

# A STUDY ON IMPACT OF HR POLICIES ON EMPLOYEE TURNOVER RATES IN SPARKOUT TECH SOLUTIONS PVT (LTD) COMPANY ,COIMBATORE

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## INTRODUCTION

Employee turnover is a critical challenge for organizations, affecting productivity, morale, and overall business performance. One of the key factors influencing turnover rates is the effectiveness of Human Resource (HR) policies. HR policies related to recruitment, training, compensation, workplace culture, and employee engagement play a significant role in determining whether employees stay with a company or seek opportunities elsewhere. Well-structured HR policies—covering areas such as recruitment, compensation, career development, workplace culture, and employee engagement—can significantly reduce turnover by fostering a supportive and motivating work environment. Conversely, ineffective or rigid policies may lead to dissatisfaction, disengagement, and higher attrition rates. This study explores how HR policies impact employee retention and highlights the best practices organizations can implement to maintain a stable and committed workforce.

## OBJECTIVES

- To analyse the impact of HR policies on employee job satisfaction and engagement.
- To examine the moderating effect of organizational culture on the relationship between HR policies and employee turnover rates.
- To provide recommendations for organizations to develop effective HR policies to reduce employee turnover rates.

## SCOPE OF STUDY

This study aims to investigate the impact of HR policies on employee turnover rates in organizations. The study will be conducted in [specific country/region]. The study will include organizations from [specific cities/states]. Recruitment and selection, Training and development, performance management, Employee Benefits, Employee engagement and retention, the study will use a quantitative research approach. The study will collect data through surveys and secondary data sources. The study will use statistical analysis to examine the relationship between HR policies and employee turnover rates.

## RESEARCH METHODOLOGY

Here's a potential research methodology for a research paper on "The Impact of HR Policies on Employee Turnover Rates". The research design for this study will be a descriptive correlational design, examining the relationship between HR policies and employee turnover rates.

Data will be collected through a survey questionnaire, administered online through email invitations or online survey platforms. Personal interviews will also be conducted with HR managers or representatives of the sampled organizations.

## STATEMENT OF PROBLEM

Employee turnover is a pervasive issue that affects organizations across various industries, resulting in significant costs and disruptions to business operations.

Despite its importance, employee turnover remains a major challenge for many organizations, with estimates suggesting that the average cost of replacing an employee range from 50% to 200% of the employee's annual salary.

While research has shown that HR policies can play a crucial role in reducing employee turnover, there is a lack of empirical evidence on the specific HR policies that are most effective in reducing turnover rates.

### **SAMPLING METHOD**

Simple random sampling methods is used to draw samples from the population.

### **METHOD OF DATA COLLECTION**

Questionnaire method of data collection is used to collect the data from the respondents.

### **RESEARCH PERIOD**

The research is conducted over a period of 4 months from December 2024 to March 2025.

### **RESEARCH AREA**

The research is conducted in Coimbatore.

### **SAMPLE SIZE**

Sample size taken for the study is 107

### **TOOLS USED**

#### **Percentage analysis**

#### **Data Collection Tools**

**Survey Questionnaire:** A structured survey questionnaire will be used to collect data from HR managers or representatives of the sampled organizations.

**Online Survey:** The survey questionnaire will be administered online through email invitations or online survey platforms.

**Google Forms:** For creating online surveys and questionnaires.

### **LIMITATIONS**

- HR policies can't replace poor management.
- HR policies may not address short-term factors causing turnover, such as immediate dissatisfaction with pay or workload.

### **REVIEW OF LITERATURE**

- Tziner & Birati, (1996), the study entitled "Impact of Human Resource Management Practices on Employee Turnover". The study examines the relationship between HR practices and turnover rates, highlighting how structured HR systems can reduce voluntary turnover by enhancing employee satisfaction and engagement.
- Al Mamun & Hasan,(2017), "The Influence of Human Resource Management Practices on Employees Turnover Intention A Conceptual Model". This study presents a conceptual framework that connects HR practices to turnover intentions, emphasizing the role of work environment, compensation, and career development opportunities.

**ANALYSIS AND INTERPRETATION**

**TABLE 1**

**TABLE SHOWING THE PRIMARY GOAL OF HR POLICIES IN AN ORGANISATION**

HR Policy Goal	Number of Responses	Percentage
To reduce employee turnover rates	18	16.7%
To increase employee productivity	43	39.8%
To improve employee job satisfaction	41	38%
To reduce organization costs	5	4.7%
<b>Total</b>	<b>107</b>	<b>100%</b>

**INTERPRETATION**

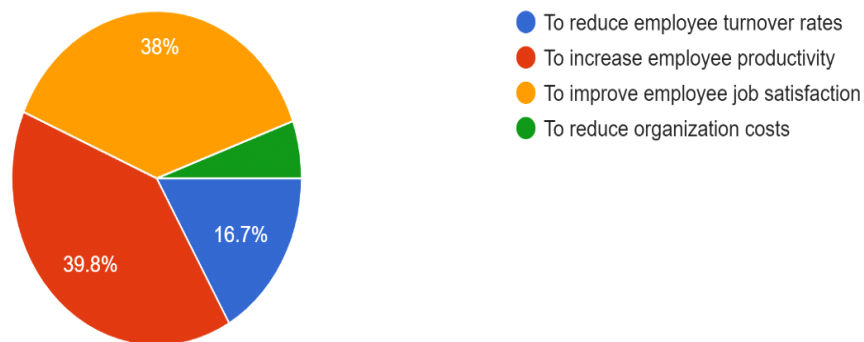
The majority of respondents believe that the primary goal of HR policies is to increase employee productivity (39.8%) and improve job satisfaction (38%). Reducing employee turnover rates (16.7%) and reducing organizational costs (4.7%) are considered less significant.

**INFERENCE**

The data suggests that HR policies are primarily focused on enhancing productivity and employee satisfaction, reflecting a people-centric approach rather than purely cost-saving measures.

4.What is the primary goal of HR policies in an organisation?

107 responses



**TABLE 2**

**TABLE SHOWING THE FOLLOWING HR POLICIES CAN HELP REDUCE EMPLOYEE TURNOVER RATES**

HR Policy	Number of Responses	Percentage
Performance-based promotions	20	19.1%
Flexible work arrangement	37	35.5%
Employee recognition programs	25	23.6%
All of the above	25	23.3%
<b>Total</b>	<b>107</b>	<b>100%</b>

**INTERPRETATION**

The highest percentage (35.5%) of respondents believe that flexible work arrangements are the most effective HR policy to reduce employee turnover. Employee recognition programs (23.6%) and performance-based promotions (19.1%) also play a role. Meanwhile, 23.3% of respondents consider a combination of all these policies to be the best approach.

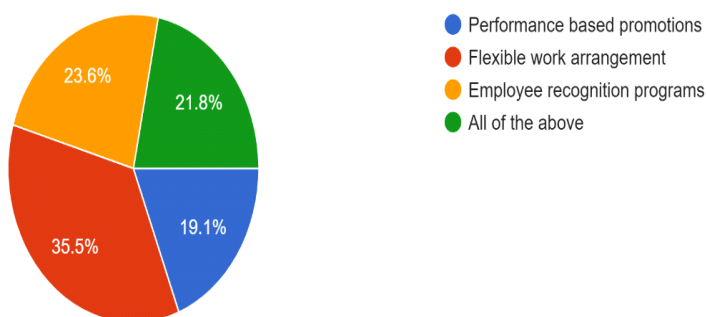
**INFERENCE**

The data suggests that flexible work arrangements are perceived as the most impactful HR policy in retaining employees. However, a significant portion of respondents believe that a combination of multiple policies would be more effective in reducing turnover rates.

**CHART 2**

5. which of the following HR policies can help reduce employee turnover rates

106 responses



effectively reduce employee turnover rates, while 31.7% think otherwise.

**INFERENCE**

This data suggests that well-structured HR policies play a critical role in employee retention. However, since a significant percentage of respondents (31.1%) believe HR policies do not reduce turnover, organizations may need to assess whether their policies are adequately addressing employee concerns or if other factors contribute to high turnover.

**FINDINGS, SUGGESTIONS AND CONCLUSION**

- Majority (82.4%) of the respondents belong to age 18-25.
- Most (39.8%) of the respondents specify that the primary goal of HR policies in an organisation increases employee productivity.
- Most (43.4%) of the respondents mentioned that the consequences of high employee turnover decreases productivity.
- Most (40.2%) of the role of employee’s engagement in reducing turnover rates is reduces turnover rates.
- Most (31.2%) of the HR policies can help improve work life balance and reduce turnover rates is performance-based promotions.
- Most (39.8%) of the impact of poor communication on employee turnover rates is increases employee turnover rates.
- Most (41.3%) of the following is a benefit of conducting exit interviews is identification of reason for employee turnover.

- Most (38.9%) of the role of leadership stay in influence employee turnover rates is the reduces turnover rates.

**CONCLUSION:**

The purpose of the research was to understand the causes of employee turnover and retention strategies for employees in the organization. Obviously, there are many reasons why an employee leaves their job, and some of these reasons are insufficient training or lack of feedback, work-related factors, lack of trust, high work stress, less challenging work, low job satisfaction, poor working environment, family pressure, low wages, a large work group, and poor leaders and managers.

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