Personnel Engagement and Retention in Organizations: A Review of Literature.

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ABSTRACT

Employee engagement and retention are vital considerations for organizations seeking to build a motivated and committed workforce that contributes to overall success. This literature review aims to provide a comprehensive analysis of the conceptual frameworks, key determinants, and effective strategies associated with personnel engagement and retention in organizations. By synthesizing existing research, this study offers a deep understanding of the factors that influence personnel engagement and retention, highlights successful strategies, and identifies avenues for future research. The review employs a systematic approach, encompassing an extensive search of scholarly articles, books, and relevant publications. The literature search focuses on studies investigating personnel engagement and retention, examining theoretical perspectives and empirical evidence. Through the extraction and analysis of key themes and findings, common patterns, factors, and strategies associated with personnel engagement and retention are identified. The review emphasizes the multidimensional nature of personnel engagement, incorporating emotional, cognitive, and behavioural aspects. Various theoretical frameworks, such as the Job Demands-Resources model, the Social Exchange Theory, and the Self-Determination Theory, have been utilized to understand the antecedents and outcomes of personnel engagement. Factors such as job satisfaction, organizational culture, leadership styles, career development opportunities, and work-life balance emerge as significant determinants of personnel engagement. Furthermore, the review identifies effective strategies that organizations can employ to foster personnel engagement and enhance retention. Organizations that prioritize personnel engagement and retention are more likely to experience higher job satisfaction, improved productivity, and reduced turnover rates. While the literature emphasizes the importance of personnel engagement and retention, it also reveals gaps and areas for future research. Practical implications stemming from this review underscore the significance of adopting a holistic approach to personnel engagement and retention. Employee engagement initiatives should be integrated into talent management strategies, with an emphasis on continuous feedback, coaching, and mentoring.

Key words: Personnel engagement, employee retention, organizational culture.

INTRODUCTION

Employers frequently do their hardest to boost employee engagement and retention by using tactics that target these two important variables. One of the most important steps in accomplishing this goal is using personnel management (Agarwal, Datta & Beard, 2012). One of the most effective ways to execute employee engagement and retention strategies is to build a motivated and engaged staff through improved personnel management (Ajzen, 1991). Leading companies frequently include employee engagement and talent management into their fundamental business objectives as a means of stabilising their workforce (Agarwal, Datta & Beard, 2012). Agarwal, Datta, and Beard (2012) define employee engagement as the process of creating an atmosphere at work where employees feel inspired and prepared to perform at their highest level. By working alongside programmes aimed at employee retention, the employee engagement strategy seeks to raise engagement. Employee retention is the capacity of a company to maintain its present workforce through the use of employee engagement as a retention strategy. 2015 Jansen, Sluiter, and Akkerman Employers routinely start employee retention campaigns with the intention of developing and maintaining a work environment where current employees are encouraged to stick with the company. Maintaining current staff reduces training costs and the time and energy required to teach new hires (Akkerman, Sluiter & Jansen, 2015). It is generally acknowledged that contented employees are more driven and productive, even in the face of an uncertain relationship between the two. Engagement has become more important among scholars because engaged workers are more determined, care more about their work, and go above and beyond what is required of them to support the survival of the organisation (Allen, 2015). Employees who are engaged in their work and happy in their careers are expected to lead fulfilling personal lives as well. Moreover, job satisfaction—which is seen as a substitute for one's purported quality of work life—is a critical factor for evaluating an individual's career in its whole.

The modern workplace is characterised by complexity and uncertainty. It takes a positive, happy, and highly adaptive person to survive and perform well in such a demanding work environment. Talent retention is the process of keeping employees with a company for a long time, according to Akkerman, Sluiter, and Jansen (2015). Actually, by helping new hires become competent employees, all companies aim to keep them on board for an extended length of time. It is essential to create and implement strategies that will maintain worker engagement and, consequently, talent retention. Given the foregoing, the purpose of this study is to look into employee engagement and talent retention.

Objective

The present investigation aims to:

a. Identify employees retention and engagement inside the organisation, as well as evaluate its importance.

b. To use a literature study to examine the variables that may have an impact on an employee's degree of engagement and retention.
**Methodology**

In order to summarise the findings and identify a unique phenomena, the current study examined earlier research on employee engagement and retention. This study acts as a guide; the first stage was to find and select pertinent material. An overview of the literature selection procedure is provided below, with details on (a) where the articles were identified, (b) when the study was conducted, (c) who handled the search, (d) how the literature was retrieved, (e) the total number of articles chosen, and (f) the rationale behind the papers that were chosen.

60 research papers were consulted in order to gather pertinent data for this study from various sources, including Google Scholar, Emerald, Springer, Elsevier, ProQuest Education Journals, Taylor & Francis, Scopus Psych INFO, and Psyc ARTICLES. The investigator sought to gather a maximum number of pertinent articles. The above-mentioned scope of the July 2016 research study. Peer-reviewed research articles published in English were included in this analysis to provide a clear picture of the subject. The current study's review of the literature method is an appropriate research strategy for characterising and combining the body of existing literature on a particular topic.

**Literature Review**

According to Konard (2016), employee engagement is a multifaceted notion that includes behavioural, affective, and cognitive aspects. Employee engagement is not a brand-new idea; numerous organisations and researchers have been researching it for a while, albeit with slightly varied meanings and different language (Lockwood, 2007). The degree of a person's commitment is known as employee engagement (Lockwood, 2007). According to Schaufeli, W. B., Salanova, M., Gonzalez-Roma, V., & Bakker, A. B. (2002) employee involvement is investigated in a study as a driving force behind completing a task successfully. According to May, D.R. Gilson, R.L. and Harter, L.M. (2004) employee engagement is closely related to safe working conditions, work hours, and a positive work environment. As explained by Robinson, D. Perryman S. and Hayday, S. (2004) Engagement, is the expansion of commitment. A study according to Saks, A.M. (2006) went into greater detail on employee engagement and separated it into two categories: engagement with the organisation and engagement with the job. As per Maslach, C., Schaufelli, W.B. and Leiter, M.P. (2001), a "Long-lasting, positively and motivating approach of employees that results in high level of work involvement with passion and dedication" is how the study defines employee engagement. Employers frequently do their hardest to boost employee engagement and retention by using tactics that target these two important variables. One of the most important steps in accomplishing this goal is using personnel management (Agarwal, Datta & Beard, 2012). One of the most effective ways to execute employee engagement and retention strategies is to build a motivated and engaged staff through improved personnel management (Ajzen, 1991). Leading companies frequently include employee engagement and talent management into their fundamental business strategy in order to stabilise their workforce (Agarwal, Datta & Beard, 2012). Agarwal, Datta, and Beard (2012) define employee engagement as the process of creating an atmosphere at work where employees feel inspired and prepared to perform at their highest level.

This implies that having a happy or content worker is not the only aspect of employee engagement. In order to reach your goals, having a really engaged workforce necessitates addressing variables like communication, teamwork, and wellbeing, even if employee happiness is a crucial component of employee engagement (Akkerman, Sluiter & Jansen, 2015). Employee involvement is investigated in a study as a driving force behind completing a task successfully according to Schaufeli, W. B., Salanova, M., Gonzalez-Roma, V., & Bakker, A. B. (2002). The authors look at Kahn's model, and the model's results confirm that employee engagement is closely related to safe working conditions, work hours, and a positive work environment according to May, D.R. Gilson, R.L. and Harter, L.M. (2004).

A positive employee engagement practice encourages the employee retention. Employee retention is the capacity of a company to maintain its present workforce through the use of employee engagement as a retention strategy. As stated by Akkerman, Sluiter, and Jansen Companies (2015) The purpose of employee retention programmes is to create and maintain a culture where current employees feel supported and desire to with the organisation. The modern workplace is characterised by complexity and uncertainty. It takes a positive, happy, and highly adaptive person to survive and perform well in such a demanding work environment. Talent retention is the process of keeping employees with a company for a long time, according to Akkerman, Sluiter, and Jansen (2015). Actually, by helping new hires become competent employees, all companies aim to keep them on board for an extended length of time. It is essential to create and implement strategies that will maintain worker engagement and, consequently, talent retention.

Although the correlation between employee happiness and productivity is not entirely clear, it is commonly acknowledged that contented employees are more driven and productive. Engagement has gained importance among scholars because motivated employees go above and beyond what is expected of them to support the survival of the company, care more about their work, and are more determined (Allen, 2015). Employees who are engaged in their work and happy in their careers are expected to lead fulfilling personal lives as well. Moreover, job satisfaction—which is seen as a substitute for one's purported quality of work life—is a critical factor for evaluating an individual's career in its whole.

Maintaining current staff reduces training costs and the time and energy required to teach new hires (Akkerman, Sluiter & Jansen, 2015). Remarkably, ninety percent of workers think that having an employee engagement policy would increase their overall welfare. Engaged workers exhibit greater enthusiasm and fascination than disengaged workers.

Employee engagement is a process that is fraught with difficulties. Identifying an employee's knowledge, perspective, and values—as well as their degree of happiness, joy, excitement, and behavioural pattern—is one of these obstacles. Employee disengagement will cause low performance and productivity in organisations where these engagement levels are not clearly assessed and enhanced. Organisations must use
pertinent employee engagement tactics to keep talented individuals on staff in order to minimise the expense of retraining and frequent hiring. It is crucial to assess employee engagement by taking into account their cognitive, emotional, and behavioural engagement.

**EMPLOYEE ENGAGEMENT DIMENSIONS**

**Cognitive Engagement**

A cognitive perspective on a person's psychological functions is one that involves information processing. A 2008 study by the employee research consulting firm ISR found that organisations needed to focus equally on both emotive and cognitive employee engagement to drive financial performance. This was particularly true if staff members agreed with the company's plan and knew where it was going. Of the various aspects of engagement that have been proposed, cognitive engagement is the one with the least definition in terms of its extent and, as a result, lacks a corresponding measure in the practical and academic literature. It is described as a concept of alert consciousness, intellectual prudence, and a sense of precisely calibrated observation and curiosity by Konard (2016). Employees who understand how their contributions matter to the organisation or how they affect others are more likely to feel like they belong and are contributing to its strategic goals are more likely to engage in cognitive engagement, which is defined in relation to knowing how to contribute to its objectives. This is a topic of debate. Previous studies have shown that employees want to know how they fit into or contribute to the organisation. Specifically, job design (Bhanthnager, 2007), role clarity (Bhanthnager, 2007), and perceived fit (Bisht & Thapliyal, 2016) all support this idea. This shows that employee performance and retention may be impacted by cognitive engagement. Therefore, there are several reasons to believe that matching employees to the organization's tactical objectives is essential.

**Affective Engagement**

The sensation of having an emotional connection to an organisation, or to something or someone inside it, is referred to as affective engagement (Kahn, 1990). The word "affective" suggests an innate response to stimuli. The basis for a post-cognitive and affective response like liking, disliking, trust, or commitment is a previous cognitive process in which a range of content discriminations are made and features are found, appraised, and weighted for their contributions (Bosweel, 2006). According to Boswell & Boudreau (2010), cognitive assessments lead to an observer's emotional responses to a target. When you have a strong emotional bond with your employer and the work you do, you experience affective engagement, often known as affection for your job.

The tendency of an employee to stick with a company due to their emotional connection to it is known as affective engagement. When working with employees who are uncertain about their futures, undecided about a new opportunity, or dissatisfied with their existing position within a company, industrial or organisational psychologists may be able to give better services if they have a better understanding of the components of emotional engagement. Affective engagement is the term used to describe an employee's feeling of attachment to the organisation. This indicates that the employee is very actively participating. Furthermore, there's a strong chance that a worker will be with the organisation for an extended period of time.

**Behavioural Engagement**

Behavioural engagement is defined by Bryman and Bell (2007) as adaptable acts with an organisational purpose in mind. This aspect of engagement is defined as clearly visible actions inside the workplace, such as taking initiative, being proactive, being creative, and going above and beyond what could be considered normal. According to this perspective, engaging in behaviour is adaptive. This point of view is in line with Kahn's (1990) theory regarding the behavioural expression of engagement. Kahn placed particular emphasis on the adaptive needs of contemporary businesses and defined engaged workers as individuals who could change with the times, show initiative, and respond to changing conditions. The concept of discretionary effort is tempered by Kahn (1990) and others (Cable & Judge, 1996), who contend that behavioural engagement actually refers to how well workers express themselves watchfully and competently within their roles and are psychologically present (Kahn, 1990), not that going above and beyond what is required.

The behavioural engagement dimension is also informed by academic research carried out in relevant disciplines of organisational behaviour. For instance, social exchange theory clarifies how workers get a "felt obligation" to respond positively with pro-social attitudes and extra-role behaviours, reduced turnover, and increased commitment if they believe their employer values their contribution and is concerned about their well-being.

**Employee retention**

Employee retention is the capacity of an organisation to hold onto its highly skilled employees (Gorman, 2003). A simple statistic that demonstrates talent retention is one where a company retains 80% of its employees for a predetermined period of time. Nonetheless, a lot of people associate employee retention with the steps companies take to retain their workforce. In this way, retention becomes the strategy rather than the outcome (Gratton, 2004). Gorman (2003) states that keeping useful and contributing personnel on staff and differentiating between high and low performance should be the main goals of retention initiatives. Employee retention is the capacity of an organisation to hold onto its highly skilled employees (Gorman, 2003). A simple statistic that demonstrates talent retention is one where a company retains 80% of its employees for a predetermined period of time. Nonetheless, a lot of people associate employee retention with the steps companies take to retain their workforce. In this way, retention becomes the strategy rather than the outcome (Gratton, 2004). Gorman (2003) states that keeping useful and contributing personnel on staff and differentiating between high and low performance should be the main goals of retention initiatives.

**Components of employee retention**

Since employee retention directly affects output, continuity, and general performance, it is a crucial component of an effective organisation. Talent retention lowers hiring and training expenses while simultaneously improving the work environment and morale of staff
members. The core elements of employee retention and provides insights from various authors and their research in this area:

**Competitive Pay and Benefits:** Providing competitive pay and benefit packages is one of the cornerstones of employee retention. Fair and market-aligned compensation, in the opinion of Milovich and Newman (2020), not only draws in top talent but also inspires workers to stay dedicated to the company. Furthermore, employee happiness and retention can be greatly increased by offering a comprehensive benefits package that includes retirement plans, health insurance, and work-life balance efforts (Armstrong & Taylor, 2019).

**Opportunities for Career Development and Growth:** Workers look for chances to advance their careers. Employers are more likely to keep their staff if they offer frequent performance reviews, training courses, mentorship, and clear career routes (Noe et al., 2020). Further supporting the idea that employees who feel their company cares about their professional development tend to be more satisfied with their jobs and are less likely to quit is research by Holton et al. (2008).

**Organisational Culture and happy Work Environment:** Strong organisational cultures and happy work environments are essential for retaining employees. Robbins and Judge (2019) propose that an inclusive and supportive work environment promotes employee engagement, commitment, and loyalty. Employee retention and happiness can be greatly increased by fostering a culture that emphasises open communication, teamwork, and work-life balance (Cameron & Quinn, 2019).

**Acknowledgment and Incentives:** Increasing employee retention requires acknowledging and appreciating their contributions. According to Maslow's 1943 hierarchy of needs theory, people require respect and acknowledgment. Regular feedback, incentives based on achievement, and recognition initiatives can strengthen workers' sense of worth and encourage them to stick with the company (Gallup, 2020).

**Work-Life Balance:** For employees, striking a healthy work-life balance is becoming more and more important. Employers with telecommuting choices, flexible work schedules, and support for personal obligations typically have greater employee retention rates (Kossek et al., 2014). Employee loyalty to their companies is higher among those who perceive a better work-life balance, according to a 2013 study by Allen et al.

**Good Management and Leadership:** Maintaining employees requires both management and leadership at their best. A sense of loyalty and dedication can be fostered by leaders who exhibit emotional intelligence, offer advice, and genuinely care about the well-being of their staff, claims Goleman (2000). According to Bass and Riggio (2006), managers that actively encourage their team members, provide them regular feedback, and give them decision-making authority help to increase retention rates.

**Employee competitiveness:** Since it fosters dedication, motivation, and performance, employee competitiveness is important for employee retention. It is essential to have a competitive work atmosphere that encourages lifelong learning, chances for professional development, and acknowledgment of accomplishments. As per Lawler's (2003) assertion, both individuals and organisations can promote a positive cycle of success by treating their employees fairly and stressing the significance of developing a competitive culture. Through fostering a culture of competition and offering opportunities for professional growth and development, companies can improve their efforts to retain highly motivated and engaged personnel.

A number of fundamental components must be taken into consideration in the complex process of employee retention. A happy work environment, opportunity for professional growth, competitive pay and benefits, work-life balance, rewards and recognition, and capable leadership are all important components that affect employee retention. By giving priority to these components, companies may establish a welcoming and stimulating work environment that encourages employee loyalty, contentment, and long-term dedication.

**Employee Satisfaction:** Since employee satisfaction affects retention, productivity, and general well-being, it is essential to the success of an organisation. Spector's (1997) research highlights the significance of job satisfaction for employee engagement and motivation. Locke (1976) and Hulin and Judge (2003) conducted studies that demonstrate the relationship between job attributes like feedback and autonomy and worker happiness. Furthermore, Weiss et al. (1967) research highlights the importance of interpersonal connections and organisational support in promoting employee satisfaction. Through comprehension and resolution of the elements that lead to worker contentment, establishments can cultivate a favourable workplace atmosphere that fosters allegiance, efficiency, and comprehensive enterprise prosperity.

Although employee happiness is only one part of the answer, businesses that wish to retain their employees and reduce turnover should take all of these aspects into account. As a matter of fact, there are companies that hold the opinion that happy workers are ones that would do better without them. Satisfaction does not require high performance or commitment. HR policies and procedures meant to boost employee happiness usually demoralise top achievers. Conceptually, employee happiness and engagement are similar, and many people use them interchangeably. Understanding the difference between contentment and engagement is crucial for a firm to make strategic decisions about the development of an engagement culture. Employee satisfaction addresses the basic needs and worries of the workforce.

**Employee Turnover:** Organisations face a serious problem with employee turnover since it affects morale, expenses, and production. Mobley's (1982) research elucidates the multiple elements that lead to voluntary departure, such as work discontent, inadequate management, and absence of growth prospects. Tett and Meyer's (1993) study highlights the function of organisational commitment in lowering intentions to leave. Furthermore, studies by Hom et al. (2012) and Allen et al. (2010) examine the effect of social exchange relationships and voluntary turnover, respectively, as well as the relationship between work-life balance and turnover. Organisations can reduce employee turnover and hold onto important staff members by implementing measures based on a knowledge of these variables.
Employee engagement and retention: Since employee engagement promotes dedication, output, and satisfaction, it is a vital factor in talent retention. Harter et al. (2002) conducted research that highlights the beneficial correlation between employee engagement and various organisational outcomes, such as reduced rates of employee turnover. Saks (2006) underscores the significance of job features, leadership, and organisational culture in fostering employee engagement. Furthermore, Macey and Schneider's (2008) research highlights the significance of employee empowerment and voice in raising engagement levels.

Moreover, research by Kahn (1990) and Schaufeli and Bakker (2004) highlight the importance of autonomy, social support, and meaningful work in promoting employee engagement. In their 2017 study, Bakker and Demerouti examine work engagement as a two-dimensional construct that includes vigour and dedication—two qualities that are critical for retaining talent. Furthermore, studies by Meyer and Allen (1997) provide the idea of organisational commitment—which encompasses continuity, affective, and normative commitment—as a crucial element in keeping skilled workers on staff. The favourable correlation between affective commitment and staff retention is emphasised in the Riketta (2002) study. Organisations can create strategies to improve talent retention by knowing what motivates employee engagement and organisational commitment. Establishing a culture of empowerment and recognition, offering chances for professional progress, and cultivating a friendly work environment are crucial. Using good leadership techniques and encouraging a feeling of purpose in the workplace are other factors that support talent retention and employee engagement.

**THEORETICAL REVIEWS**

Model of Job Demands-Resources (JD-R): According to Bakker and Demerouti (2007), job demands and resources have an impact on employee engagement. Fostering engagement and retention requires striking a balance between demands and resources.

Theory of Social Exchange: This theory highlights how employers and employees have a reciprocal relationship in which workers give their time and effort in exchange for benefits. Engagement and retention are facilitated by this exchange's quality and the sense of organisational support it provides.


**EMPIRICAL REVIEW**

The significance of staff retention and how it affects organisational success are emphasised in this study. Baumruk (2014) looked at a number of variables related to hiring, managing, and keeping staff. Customer relations, employee commitment, trust, and repurchase intentions all have an impact on retention. According to Bhatnagar's 2007 research, keeping employees results in higher performance and lower expenses. Employee engagement and motivation are increased when ideas are encouraged and put into practice (Bisht, Chaubey, & Thapliyal, 2016). Retention depends on financial and incentive programmes that encourage emotional commitment (Antony Joe Raja & Anbu Ranjith Kumar, 2016). The significance of career-oriented development programmes in boosting employee commitment was emphasised by Gorman (2003). Plans for communication that are effective and in line with company objectives are essential for fostering employee engagement (Babbie, 2010). These results highlight the role that retention strategies play in fostering employee commitment, involvement, and organisational outcomes.

**FINDINGS**

Employee engagement consistently improves organisational performance, which in turn helps retain talent. Conversely, disengaged employees lead to subpar performance, which hurts talent retention. The nature of the job, ease of communication, leadership styles, degree of trust and autonomy in the job, motivation level, level of work involvement, support from the organisation, performance evaluation, quality of work life, degree of involvement in decision making, and opportunity for growth are all highly correlated with employee engagement. The amount of resources available for training and development, organisational culture, leadership quality, employee feedback, and compensation schemes are all considered to have an impact on the length of time that exceptional employees remain employed by a company. Human resource professionals should combine engagement and retention strategies to engage and retain skilled workers for extended periods of time in this highly competitive era. Further theory and practical methods will need to be applied in order to identify the various employee engagement and retention strategies.

**CONCLUSION**

The relationship between employee engagement and retention has been elucidated by empirical research, underscoring the importance of these factors for organisational success. Reduced turnover rates are associated with higher employee engagement, highlighting the necessity of deliberately fostering engagement to increase retention. Resources like growth opportunities and social support lower turnover intentions, while job features like autonomy, variety, and feedback positively impact engagement. The theory of social exchange emphasises the significance of positive interactions and the perception of support from the organisation in improving employee engagement and retention. Encouraging employee engagement and averting disengagement depend on maintaining a positive psychological contract through equitable treatment and meeting expectations. Talent management strategies are essential for maintaining talent and promoting engagement. These strategies include goal alignment, providing challenging work, and offering growth opportunities.

Organisations may enhance retention rates and develop an engaged staff by implementing these scientific findings into their practises and initiatives. Therefore, there is requirement of a persistent competitive advantage, improved performance, for better output.
**FUTURE SCOPE**

Valuable insights into the connection between these elements and organisational success have come from research on employee retention and engagement. Several avenues for future research could build on this foundation to improve our knowledge and guide organisational practices.

Researchers could investigate the dynamics and long-term effects of employee engagement and retention by conducting longitudinal studies. Through the monitoring of employee engagement and retention rates over an extended duration, researchers can discern trends, causal connections, and plausible intervening factors that impact these results. Examining employee retention and engagement in various cultural contexts can shed light on whether these phenomena are context-specific or universal. It is possible to identify cultural factors that influence employee engagement and retention and develop strategies to effectively promote them by comparing engagement and retention practices and outcomes in diverse cultural settings. As technology keeps developing quickly, future studies can look into how it affects employee retention and engagement. This includes researching how automation, digital communication tools, flexible work schedules, and remote work affect employee engagement and retention. It is imperative to comprehend the ways in which technology can be utilised to augment engagement and retention within the dynamic workplace environment. Investigating the connection between work-life balance, employee well-being, engagement, and retention can yield insightful information. Organisations can develop comprehensive strategies that promote employee well-being and satisfaction by researching the effects of work-life balance initiatives, employee wellness programmes, and supportive work environments on engagement and retention. Subsequent investigations may explore the extent to which management and leadership styles contribute to employee engagement and retention. Organisational leaders can benefit from examining the effects of communication styles, performance management systems, leadership behaviours, and recognition and reward systems on engagement and retention. Future research should focus on examining the connection between employee engagement and retention, diversity, and inclusion. Organisations can foster inclusive cultures that respect and encourage workers from a variety of backgrounds by having a thorough understanding of the effects of diverse and inclusive work environments on engagement and retention. Prospective research directions include examining the function of employee voice, empowerment, and participation in engagement and retention. Researching the best ways for companies to create a culture that values worker participation, decision-making, and engagement can help them achieve greater retention and engagement rates.

**REFERENCE**


