defines the term as “development that meets the needs of the present generations without compromising the ability of the future generations to meet their own needs” (Report of the World Commission on Environment and Development, n.d 1987).

Objective

The study's objective includes

1. “To investigate and describe the concept of organisational sustainable performance and employee retention.”
2. “To highlight key empirical studies on organisational sustainable performance and employee retention.”

Methodology

The study is descriptive in nature and has solely used secondary data. Books and other research publications make up the secondary data.

Organisational Sustainable Performance

The organization's capacity to satisfy stakeholder demands while steadily growing investment and managerial policies and strategies to ensure future profitability, social welfare, and environmental responsibility is referred to as a sustainable organisational performance (Pantelic et al., 2016).

Since organisational sustainable performance gives firms a competitive edge and benefits to stakeholders, society, and businesses in general, it is becoming more and more relevant (Czinkota et al., 2014). Etymologically speaking, "sustainable" refers to everything that can endure over time. It also refers to something that may be reliably said and kept, maintained, or demonstrated throughout time. Building on the present without endangering the future is the goal (Di Fabio, 2021). The global recognition of economic, social, and environmental problems as challenges to human progress has grown as a result of sustainable development (Di Marco et al., 2020).

Employee Retention

In this hyperactive age, maintaining a talented workforce requires more than just the development and implementation of traditional human resource management (HRM) approaches and practices. As the number of Generation X and Y workers continues to increase, the usage of these traditional retention strategies is failing to match their expectations. (Kashyap & Rangnekar, 2014). Organisations must find ways to become more flexible, accommodating, and cooperative because the pressures and difficulties of competition in the rapidly evolving global marketplaces are extremely intense and nerve-racking. (Park et al., 2010) The goal of employee retention is to encourage or retain workers for as long as possible. (Das, 2013)

The process of encouraging employees to remain with a company for a long period of time is known as employee retention. Through this process, employees are encouraged to remain with the organisation for as long as feasible. (Lahkar Das & Baruah, n.d.).

According to Bidisha "It's "a process in which the employees are encouraged to remain with the organisation for the maximum period of time or until the project is completed," (Das, 2013)

Significance of Employee Retention

Organisational success depends on employee retention since it lowers the costs of recruiting and training new hires, maintains institutional knowledge, and cultivates a happier, more engaged workforce. High retention rates improve customer satisfaction, boost productivity, and possibly increase income.

1. Lower hiring and training expenses
2. Reduced turnover
3. Experienced and engaged workforce
4. Consistent and reliable service
5. Reduced complaints and increased customer loyalty
6. Stronger company culture
7. Improved morale
8. Access to valuable skills and experience
9. Reduced risk of knowledge loss

Key Eminent Research on Organisational sustainable performance and Employee Retention

Abdali, (2011) examined how employee turnover affects an organization's long-term sustainable performance in the computer graphics industry of Karachi, Pakistan. This study focused on identifying the primary reasons and practical implications of the issue of employee turnover on steady expansion of the company. 15 computer graphics companies located in Karachi; Pakistan were incorporated in the study. There were 60 respondents in all from the 15 companies, with 4 respondents from each company. The sample was chosen using a cluster sampling

strategy. Data was collected from the respondents using a self-administered questionnaire. The result of this study showed an indicative impression of employee turnover on the organisations sustainable performance.

James, (2012)the goal of the research was to comprehend the characteristic of employee turnover in India's IT industry through different retention strategies. Bangalore, India's IT capital, was selected as the study's site. Additional factors including welfare benefits and personal satisfaction and Organisational Culture—both of which were purportedly linked to employee turnover—were also examined in this study. The study's population been composed of Bangalore-based IT companies. A survey was distributed to 300 workers. There were 225 replies. Managers and staff at the middle levels of the large unit were chosen. ANOVA was used to test the hypothesis. The study's findings demonstrated the significant impression of retention strategies on remaining intentions of employees and low employee turnover.

Narayanan, Rajithkumar and Menon, (2019) examined the connection between employee retention and talent management. Furthermore, the conceptual framework elucidating the function of talent perception Congruence Theory and Perceived Organisational Justice Theory were incorporated into the talent management setting to explore the relationship between organisational justice and employee retention. This study helped managers comprehend the critical roles that organisational justice and talent perception congruence played in influencing the outcomes of talent management, and it may also help shape the direction of future study in the field.

Kurdi, Alshuriden and Afaishat, (2020)conducted a study titled “Employee retention and organisational performance: Evidence from banking industry,” and identified the primary determinants of employee retention and the relationship between organisational performance and staff retention in Jordan's commercial banking industry. The factors that supported employee retention— self-actualization, psychological security, connection, and economic stability —were impacted by this study. In order to get primary data from employees, the researchers employed a straightforward random sample technique and a questionnaire. SEM-SPLS was used to evaluate the study model and the proposed hypotheses as well as to analyse the collected data. The findings demonstrated that employee retention was influenced by self-actualization, affiliation, psychology, and economic factors.

Al Aina & Atan (2020)investigated how talent management strategies affected the organisational sustainable performance of United Arab Emirates real estate firms. The research sought to make a theoretical contribution by carrying out an verifiable investigation of talent management in the United Arab Emirates. The research sample consisted of 306 managers working at real estate firms, and the structured questionnaire was used to compile their responses. SEM, or structural equation modelling, was employed to verify the ideas that were put out. The study, suggested for the company to achieve sustainable organisational performance, through following certain things like: i) management should focus on job rotation, ii) coaching, training programs, and iii) employee career management.

Hossin, Hosain, Frempong, Yeboan and Muatafi, (2021)the study determined relationship between sustainable organisational performance and the perceived organisational support (POS) relate, with a sustainable organisational reputation (SOR) acting as a mediating variable. The study used a inferential method to calculate 384 survey responses from mid-level managers utilising a cross-sectional survey methodology, and the hypotheses using covariance-based structural equation modelling. This empirical research showed that, whereas sustainable organisational reputation had a substantial positive link with sustainable organisational performance, perceived organisational support had an important positive relationship with the both corporate sustainable reputation and sustainable performance. In terms of mediating effect, it was discovered that the favourable relationship between sustainable organisational performance (SOP) and perceived organisational support (POS) and could be partially mediated by sustainable organisational reputation (SOR).

Parhyar, Memon & Ahmed (2022)studied the connection between sustainable organisational performance and employee retention strategies. Only 158 of the 180 respondents who completed the structured questionnaire method technique's data collection were examined and evaluated as the main source of information. Following primary data collection, SPSS (social sciences statistical software) was used for analysis. Performance and staff retention strategy were examined using a two-tailed Chi-square (χ^2) analytical methodology with an error rate of 0.05 percent. The finding of this research revealed that employee's retention techniques had a positive imprint on organisational sustainable development.

Katharina & Nurhayati (2022) carried out research titled “Talent management implementation of millennials as an effort to achieve organisational sustainable performance”. This qualitative study was escorted at the fintech startup Payzett in Jakarta, Indonesia. Fourteen department heads from the organisation served as key informants for this study. This study demonstrated that Payzett had not implemented talent management as well as it could have. To boost individual performance and for a beneficial impact on the sustainability of organisational performance, some changes were be made to the talent management strategy to better suit the needs of millennials.

Umair et al. (2023) investigated the relationship between an organisation's sustainable performance, green talent management (GTM), and environmental corporate social responsibility (ECSR). Additionally, the study looked into how green performance (GP) and transformational leadership, workers' innovative work behaviour (IWB), and might contribute to sustainable performance through green talent management and environmental corporate social responsibility. The data was collected through 389 bank employees of Oman. The hypotheses proposed were tested through SmartPLS (4.0) and partial least squares structural equation modelling (PLS-SEM) with the program. The study's discovery reveals that environmental corporate social responsibility had a direct impact on an organization's sustainable performance and green talent management.

Conclusion

Understanding human resources is difficult due to their complexity. These are the resources that have the power to build or destroy an organisation. Retaining them will increase their goodwill and contribute to the organization's

long-term growth. However, keeping and gratifying these resources is the most challenging issue an organisation faces today.

Although the research paper made every effort to highlight the numerous studies conducted and the contributions made by different researchers in the field of employee retention and organisational sustainable performance, there is still a great deal of room for additional investigation in employee retention and organisational sustainable performance.

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