

## RETENTION MANAGEMENT

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### ABSTRACT

*“Start with good people, lay out the rules, communicate with your employees, motivate them and reward them. If you do all those things effectively, you can't miss.”*

*Employee retention has become a major concern for organizations of any nature. Employee attrition is a costly dilemma for all organizations. In one of the survey it was found that 90% of those firms surveyed said it was more difficult to retain talented individuals than it was several years before. Therefore, it is imperative that organizations and managers recognize that retention must be a continuing HR emphasis and a significant responsibility for all supervisors and managers.*

*Employee retention involves taking measures to encourage employees to remain in the organization for a longer tenure. The corporate world today is facing a lot of problems in retaining competent and able employees in the organization. It is very essential to recruit knowledgeable people in the organization and it is still more important to retain them.*

*Job mobility is increasing at a rapid pace and so recruiting competent people is also becoming difficult, especially in India. Organizations these days create an enabling culture to help employees retain in the organization and also to protect the existing skilled manpower, since there is no dearth of opportunities for a talented person.*

*The main objective of this paper was to find the reasons of employee turnover in the organizations and another objective of the research was to study the strategies to be employed, which should be adopted by the organizations to retain their employees.*

**Key Words:** *Employee, Retention, Organizations.*

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## INTRODUCTION

The employee retention strategies involve different measures to encourage employees to remain in the organization for a longer term. Retention is beneficial to both the employer and the employee. Corporate is facing a lot of problems in retaining the employees these days, since there is no dearth of opportunities for competent and well-informed people. If a person is not satisfied by the job he is doing, he may switch over to some more suitable job. In today's situation it becomes very essential for organizations to retain their employees.

Employees stay or leave the organization for varied reasons; these reasons may be personal or professional. The reasons should be understood by the employer and should be taken care of. A good employer should know how to attract and retain its employees.

Employee retention has become a major problem in almost every organization and to solve this problem at an early stage the organization should hold exit polls, wherein simple questions inquiring why a particular employee is leaving the organization, collecting feedback from the employee, motivating the employee to change the decision. If the exit polls repeatedly give the same reasons why an employee is leaving a particular job, it helps the organization to take corrective action for the problem. If the employees feel unvalued in the company, they will look for some other organization where their knowledge and skills are valued.

Not always the employees quit the job for monetary reasons. Even though the company cannot give large raises or days off for the employees, it is always better it shows the employees that they are valued. When employees are valued they will be more productive and happy at work. A good retention program equates to saving money and easier recruitment.

Employee's retention is a process in which employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as for the employees.

Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they are dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best employees. If they don't they would be left with no good employees. A good employer should know how to attract and retain its employees. Retention involves five major things.

- environment

- growth
- relation
- support
- compensation

### **Top ways to retain employees**

A satisfied employee knows clearly what is expected from him every day at work:

Changing expectation keeps people on edge and creates unhealthy stress. They rob the employee of internal security and make the employee feel unsuccessful.

The quality of the supervision an employee receives is critical to employee retention:

People leave managers and supervisors more often than they leave the companies or jobs. It is not enough that the supervisor is well-liked or a nice person, starting with clear expectations of the employee, the supervisor has a clear role to play in retention. Anything the supervisor does to make an employee feel unvalued will contribute to turnover. Frequent employee complaints center on these areas.

- Lack of clarity about expectation.
- Lack of clarity about earning potentials
- Lack of feedback about performance
- Failure to hold scheduled meetings
- Failure to provide a framework within which the employee perceives he can succeed

The ability of the employee to speak his or her mind freely within the organization is another key factor in employee retention. Employee offer ideas, feel free to criticize and commit to continuous improvement. If not they bite their tongues or find themselves constantly in trouble until they leave

Talent and skill utilization is another environmental factor which key employees seek in their workplace: A motivated employee wants to contribute to work areas outside of his specific job description. The recognition that the company didn't want to take advantage of his knowledge and capabilities helped precipitate his job search.

### **Review of Literature**

**Gwen E. Lock, Kanter (2001)** predicted that the salaries climbed higher this past year across the nation as employers fought to attract and retain staff is the highest labour market in 30 yrs, a new survey shows. Mercer human resource consulting latest survey on

remuneration trends salaries have risen 4.1% in the year to the end of full but the survey also found that salaries had stabilized in final six months, indicating that employers are finally finding a balance b/w retaining existing employees and attracting new talent “ in 2005 we saw pay rises if the total workforce, which includes new staff over same incumbents or existing employees, supporting that companies were paying more to lure new talents, head of mercer’s broad rewards group en gilbert. **Hokey Min.et.at(2001)** Predicted that a new study says that 47% of high performing workers are actively looking for jobs elsewhere and one of the reasons they are looking is because they are feeling burned out mark Murphy , chief executive of leadership training and research firm that did the study said that the loss of a high performing employee affects a company not only in terms of hiring and training someone none, but also its bottom line when your best people quit, revenue deeps quality suffers and snafus in increase Murphy said “ even large companies can face a big hit with the department of just a few key employees **Lyold J. Taylor III, Ilene Poyner (2001)** predicted that the factors such as the growing no. of dual-career couples, child an elder care responsibilities, changing demo-graphic and pressures in market place have contributed to increased demand for more inclusive flexible work opinions. The traditional view that flexible time is only working mothers is an anachronism as employers are expanding their flexible work programs to include all employees, regardless of age, gender or parental status. The reason is not purely altruism. Employers recognizes that giving employees the flexible to balance work and personal obligation can help increase the retention of experienced and valuable staff, assist in recruiting and diversity efforts, boost employee loyalty, productivity and collegially and enhance corporate image. **Ing-Chung Huang.et.al (2002)** predicted employees who are looking to reduce turnover might want to consider hiring older workers, not recent college graduates, according to a new study. The study released Friday by bureau of labour shows that workers ages 55 to 64 have been with current employers a median of 9.3 yrs where workers ages 25 to 34 have a median tenure of only 2.9 yrs listen to employer: employer know what they want . the findings of “ working in America” what employees want survey conducted by harris interactive and sponsored by kronos incorporated found that in today’s knowledge economy many organization still donot recognizes the link b/w their workforce and business performance. The study found that only 36% of employed adults work for organization that invests in programs or activities that create a satisfied workforce. Yet of the more than 1000 U.S employed adults surveyed, more than 80% responded that these programs were important to them. **Ans De Vos, Annelies Meganck (2003)** predicted

that there is a direct link between training and employees retention. Employees involved in ongoing training feel that their employer is interested in them doing a better job, and the employer cares enough about them to make an investment in their development. Training can also be the means for positive change in any organization, however training is not enough to create lasting change without a vital link that will help your employees transfer what they learned into real-life application. That vital link is a strong coaching program

**Taplin.et.al (2003)** analysed that in the world of high turnover rates costing employers hundreds of thousands of dollars, one Wichita-based health care organization may have a tool to help combat the problem. Officials at via. chrish Senior Services are lauding a simple but effective employee screening computer program for reducing employee turnover at one facility by 35% and saving the organization nearly a quarter – million dollar this year. The only thing we did different was adding this screening tool,” said John Buselt who directs Via chrish. Health system’s absence management program Buselt researched a number of solutions to the employee retention program before deciding to tackle it pre-employment

**Palmberg Christoper. et.al (2006)** analysed that employees underestimate the role that healthcare are benefits play in retaining top employees, according to two new surveys. According to new survey in 2006 strategic rewards, none of the employers surveyed believe healthcare coverage is a key reason why top-performing employees leave. 22% of the top-performing employee’s swineyed in the same study however, cited healthcare benefits as one of the top three reasons they would leave an employer **Thomas Pradip.et.al (2006) volume :**

**8.** analysed job safety has many benefits like increased productivity , reduced absences, lowered stress level and hopefully a higher employee retention rate owing to a more stable work environment .**Sanna Paulsson & Linda Lindgren; (2008)** predicted that these are interested times for Indian industry. Attrition is high but so are job opposite. Salaries are sky rocketing but responsibilities and work profiles are expanding too. The manpower employment outlook survey for 2006 recognizes these trends almost half trends almost half of the over 4700 Indian employers interviewed by international HR consultancy for the survey say they expect their staffing needs to increase in the next three months clearly, the churn will continue, so what CEO’s need to do is focus not just on their consumers brands, they also need to focus on building their people brands. Going forward building employer brands that stand for something specific will be critical in the search for key talent.

## RESEARCH METHODOLOGY

An exploratory research design was chosen in order to develop a profound understanding of the research topic and to obtain in-depth data about the research objectives. All main elements of the research paper, comprising theory, findings and analysis were incorporated in a lucid and cohesive manner and structured in order to address and evaluate the central research objectives appropriately. The research study is qualitative in nature, as the selected research method ought to be effective in collecting the data needed to answer the research objectives. Secondary data has been collected through numerous types of documents providing the theoretical background.

### Reasons why organization is not able to retain the employees

- **People don't get integrated.** Most organizations have an orientation program, which is more of data-dump or focused on compliance trainings being completed. The focus should be more on enabling employees to form networks within themselves.
- **Performance goals are unclear.** In a fast growing team or business the focus is on getting the thing done today, but rarely are performance goals thought through and employees told as to which resources to approach for help.
- **The personal touch is missing.** How comfortable are managers building personal bonds with their subordinates? A lot of managers shy away fearing a bond will make delivering hard messages difficult. I would argue that it's the other way round! Knowing employees on personal level makes a manager know their strengths and weaknesses. Work allocation and employee development become easier.
- **Reward systems are not transparent.** Most employees who get salary increases because they have a rare skill at a particular point of time think they got their raise for excellent performance. Can you share details about how they have been compensated?
- **Perceived equity of reward systems is low.** Like it or not, employees discuss salary details and if there is any perceived lack of equity then you have an issue!
- **Goal setting process is not scientific.** Most organizations impose a normal curve fulfillment, but do not train managers to set realistic goals or goals that tie up with organizational or functional goals. This also leads to point number
- **No communication around total value.** If you offer benefits apart from only monetary terms do you communicate that to employees too? Things like being a global or niche industry leader, value of the brand of the organization, should also be made explicit

- **No career planning.** Are people aware of the ways in which they can grow in the organization? Who are the role models within the organization? Do they know what they have to do to gain the competencies to move to various levels?

### **FACTORS AFFECTING EMPLOYEE'S RETENTION**

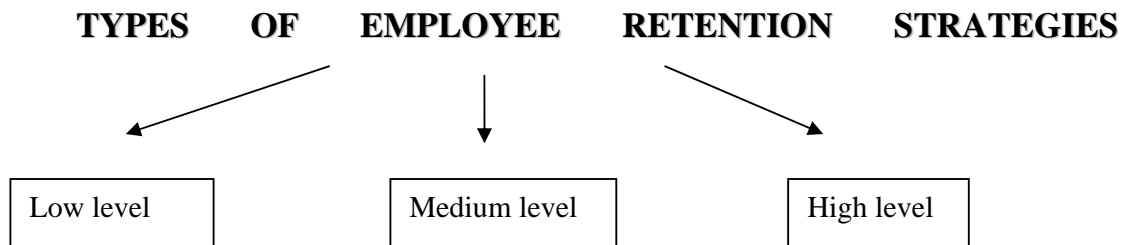
1. **Work profile:** The work profile on which the employee is working should be in sync with his capabilities. This profile should not be too low or too high
2. **Personal growth and dreams:** Employees responsibilities in the organization should help him achieve his personal goals also. Organization cannot keep aside the individual goals of employees and foster organization goals. Employee's priority is to work for them and later on comes the organization. If he is not satisfied with his growth, he'll not be able to contribute in organization growth.
3. **Training and development:** Employees should be trained and given chance to improve and enhance their skills .Many employees' fear that if the employees are well trained, they will leave the organization for better jobs. Organization should not limit the resource on which organization depends. these training can be given to improve many skills like:
  - Communication
  - Technical skills
  - In-house processes and procedures, improvement related skills
  - Customer satisfaction related skills
  - Special project related skills

### **BEST STRATEGIES TO RETAIN EMPLOYEES**

Following are some of the strategies that should be kept in mind for better rate of employee retention:

- Make employees realize that they are the most valuable asset of the organization
- Have faith in them, trust them and respect them.
- Provide them information and knowledge
- Hire the right people in the first place.
- Keep providing them feedback on their performance.
- Recognize and appreciate their achievements.

- Keep their morale high. Create an environment where the employees want to work and have fun.
- Empower the employees: give the employees the authority to get things done.



### **Low level strategies**

- Personalized well done and thank-you cards from supervisors
- Congratulations e-cards or cards sent to spouses/families
- Appreciating and recognizing a well done job
- Voicemails or messages from top management
- Periodic days off for good performance
- Rewards ( gift, certificates, monetary and non monetary rewards )
- Recognizing professional as well as personal significant events
  - Wedding gifts
  - Anniversary gifts
  - New born baby gifts
  - Scholarships for employee's children
  - Get well cards/ flowers
  - Birthday cards, celebrations and gifts
- Providing benefits
  - Home insurance plans
  - Legal insurance
  - Travel insurance
  - Disability programs
- Providing perks: It includes coupons, discounts, rebates, etc



Discounts in cinema halls, museums, restaurants, etc.

Retails store discounts

Computer peripherals purchase discounts

- Providing workforce conveniences
- On-site ATM
- On-site facilities for which cost is paid employees
  - Laundry facility for bachelors
- Assistance with tax calculations and submission of forms
- Financial planning assistance
- Casual dress policies
- Facilities for expectant mothers
  - Parenting guide
  - Lactation rooms
  - Flexi timings
- Celebrate birthdays, anniversaries, retirements, promotions, etc
- Holiday parties and holiday gift certificates
- Occasional parties like diwali, holi, dushera, etc
- Organize get together for watching football, hockey, cricket matches
- Organize picnics and trips for movies etc
- Sports outings like cricket match etc
- Indoor games
- Occasional stress relieves
  - Casual dress day
  - Green is the color day
  - Handwriting analysis
  - Tattoo, mehendi, hair braiding stalls on weekends
    - Mini cricket in office
    - Ice cream Fridays
    - Holi- Day breakfast

- Employee support in tough time or personal crisis
  - Personal loans for emergencies
  - Children and eldercare services
- Employee assistance program ( Counseling sessions etc )
- Emergency childcare facilities

#### **Medium level strategies**

- Appreciating and recognizing a well done job
- Special bonus for successfully completing firm-sponsored certifications
- Benefit program for family support
- Child adoption benefits
- Flexible benefits
- Dependents care assistance
- Medical care reimbursement
- Providing conveniences at workplace
- Gymnasiums
- Athletic membership program
- Providing training and development and personal growth opportunities
- Sabbatical programs
- Professional skills development
- Individualized career guidance

#### **High level strategies**

- Develop flexible schedules
- Promoting work/life effectiveness
- Part-time schedules
- Extended leaves of absence
- Develop support services
- On-site day care facility etc

- Understand employee needs: this can be done through proper management style
- Listen to the employee and show interest in ideas
- Appreciate new ideas and reward risk-taking
- Show support for individual initiative
- Encourage creativity
- Encouraging professional training and development and/or personal growth opportunities. It can be done through:
  - provide necessary tools to the employees to achieve their professional And personal goals
  - Getting the most out of employee interests and talents
  - Higher study opportunities for employees
  - Vocational counseling
  - Offer personalized career guidance to employees
  - Provide an environment of trust: Communication is the most important and effective way to develop trust
  - Suggestion committees can be created
  - Open door communication policy can be followed
  - Regular feedbacks on organization's goals and activities should be taken from the employees by: Intranet and internet can be used as they provide 24x7 accesses, Newsletter, notice boards, hire the right people at the end.
  - Right from the start of recruitment process: The new joiners should be fit with the organisation's culture. Personality leadership characteristics of the candidates should be in sync with Culture of the hiring organization.

## CONCLUSION

Key employee retention is critical to the long term health and success of business. Employees are a valuable asset for every organization. Managers readily agree that retaining your best employees ensures customer satisfaction, product sales, satisfied coworkers and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning.

Employee retention matters. Every employer has to take proper steps to retain the employees and so provide them with proper training facilities .Organizational issues such as training,

time and investment; lost knowledge; mourning, insecure coworkers and a costly candidate search aside, failing to retain a key employee is costly. Employee retention is one of the primary measures of the health of your organization. If you are losing critical staff members, you can safely expect that other people in their departments are looking as well. Exit interviews with departing employees provide valuable information you can use to retain remaining staff. Notice their results. You will never have a more significant source of data about the wellbeing of your organization.

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