Employee Retention

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ABSTRACT

Long-term health and success of any organization depends upon the retention of key employees. To a great extent customer satisfaction, organizational performance in terms of increased sales, satisfied colleagues and reporting staff, effective succession planning etc., is dependent upon the ability to retain the best employees in any organization. Encouraging employees to remain in the organization for a long period of time can be termed as employee retention. Employee retention techniques can be approached from various angles. It is desirable state of existence involving retention strategies generally fall in to one of four categories salary, working conditions, job enrichment and education. These four elements together constitute. The structure of employee retention techniques on which it's totally is based. Addressing these issues demands a specialized approach in developing retention strategies, or the reality is the academic libraries may begin losing talented employees to non-library employers who can offer higher-paying jobs with better working conditions. To study about how the organization takes interest &develop approaches towards the retaining employee.

Retention

Employee retention refers to the various policies and practices which let the employees stick to an organization for a longer period of time. Every organization invests time and money to groom a new joiner, make him a corporate ready material and bring him at par with the existing employees. The organization is completely at loss when the employees leave their job once they are fully trained. Employee retention takes into account the various measures taken so that an individual stays in an organization for the maximum period of time.

Retention refers to the desire of organizations to hold on to their good employees and the measures. Recruitment and retention is a hot issue. The problem is further compounded by the fact that most companies (especially large ones) seem to reward new hires more than their loyal, longer-term employees.

Retention is the other side of the recruitment coin. Recruitment of top applicants and candidates may end with successful hires; however retaining qualified and motivated employees is a critical issue that will become more important for individual employers and the profession at large in the tightening labor market.

Retention strategies generally fall into one of four categories – salary, working conditions, job enrichment, and education. Addressing these issues demands a specialized approach in developing retention strategies, or the reality is the academic libraries may begin losing talented employees to non-library employers who can offer higher-paying jobs with better working conditions.

Introduction

A company is only as good as its employees. When someone works hard for a company, improving profitability and making thing

run smoothly, a manager can be hard pressed to find a suitable candidate when the time comes to replace that valued Employee. It is easy to see why some employers take great efforts to keep their employees on board and why employee retention is one of the most important aspects in the success of any company.

This is not always an easy feat. Many times employers spend countless hours and even more Money Searching for the right candidate. Money which could have been saved had the employee not left in the first place-Money which could have been satisf9ied with their job and their position. Below are some ways to engage and retain employees through open conversation.

The Human Resource Department plays an active role in retaining its employees. It make policies for employee betterment such that employee would be satisfied with the organization and stay with the firm for longer time. This shows that it is not just retention of employees but also retention of valued skills. This shows that it is not just retention of employees but also retention of valued skills.

Need & Importance of Employee Retention

Let us understand why retaining a valuable employee is essential for an organization.

- **Hiring is not an easy process:** The HR Professional shortlists few individuals from a large pool of talent, conducts preliminary interviews and eventually forwards it to the respective line managers who further grill them to judge whether they are fit for the organization or not. Recruiting the right candidate is a time consuming process.

- **An organization invests time and money in grooming an individual and makes him ready to work and understand the corporate culture:** A new joiner is completely raw and the management really has to work hard to train him for his overall development. It is a complete wastage of time and money when an individual leaves an organization all of a sudden. The HR has to start the recruitment process all over again for the same vacancy; a mere duplication of work. Finding a right employee for an organization is a tedious job and all efforts simply go waste when the employee leaves.

- **When an individual resigns from his present organization, it is more likely that he would join the competitors:** In such cases, employees tend to take all the strategies, policies from the current organization to the new one. Individuals take all the important data, information and statistics to their new organization and in some cases even leak the secrets of the previous organization. To avoid such cases, it is essential that the new joinee is made to sign a document which stops him from passing on any information even if he leaves the organization. Strict policy should be made which prevents the employees to join the competitors. This is an effective way to retain the employees.

- **The employees working for a longer period of time are more familiar with the company's policies, guidelines and thus they adjust better:** They perform better than individuals who change jobs

frequently. Employees who spend a considerable time in an organization know the organization in and out and thus are in a position to contribute effectively.

- **Every individual needs time to adjust with others:** One needs time to know his team members well, be friendly with them and eventually trust them. Organizations are always benefited when the employees are compatible with each other and discuss things among themselves to come out with something beneficial for all. When a new individual replaces an existing employee, adjustment problems crop up. Individuals find it really difficult to establish a comfort level with the other person. After striking a rapport with an existing employee, it is a challenge for the employees to adjust with someone new and most importantly trust him. It is a human tendency to compare a new joiner with the previous employees and always find faults in him.

- **It has been observed that individuals sticking to an organization for a longer span are more loyal towards the management and the organization:** They enjoy all kinds of benefits from the organization and as a result are more attached to it. They hardly badmouth their organization and always think in favor of the management. For them the organization comes first and all other things later.

- **It is essential for the organization to retain the valuable employees showing potential:** Every organization needs hardworking and talented employees who can really come out with something creative and different. No organization can survive if all the top performers quit. It is essential for the organization to retain those employees who really work hard and are indispensable for the system.

The management must understand the difference between a valuable employee and an employee who doesn't contribute much to the organization. Sincere efforts must be made to encourage the employees so that they stay happy in the current organization and do not look for a change.

Factors affecting Employee Retention

Management need to pay attention to factors such as compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice etc. The Retention factor can be divided into three broad dimensions, i.e., social, mental and physical. The mental dimension of retention consist of work characteristics, employees always prefer flexible work tasks where they can use their knowledge and see the results of their efforts which, in turn, helps in retaining the valuable resources. The social dimension consists of the contacts that the employees have with other people, both internal and external.

Walker (2001) identified seven factors that can enhance employee retention:
(i) Compensation and appreciation of the performed work,
(ii) Provision of challenging work,
(iii) Chances to be promoted and to learn,
(iv) Invitational atmosphere within the organization,
(v)Positive relations with colleagues,

(vi) A healthy balance between the professional and personal life, and good communications.

Compensation and employee retention

Although compensation was not one of the top factors influencing non-management turnover but compensation can act as a critical factor in reducing managerial turnover and increasing commitment

Reward and recognition

According to Walker (2001), recognition from bosses, team members, coworkers and customer enhance loyalty. Recognition is important for workers and they want to listen that their work followed recognized and appreciated. Reward is important because it has an enduring impression on employees which, in turn, gives the employees an impression that they are valued in the organization.

4.3 Promotion and Opportunity for growth

Pergamit and Veum (1989) [36] in their study found a close and positive correlation between promotions and job satisfaction and which in turn helps in retaining employees. Internal career development of employees is often the best predictor of an employee's effective commitment and life options, is a critical incentive for all employees.

4.4 Participation in decision-making

Hewitt (2002) [40] has mentioned that modern businesses always keeps its employees well informed about all the important affairs of its business and involves them in decision-making at all levels which can exploit the talents of its employees. Employee involvement in decision-making helps in creating a sense of belongingness among the employees, which helps in creating a good congenial working

environment and contributes towards building a good employer-employee relationship.

4.5 Work-life balance and employee retention

Work-life balance is increasingly important for engagement and affects retention, employee flexibility and work life balance, and increased workforce participation.

4.6 Work environment and employee retention

Organizations which have generous human resource policies, have a very good chance to satisfy and retain employees by providing them an appropriate level of privacy and sound control on work environment which enhances the motivation levels to commit with the organization for the long term. The need for recognizing the individual needs of an employee in an organization as it will encourage commitment and provide a suitable work environment.

4.7 Training and Development and Employee Retention

Organization always invests in the form of training and development on those workers from whom they expect to return and give output on its investment. In today's competitive environment feedback is very essential for organizations from employees and the more knowledge the employee learn, the more he or she will perform and meet the global challenges of the market place. Thus knowledge is the most expensive asset of any firm

Employee Retention Development

Most companies in the corporate sector often worry about retention. Experts suggest that it is quite easy to recruit people, but it is much more difficult to retain them. Retention involves three basic elements economics which includes the cost of retaining employees, supply chain, and finally, the workforce.

Employee Retention Strategies

For an organization to do well and earn profits it is essential that the high potential employees stick to it for a longer duration and contribute effectively. The employees who spend a considerable amount of time tend to be loyal and committed towards the management and always decide in favour of the organization. When you meet someone, there is hardly any attachment in the beginning, but as the friendship matures, a sense of loyalty and trust develops. In the same way, when an individual spends a good amount of time in an organization, he gets emotionally bonded to it and strives hard for furthering the brand image of the organization.

The management can't completely put a full stop to the process of employees quitting their jobs but can control it to a large extent.

- An employee looks for a change when his job becomes monotonous and does not offer anything new. It is essential for everyone to enjoy whatever he does. **The responsibilities must be delegated according to the individual's specialization and interests**. It is the responsibility of the team leader to assign challenging works to his team members for them to enjoy work and does not treat it as a burden.

Performance reviews are important to find out whether the employees are really happy with their work or not.

- **Constant disputes among employees encourage them to go for a change**. Conflicts must be avoided to maintain the decorum of the place and avoid spreading negativity around. Promote activities which bring the employees closer. Organize outdoor picnics, informal get together for the employees to know each other better and strengthen the bond among themselves. Let them make friends at the workplace whom they can really trust. Friendship among employees is one strong factor which helps to retain employees. Individuals who have reliable friends at the workplace are reluctant to move on for the sake of friendship. No one likes to leave an organization where he gets mental peace. It is essential to have a cordial environment at the workplace.

- **The human resource department must ensure that it is hiring the right candidate**. Frustration crops up whenever there is a mismatch. A finance professional if is hired for a marketing profile would definitely end up being frustrated and look for a change. The right candidate must be hired for the right profile. While recruiting a new candidate, one should also check his track record. An individual who has changed his previous jobs frequently would also not stick to the present one and thus should not be hired.

- **Employee recognition is one of the most important factors which go a**

long way in retaining employees. Nothing works better than appreciating the employees. Their hard work must be acknowledged. Monetary benefits such as incentives, perks, cash prize also motivate the employees to a large extent and they prefer sticking to the organization. The performers must have an upper edge and should get a special treatment from the management.

- **Performance appraisals are also important for an employee to stay motivated and avoid looking for a change**. The salary hike should be directly proportional to the hard work put by the employees. Partiality must be avoided as it demotivates the talented ones and prompt them to look for a better opportunity.

- **The salary of the employees must be discussed at the time of the interview**. The components of the salary must be transparent and thoroughly discussed with the individuals at the time of joining to avoid confusions later. The individuals should be made to join only when the salary as well as other terms and conditions are acceptable to them.

- **The company's rules and regulations should be made to benefit the employees**. They should be employee friendly. Allow them to take a leave on their birthdays or come a little late once or twice in a month. It is important for the management to understand the employees to gain their trust and confidence. The consistent performers must also have a say in the company's decisions for them to feel important.

- **Recognizes Your Impact As A Manager**:

  As an office Manager, you must specifically communicate to employees that you appreciate their contributions, rather that talking to them only when they do something wrong. Use charts and graphs distributed through electronic bulletin boards to keep yore team informed of results and how they are moving towards company goals.

- **Implements Effective Work/ Life Program**:
Implement effective work/life program more and more organizations are looking to work/life programs to help employees cope with workplace stress. Many of fortunes "100Best companies to work for in America" cite work/life programs as one of their top tools to attract and retain the best employees and give their companies a competitive edge.

Seven Steps To Increase Employee Retention
Many organizations are now realizing the bottom-line effort on retaining quality employees. Retaining quality performs quite simply adds to increased productivity and morale, while reducing the associated costs of turnover.

Steps:
a) Behavioral assessment and structural behavioral interviewing techniques to Conduct job analysis audits to provide realistic job previews. conduct job analysis audits with behavioral assessments, cognitive reasoning assessment , job simulations and hard skills assessment (computer skills) to objectivity define the

core competencies required for success in each role (competency Modeling). This helps in providing a realistic job preview for candidates and managers. Of ten times what managers think they need for a certain role is different from that they actually need.

b) Implement a well designed assessment and selection process include increases the likelihood of hiring people that can and will do the job at a high level in your environment and for your mangers (job fit assessment).

c) Provide good employee orientation the people you hire today are potentially your greatest resources for corporate success in the years ahead. As a senior leader, your participation in new employee orientation sends a vital cultural and leadership message: "we are all involved here in the desire toward what we want to be in the future everyone even the newest employees has value.

d) Implement programs for employee training and development provide ongoing professional development. To show your willingness as an organization to develop your greatest asset-your people.

e) Implement Manager and employee relationships. Concentrate on the people that stay with you to learn what makes them happy then give them more of it. "People leave Manager's, not companies. If you have a turnover problem look

First at your Managers, Marcus Buckingham and curt Coffman write in first, break all the rules.

f) Provide an equitable or fair pay system. Be competitive.

g) Encourage succession Planning ,identify roles for which employees may be suited in the future and work with them on designing their succession plan within organization.

Invest in training, Job shadowing, coaching, Mentoring and cross –experiment.

Improving Employee Retention
The first steps to take when developing an employee retention strategy are to find out:
a) Why employees in hard to recruit groups are leaving.
b) What employee turnover among these groups ILS costing your organization Data from exit interviews can be used to develop a costed retention strategy that focuses on particular causes of turnover in your organization.
c) It is worth considering the following elements, all of which have been shown to play a positive role in improving retention:
d) Job previews- give prospective employees a ,,realistic job
e) Preview" at the recruitment stage. Take care not to rise
f) Expectations only to dash them later. Advances in technology present employers with increasing opportunities to familiarize potential candidates with the organization
g) Accept a position.
h) Make line managers accountable – for staff turnover in their teams. Reward managers with a good record for keeping people by including the subject in appraisals. Train line managers in people manag3ement and development skills before appointing or promoting them. Offer retraining opportunities to existing managers who have a high level of turnover in their team.
i) Career development and progression-maximize opportunities for individual employees to develop their skills and move on in their careers. Where promotions are not feasible, look for sideways moves that vary experience and make the work more interesting. Consult employees- ensure

wherever possible that employees have a „voice" through consultative bodies, regular appraisals, attitude surveys and grievance systems. This will provide dissatisfied employees with a number of mechanisms to sort out problems before resigning. Where there is no opportunity to voice dissatisfaction, resigning is the only option.

j) Be flexible – wherever possible accommodate individual preferences on working hours and times. Where people are forced to work hours that do not suit their domestic responsibilities they will invariably be looking for another job which can offer such hours.

k) Avoid the development of a culture of "presenteeism" – where people feel obliged to work longer hours than are necessary simply to impress management. Evaluation of individual commitment should be based on results achieved and not on hours put in.

l) Job Security- provides as much job security as possible. Employees who are made to feel that their jobs are precarious may put a great deal of effort in to impress, but they are also likely to be looking for more secure employment at the same time. Security and stability are greatly valued by most employees.

m) Treat people fairly- never discriminate against employees.

n) Perception of unfairness, whatever the reality when seen from a management point of view, is a major cause of voluntary resignations. While the overall level of pay is unlikely to play a major role unless it is way below the market rate , perceived unfairness in the distribution of rewards is very likely to lead to resignations..

o) Defend your organization – against penetration by headhunters and others seeking to poach your staff. Keep internal e-mail addresses confidential, refuse to do business with agents who have poached your staff, and enter into pacts with others employers not to poach one another staff.

Conclusion

Human resources are complex and not easy to understand. These are the assets which can make as well as break an organization. Retaining them will help in the long-term growth of an organization and will also add to their goodwill. But the most difficult task faced by an organization today is retaining as well as satisfying these resources. Although the research paper tried its level best to reveal the various research works done and the contributions forwarded by various researchers in the area of employee retention and job satisfaction, but still much scope remains for more exploration in the field of employee retention and it by taking into consideration the factors like compensation practices, leadership and supervision, career planning and development, alternative work schedule, working conditions, flexible working hours etc. Needless to say that these efforts should be conducted by HR professionals.

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