

A STUDY ON EMPLOYEE RETENTION

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ABSTRACT

Employee retention is a process in which the 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 the employee. Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they feel 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. Most employees feel that they are worth more than they are actually paid. There is a natural disparity between what people think they should be paid and what organizations spend in compensation. When the difference becomes too great and another opportunity occurs, turnover can result. Pay is defined as the wages, salary, or compensation given to an employee in exchange for services the employee performs for the organization.

Keywords: Employee retention, Pay and Benefits, Employee retention policies , motivators.

INTRODUCTION

It is impossible for an organization to survive if its top performers quit. It is essential for the management to retain its valuable employees who think in favor of the organization and contribute their level best. An organization needs employees who are loyal and work hard with full dedication to achieve the organization's objective.

EMPLOYEE RETENTION

It is defined as an organization's ability to retain its employees. It can also be called as a process, in which the resources are motivated and encouraged to stay in an organization for a longer period of time for the sustainability of the organization.

Employee retention is not just a matter that can be dealt with records and reports. It purely depends upon how the employers understand the various concerns of the employees and how they help them resolve their problem, when they are in need.

OBJECTIVES:

- Reducing turnover hassles
- Improving morale
- Achieving improved customer experience
- Reducing acquisition and training time

EMPLOYEE RETENTION STRATEGIES

Most organizations apply the following strategies to retain their employees • Create open communication between employees and management.

- Conduct "stay" interviews.
- Provide some small perks.
- Offer financial rewards.
- Make sure employees know what you expect of them.
- Use healthy competition and incentives to help keep workers motivated and make them feel rewarded.
- Promote from within, whenever possible.

BENEFITS OF EMPLOYEE RETENTION

KEY EMPLOYEE RETENTION STRATEGIES

- Recruitment and Hiring – Right and correct resource should be hired in the first place. It calls for quite a lot of time and effort. When the bond between the employees and the organization is cordial and the mix between the required skill
- set for a particular job requirement is also right, retention is less likely to be an issue.
- Orientation and Onboarding – Treating employees the right way in the early stages of employment is vital and enhances retention.
- Training and Development – Training and development are the key factors in helping employees grow with your company and stay marketable in their field.

BASIC PRACTICES FOR EMPLOYEE RETENTION

- Create an environment where the employees want to work and have fun.
- Giving the employees responsibility with power and authority.
- Have trust and faith in the employee and give respect to them.
- Keep providing them feedback on their performance.
- Provide them information and knowledge.
- Make employees realize that they are the most valuable asset of the organization.
- Recognize and appreciate their achievements.
- Keep their morale high.
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EMPLOYEE RETENTION POLICIES

The following additional policies need to be considered for employee retention –

- The responsibilities must be delegated according to the individual's specialization and interests.
- Constant disputes among employees encourage them to go for a change.
- The human resources department must ensure that the right candidates are hired.
- Employee recognition is one of the most important factors which go a long way in retaining employees.
- Performance appraisals are also important for an employee to stay motivated and avoid looking for a change

PROCESS OF EMPLOYEE RETENTION

Research says that most of the employees leave an organization out of frustration and constant friction with their superiors or other team members. In some cases low salary, lack of growth prospects and motivation compel an employee to look for a change.

The management must try its level best to retain those employees who are really important for the system and are known to be effective contributors.

RETENTION STARTS FROM HIRING

Right from the application process to screening resumes to selecting the one for interviewing, you aren't just recruiting but are sowing the seeds of your success and reputation. A good recruiting process focuses and aligns recruiters to deliver the best to the organization.

- A clear job description: A crystal clear picture of what employers want in an employee and what a candidate perceives of his job role must be presented in the job description, in a self-explanatory way.
- Emphasize professional development and learning: Candidates must be aware of the opportunities provided in the field of learning new things and developing skills. This demonstrates potentially what they can offer in long-term and not just what they can do for the company NOW.
- Identify Cultural Fitness: Introducing psychometric assessments at the time of recruitment could be an apt tool to ensure that employee's beliefs and behaviors are in alignment with their employer's core values and company culture
- According to SHRM, the result of poor culture fit due to turnover can cost an organization between 50-60% of the person's annual salary. [2] Hiring based on shared values and cultural beliefs leads to winning results and ensures that employees are likely to remain in the organization for a longer time, thus contributing efficiently. Strengthening your business starts with keeping such employees on board.

EMPLOYEE ON-BOARDING.

On-boarding is much more than "here's your laptop and here's your desk", but a key transition period of getting settled with the values, culture and the system. Done well, it is the first step in keeping talented people excited, happy and engaged for long.

FIND OUT MOTIVATORS

- Sustainability needs: One of the most common and effective ways to motivate staff. Monetary motivating forces for instance wages and pay rates, reward, medical coverage, retirement benefits come under this category. As per a survey, 89% of the companies using financial incentives were rated positively. [5]
- Relatability needs: It is the most evident way of motivation if provided at the right time and tracked well. The power inherent in employee recognition and a sense of competition really keeps an employee pumped up and hence, results in increased employee productivity.
- Growth needs: The potential for growth is a huge motivational difference maker. Opportunities to improve their skills and broaden their knowledge, giving them the power to take some decisions and a sense of achievement are the ones that do affect an employee's motivation.

CREATE AN EMPLOYEE DEVELOPMENT PLAN

- Consider Business Goals: Align employees' development needs with the organization's needs. Once done, identify the necessary skills and competencies that support long- and short-term business objectives. Then comes bridging the gaps between current employee skills and the required ones.
- Employer-Employee Conversation: Talk with each employee and get a better understanding of their career goals and challenging areas. Figure out their short and long-term plans and the corresponding opportunities to learn.
- Capability v/s Readiness: Keep a check on the situation where an employee may have the skills and knowledge, in short, has enough potential for a job role but he isn't ready to move into it (reasons may be personal or any other).
- Training and Development: Now comes how the employee will acquire new skills. In an inexpensive and proficient way, certain assignments and projects can do a favor. One-on-one mentoring, creating groups or online courses are the ways in which L&D program can be executed.

THE EVALUATION

After creating an employee development plan comes the major part where evaluation is done. A formal evaluation writing with a performance review and holding a quarterly meeting with the employee should be the next step if you seek to retention.

- Goals employer set for that job and employee
- Employee's stand on expected goals
- Valid reasons for your conclusion

Conclusion

Management can control the rate of employee turnover by introducing various employee retention techniques related to above areas, such as bringing fairness in selection procedure, by making the orientation Programme adequate, by making the working hours flexible, by making it easier for the employees to reach the supervisors or the management, by giving recognition to employees on their performance, providing them training often, by giving them promotion opportunities, by making their job challenging, by making the leave options more flexible, in short it can be stated that the management shall provide a QWL to the employees and make the employee feel privileged working in the organization

WEBSITES

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