



Research Article

# Employees' Retention: Concept, Practices, and Impact Factors

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## Abstract

This paper systematizes scientific knowledge on human resources retention, presenting a systematic review of the literature of the last decade. The study permitted (a) the characterization of scientific production of the last decade on the subject, (b) the identification of the main issues associated to employees' retention problematic, (c) the retention factors of employees on organizations, and (d) the more prevalent human resources management practices related to employees' retention. Results associated retention (1) to employees in general; (2) by business sector; (3) within human diversity; (4) by organizational context; (5) within international missions; (6) by roles; (7) by company size; and (8) by generation.

Organizational factors represent the factors that most affect retention, specially the good relationship with hierarchical superior and colleagues. HRM practices with most impact on retention revealed to be selection and recruitment, induction, professional development (performance management, training, career management), rewards system, organizational culture, and change management. Implementing retention practices specifically addressed to each person, organization and context is indicated to be, nonetheless, the most effective retention practice.

**Keywords:** Retention; human resources management; systematic literature review; good practices

## Introduction

Although the employees' retention literature has been growing along the last years (Steel, Griffeth & Hom, 2002), remains unaddressed the relationship between Human Resources Management

(HRM) practices and employees' retention (Hausknecht, Rodda & Howard, 2009; Pinheiro, 2012; Bandura & Lyons, 2014).

This concern is increasingly present on the agenda of organizational retention researchers given the recent growing need of linking the retention framework to other

factors such as unemployment, turnover, or labor productivity. The focus on employees' retention gathers importance in both: what concerns the understanding why employees remain within the organization, and recognizing which factors underlie and are associated with human resources management (Griffeth, Hom & Gaertner, 2000).

As referred by literature (e.g. Sullivan & Mainiero, 2008; Holtbrügge, Friedmann & Puck, 2010; Kaye & Giulioni, 2016), the retention is a key factor of organizational effectiveness, especially during recession periods, namely; the difficulty in keeping the more talented employees. Furthermore, on the one hand, recent researchers (e.g. Hausknecht, Rodda & Howard, 2009; Snow *et al.*, 2011; Mountford, 2013; Ramani *et al.*, 2013; Ali, Metz & Kulik, 2015) have shown the need of concentrating the retention analysis in different clusters, such as business activity sectors, functional positions, international assignments, work conditions as well as individual characteristics of employees. On the other hand, some authors (e.g. Rahman *et al.*, 2010; Midtsundstad, 2011; Witter, Ha, Shengalia & Vujicic, 2011; Mohamed *et al.*, 2013; Hatcher, Onah, Kornik, Peacocke & Reid, 2014; Wang & Heyes, 2017) underline factors as job satisfaction, career advanced, self-development desire, retirement willingness, contract security, internal flexibility, and reward system satisfaction.

In line with this perspective, some recent authors (e.g. Chan & Kuok, 2011; Clarke, 2013; Vaiman, Haslberger & Vance, 2015; Oliveira *et al.*, 2017) show that human resource management practices could explain the willingness to remain the organization and these authors also believe that retention management could be a critical factor for organizations around the world in the next years. According to Wright and McMahan (1992), organizations should promote different human resources management strategies for retaining their main employees during a long-time period. Finally, several studies suggest that retention management is the

most important human resource process on organization return through the promotion of new capacities that promote the business competitiveness (Grant, 1996; Cegarra-Leiva, Sánchez-Vidal & Cegarra-Navarro, 2012; McCracken, Currie & Harrison, 2015), on opportunities to create new services or products (Devi, 2009), on supporting the attraction of the best applicants (Pathak, 2015), and on promoting organizations' recognition as a reference employer (Ezulike, 2012). Thus, all these factors could be a positive impact on organization image.

## Methods

In order to accomplish our research goal of understanding the main factors underlying employees' retention, we developed a systematic review of literature between 2006 and 2015. This methodological option allowed us:

- To characterize the scientific production on the field of employees' retention;
- To develop a conceptual framework of employees' retention field;
- To identify the main dimensions on employees' retention addressed by scientific studies;
- To systemize all the employees' retention explanatory factors identified by scientific studies.

With this intent, we developed a sample, considering international and national (Portuguese) scientific literature. For the international sample, we considered all scientific journals with formal scientific impact, which their title included the combination of the terms "human\*" and "resources\*" in Boolean language (n<sup>1</sup>=15). Our source was *SciVerse Scopus* and *Web of Science* databases (considering *SCImago Journal & Country Rank* and *Journal Citation Reports*, both 2015 version). Access to journals was accomplished by b'on (Online Knowledge Library) between March and May 2016 (table1).

**Table 1: Human Resources' Scientific journals with impact factor within SciVerse Scopus and Web of Science**

Databasis		Impact factor		Journal Title	Country
		WoS	SVS		
WoS	SVS	8	1	International Journal of Human Resource Management	UK
WoS	SVS	9	2	Journal of Human Resources	USA
WoS	SVS	6	3	Human Resource Management Review	UK
WoS	SVS	4	4	Human Resource Management	USA
WoS	SVS	7	5	Human Resources for Health	UK
WoS	SVS	5	6	Human Resource Management Journal	UK
-	SVS	-	7	Research in Personnel and Human Resources Management	USA
WoS	SVS	2	8	Human Resource Development Quarterly	USA
WoS	SVS	1	9	Asia Pacific Journal of Human Resources	Australia
WoS	SVS	3	10	Human Resource Development Review	USA
-	SVS	-	11	Advances in Developing Human Resources	USA
-	SVS	-	12	Journal of Human Resources in Hospitality and Tourism	UK
-	SVS	-	13	International Journal of Human Resources Development and Management	UK
-	SVS	-	14	Human Resource Management International Digest	UK
-	SVS	-	15	Research and Practice in Human Resource Management	Australia

For the national sample, two different sources were considered: The Portuguese Open Access Scientific Repository (RCAAP) and the National General Directorate of Education and Science Statistics (DGEEC). Data was collected within these two databases in June 2016.

Documents were selected from all sources by the application of a conceptual filter: the term "retention\*" was used as the keyword

for collecting the documents that originated our final sample. For a more functional and specific selection, we considered both the lexical variation "retain\*" and the portuguese similar "retenção\*" and "reter", as well as cumulatively the "employee\*" / "colaborador\*" or "Staff\*" / "equipa\*" or "worker\*" / "trabalhador\*" or "person\*" / "pessoa\*" or "human resource\*" / "recursos humanos" or

“HR”/“RH” or “firm\*”/“empresa\*”, in at least one of the search fields (title or keywords). Validation criteria included (1) written in English or in Portuguese; (2) access to the article; and (3) content explicit focused on human resources retention. The final sample consisted on 189 documents.

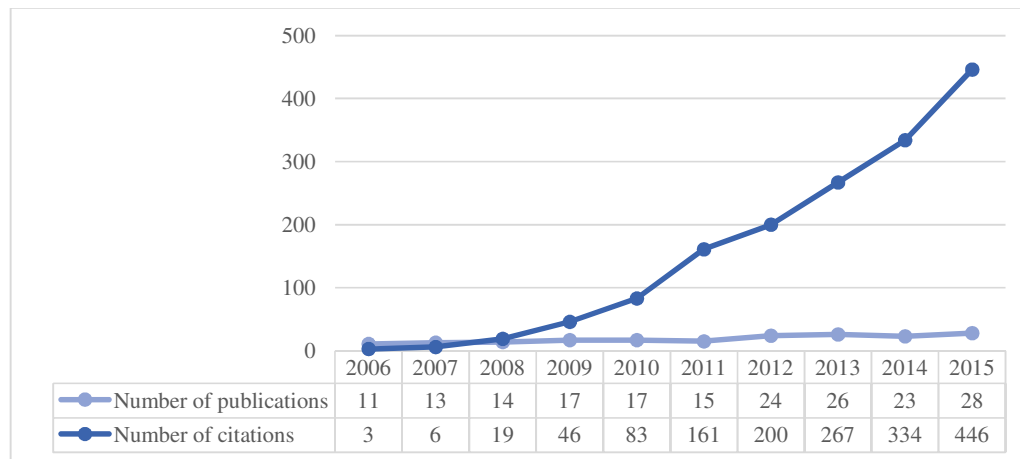
From each document, the title, keywords, country of the first author, its institutional affiliation, number of annual citations, type of study, study sample, and main contributions were collected. Categories for studies' methodological options and for the variables studied were initially created. From the basic categorical construction, a hierarchical tree of categories and subcategories was on a second phase developed. Categorical system was

validated by 3 scientific judges. This content analysis stage was held between February 2017 and May 2017 supported by NVivo software.

## Results

### *General View of Scientific Production about Human Resources' Retention*

Results show a growing trend in terms of publication numbers by year. Between 2006 and 2015, the number of scientific publications about Human Resources' retention almost tripled. Results revealed an exponential increase on scientific citation on this subject, a rise of around 149 times more citations within the analyzed decade (Figure 1).



**Figure 1: Number of scientific documents published per year and number of scientific documents citations**

Geographically, most of scientific literature is developed by European authors (40.4%), followed by American (36.8%), Asian and Oceanian (both with 9.6%) and at last African (3.8%).

Our results demonstrate that quantitative method is dominant in people's retention studies (table 2), being applied in 64% of the articles analyzed. Thesecond place is

the qualitative method with 30%, and at last, the mixed method with only 6%.

In order to identify the documents relevance, we analyzed the number of quotes by article. The fifteen most quoted authors represent 61.3% of the total quotes. Hausknecht (2009) is the most quoted author.

**Table 2: Top-15 most quoted authors**

Main Author	Publishing year	Country of main author	Institutional affiliation	Number of quotes
Hausknecht	2009	USA	Cornell University, ILR School	167
Henderson	2008	Australia	Australian Agency for International Development	113
Kraimer	2009	USA	University of Iowa	102
Manafa	2009	Ireland	Centre for Global Health, Trinity College, University of Dublin	77
Shacklock	2009	Australia	Griffith University	65
Sheehan	2006	Australia	Monash University	51
Shen	2009	USA	School of Management, Boston University	49
Rahman	2010	Bangladesh	International Centre for Diarrhoeal Disease Research	48
Sullivan	2008	USA	College of Business, Bowling Green State University	48
Devi	2009	India	KL University	48
Lam	2009	China	The Hong Kong Polytechnic University	46
Reiche	2007	Spain	IESE Business School, University of Navarra	43
Holtbrügge	2010	Germany	University of Erlangen-Nuremberg	40
Kaplan	2011	USA	Saint Louis University	32
Woodruffe	2006	UK	Human Assets Ltd	31

In what concerns the terms more mobilized for the articles (table 3), we identified the term “retention”, followed by “employee”,

“health”, “talent”, “workers”, “management” and “practices”.

**Table 3: Main English terms used on the title of the scientific documents**

Word	Frequency(x)	Percentage (f)	Cumulative percentage (Cf)	Family of words
retention	92	5,62%	5,62%	retention, retain, retaining, retains
employee	50	3,05%	8,67%	employee, employees
health	28	1,71%	10,38%	Health
talent	26	1,59%	11,97%	talent, talents
workers	23	1,40%	13,37%	worker, workers
management	22	1,34%	14,71%	management, managers, managing
practices	20	1,22%	15,93%	practice, practices, practicing
resource	18	1,10%	17,03%	resource, resources
recruitment	18	1,10%	18,13%	recruit, recruiting, recruitment

development	13	0,79%	18,92%	developing, development, developments
human	13	0,79%	19,71%	Human
rural	13	0,79%	20,50%	Rural
study	13	0,79%	21,29%	Study
job	12	0,73%	22,02%	Job
work	12	0,73%	22,75%	work, working
staff	11	0,67%	23,42%	Staff
factors	10	0,61%	24,03%	factor, factors
best	10	0,61%	24,64%	Best
firm	10	0,61%	25,25%	firm, firms
effect	10	0,61%	25,86%	effect, effective, effectively, effects

Key-words, in its turn, present 423 different terms in English. Table 4 shows the most used key-words, with a cumulative frequency near 50%.

“Retention” is the dominant term (x=140) followed by “employee” (x=81), “management” (x=66), “human” (x=44) and “resource” (x=63).

**Table 4: Principal English terms used on the key-words of the scientific documents**

Word	Frequency(x)	Percentage(f)	Cumulative percentage (Cf)	Family of words
retention	140	8,74%	8,74%	retention, retaining
employee	81	5,06%	13,80%	employee, employees
management	66	4,12%	17,92%	management, managers, managing
human	64	4,00%	21,92%	Human
resource	63	3,94%	25,86%	resource, resources
recruitment	40	2,50%	28,36%	Recruitment
development	36	2,25%	30,61%	developing, development
turnover	31	1,94%	32,55%	Turnover
health	27	1,69%	34,24%	Health
organizational	27	1,69%	35,93%	Organizational
talent	24	1,50%	37,43%	talent, talents
job	19	1,19%	38,62%	Job
satisfaction	18	1,12%	39,74%	Satisfaction
performance	16	1,00%	40,74%	Performance
workers	16	1,00%	41,74%	worker, workers
intentions	15	0,94%	42,68%	intent, intention, intentions
training	14	0,87%	43,55%	Training
practices	14	0,87%	44,42%	practice, practices
work	13	0,81%	45,23%	work, working
career	12	0,75%	45,98%	career, careers
age	11	0,69%	46,67%	age, aged, ageing, aging
rural	11	0,69%	47,36%	Rural
skills	10	0,62%	47,98%	skill, skilled, skills

attraction	10	0,62%	48,60%	Attraction
awards	10	0,62%	49,22%	Awards
culture	10	0,62%	49,84%	cultural, culture

### **Contribution of Scientific Production on Retention of People**

From our sample, 8 different dimensions aroused in order to systematize the scientific production in the human resources' retention problematic: (1) employees retention (n=83); (2) by business area (n=45); (3) in human diversity scope (n=32); (4) by different

organizational contexts (n=9); (5) in international mission's scope (n=9); (7) by organization size (n=7); and (8) by generation (n=5).

Table 5 shows that employee's retention factors are mainly organizational (N=63), individual (N=45), connected to the functions (N=24) and to context (N=8).

**Table 5: Explaining factors of employee's retention**

<b>Organizational Factors (N=63)</b>	<b>Individual Factors (N=45)</b>
Good relationship with hierarchical superior (n=25) Good relationship with work colleagues (n=9) Work conditions (n=7) Commitment with HRM (n=6) Positive external image (n=3) Operation market (n=3) Social responsibility (n=2) Hierarchical structure (n=2) Contractual stability (n=2) Administration (n=2) Favorable internal economic conjecture (n=1) Dimension (n=1)	Effective organizational commitment (n=17) Work satisfaction (n=11) Demographic factors (n=5) Individual interests (n=4) Personality (n=3) Professional efficiency (n=2) Financial independency (n=2) Professional life relevance (n=1)
<b>RETENTION</b>	
<b>Factors related to function (N=24)</b>	<b>Conjecture factors (N=8)</b>
Challenge (n=6) Possibility of applying skills (n=5) Work's meaning (n=5) Autonomy (n=3) Responsibility (n=2) Liking the functional content of the work (n=2) Technical knowledge of the used ITs (n=1)	Geographical location (n=5) Collective representation structures of the employees (n=1) Social context (n=1) Unfavorable economic conjecture of the country (n=1)

Organizational factors seem to be the most dominant group to influence retention (N=63), specially the good relationship with the hierarchical superior (n=25) and with work colleagues (n=9). Standing out are also the work conditions (n=7) and the

commitment of the organization with the HRM (n=6). Reasons of permanency are also distributed among the individual factors of the employees (N=45), as an example, the effective organizational commitment (n=17), the satisfaction at

work (n=11), and the demographic factors (n=5). The factors connected to the functions (N=24) are based mainly on the challenge (n=6), on the possibility of an employee applying his skills (n=5) and on the meaning of the job (n=5). According to the results, the context factor (N=8) more determining in the retention of employees is, the geographical location (n=5), on the country level, region and city.

Regarding HRM practices oriented to retain workers, a total of 59 practices can be identified. On table 6, we identify the 14 most referred practices, in which the extrinsic rewards, the opportunity of developing skills, and an attractive benefit portfolio assume first, second, and third places, respectively.

**Table 6: TOP-14 of the HRM practices promoted in global retention of the employees**

TOP	HRM Practices
1	Extrinsic rewards (n=26)
2	Opportunities to develop skills (n=18)
3	Attractive benefit portfolio (n=17)
4	Policy of fair rewarding (n=15)
5	Diagnosis of the most suited retention practices (n=14)
6	Retention practices adjusted to the retention of talents (n=13)
7	Planning procedure and carrier preparation (n=13)
8	Efficient internal communication (n=12)
9	Balance between personal and professional life (n=12)
10	Carrier evolution opportunities (n=11)
11	Cultural cohesion development (n=11)
12	Good work environment (n=11)
13	Guiding the development towards the individual needs(n=10)
14	Evaluation of the agreement person-organization(n=8)

**Label: n** represents the number of scientific documents that identify the shown results

Within the main HRM practices identified to improve the retention rate, are Compensation Management (e.g. extrinsic rewards), Professional Development (e.g. opportunities to develop skills), Retention Management (e.g. diagnosis of the most suited retention practices), Organizational Culture (e.g. efficient internal communication), and Recruitment and Selection (e.g. Evaluation of the agreement person-organization).

### Conclusion

Results of this initial stage of the project allowed us to characterise the scientific literature on employees' retention, as well as identifying multiple explanatory factors for the retention, and the Human Resources practices converging to this goal. This preliminary analysis enabled a

grounded starting point to develop solid instruments to collect data for the international comparative study, to which we invite international partners.

### Endnotes

<sup>1</sup> n represents the sample number

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