

## A STUDY OF VARIOUS EMPLOYEE RETENTION STRATEGIES (ERS) ADOPTED BY INDIAN AND MULTINATIONAL COMPANIES

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**Abstract :** In today's competitive world attraction and retention of talent continues to be the important challenges for Human Resources. To retain good staff and to encourage them to give of their best while at work requires attention to the financial and psychological and even physiological rewards offered by the organisation as a continuous exercise. More and more companies have now realized the importance of a healthy work culture and have a gamut of people management good practices for employees to have that ideal fresh work-life. A transparent work environment can serve as one of the primary triggers to facilitate accountability, trust, communication, responsibility, pride and so on.

This paper highlights the context within which employee retention strategies have been adapted by Indian and MNCs in Mumbai, where there is a critical need to investigate the dynamics of employee retention practices and strategies. Using a structured self completing questionnaire having almost similarity in items for both employees and management with special reference to specific retention strategies and their adaptability, the data has been collected on 330 respondents.

**Keywords :** Attrition, Retention Reward, Employee Retention, Recognition Strategies, Employee Benefit Strategies.

### INTRODUCTION

India is emerging as a super power, slated to be among the world's five largest economies and viewed by international investors, business conglomerates and tertiary education providers as a land of opportunity. Human resources (HR) are the backbone of an organization.

Moreover, the continuing prosperity of a firm is likely to be enhanced by employees who hold attitudes, value and expectations that are closely aligned with the corporate vision. Clearly, hiring capable people is an attractive point of departure in the process, but building and sustaining a committed workforce is more likely to be facilitated by the employment of sophisticated human resource management (HRM) infrastructures.

Arguably, HRM policies and practices can be strategically designed and installed to promote desirable employee outcomes, which include the enhancement of the in role and extra role behaviours of employees. Yet, despite such costly Investments, corporations are continually searching for techniques to improve and cement the linkage between employees and their organizations.

In today's competitive world attraction and retention of talent continues to be the important challenges for HR. To retain good staff and to encourage them to give of their best while at work requires attention to the financial and psychological and even physiological rewards offered by the organisation as a continuous exercise. Employee retention refers to the various policies and practices which let the employees stick to an organization for a longer period of time.

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.

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.

### **SCOPE**

In the present study an attempt is made to identify the various employee retention strategies adopted by Indian and multinational companies and putting them in hierarchical positions so as to understand which of the employee retention strategies used maximum and which of the strategies employed least.

### **OBJECTIVE OF THE STUDY**

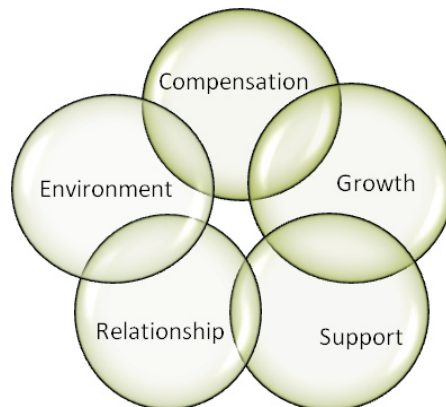
This paper discusses some of the strategies that organisations can and do employ to ensure the existence of the best possible pool of qualified applicants from which they can fill vacancies as and when required.

### **METHODOLOGY OF THE STUDY**

This study is based on Secondary and Primary data. Secondary data has been collected through books and articles. Primary data has been collected from 330 professionals from different industries in the age group of 23 to 45.

### **RETENTION INVOLVES FIVE MAJOR THINGS**

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**Compensation:** Compensation constitutes the largest part of the employee retention process. The employees always have high expectations regarding their compensation packages. Compensation includes salary and wages, bonuses, benefits, prerequisites, stock options, bonuses, vacations, etc.

**Growth and Development:** Growth and development are the integral part of every individual's career. If an employee can not foresee his path of career development in his current organization, there are chances that he'll leave the organization as soon as he gets an opportunity. The important factors in employee growth that an employee looks for himself are: Work profile, Personal growth and dreams and Training and development.

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**Support:** Lack of support from management can sometimes serve as a reason for employee retention. Employers can also support their employees by creating an environment of trust and inculcating the organizational values into employees. Thus employers can support their employees in a number of ways as follows: By providing feedback, giving recognition and rewards, counselling them and by providing emotional support

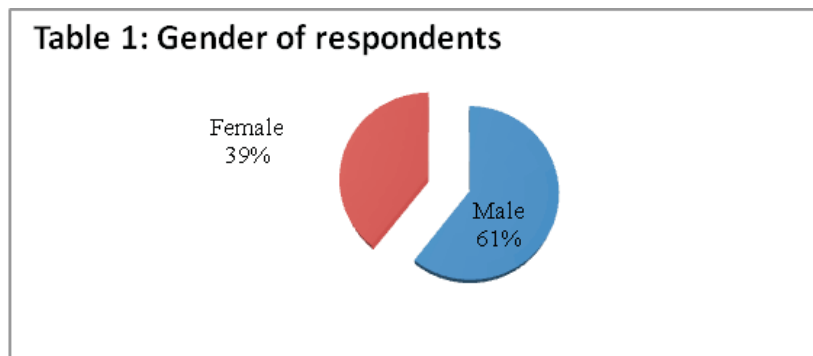
**Relationship:** Sometimes the relationship with the management and the peers becomes the reason for an employee to leave the organization. It is not about managing retention. It is about managing people

- \* Respect for the individual
- \* Relationship with the immediate manager
- \* Relationship with colleagues
- \* Recruit whole heartedly
- \* Promote an employee based culture
- \* Individual development
- \* Induce loyalty

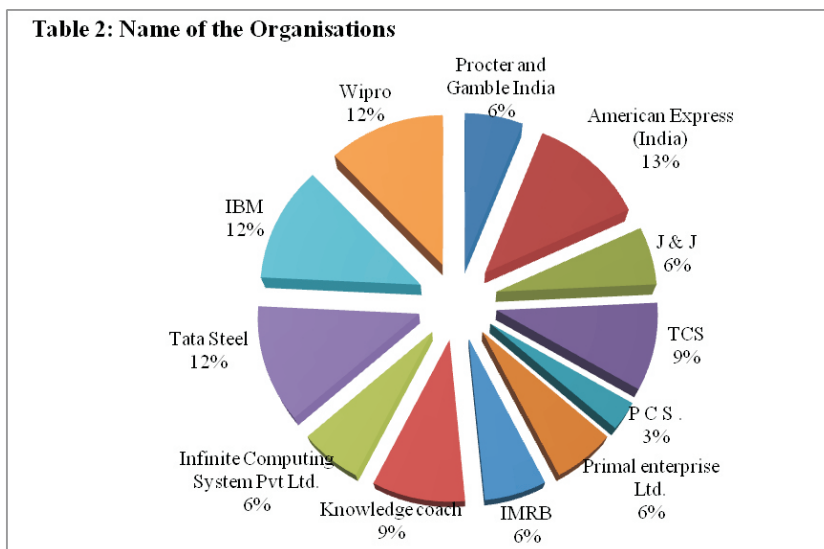
**Environment:** Types of environment the employee needs in an organization are Learning environment, Support environment and Work environment. Lack or absence of such environment pushes employees to look for new opportunities. The environment should be such that the employee feels connected to the organization in every respect.

### ANALYSIS AND INTERPRETATION OF DATA

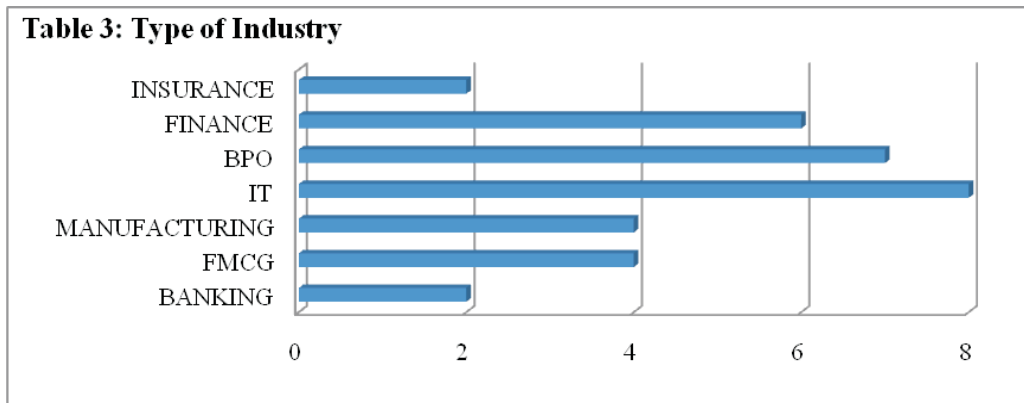
From the data so collected the researcher has made the following observation: Out of the 330 respondents 39% were female and 61% were male.



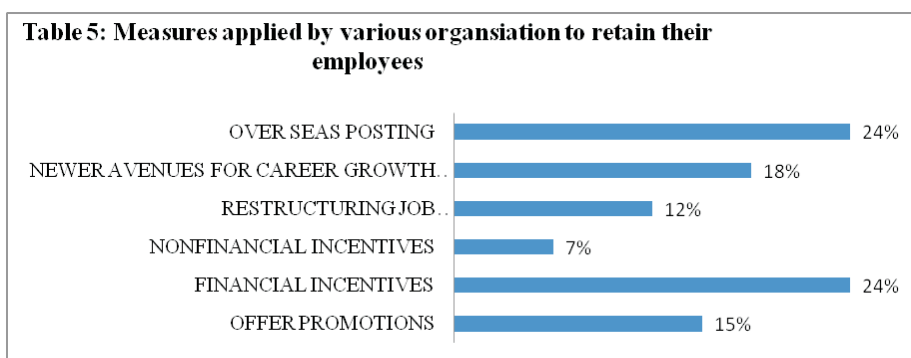
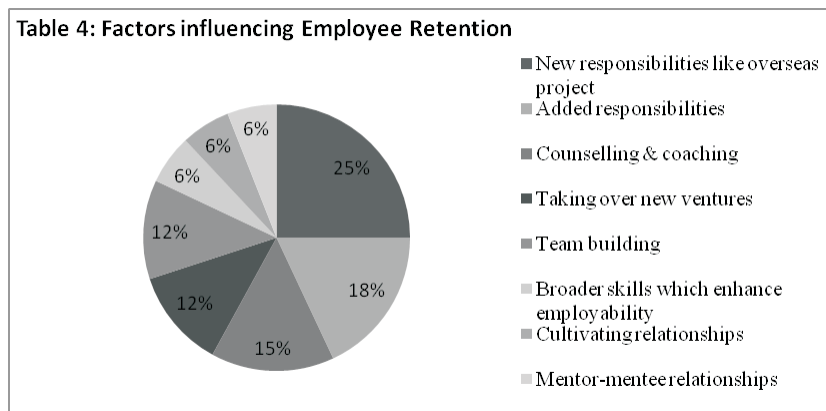
From the data presented in the diagram below, the name of the organisation from which companies the respondent belong can be clearly stated.



From the data presented in the table below, the following conclusion can be drawn about the various employee retention strategies adopted by Indian and multinational companies



The hierarchical positions as stated below gives a clear picture of the employee retention strategies used maximum and which of the strategies employed least.



From the diagram above it is clear that Organisation use several measures to retain their employees: 24% of financial incentives and overseas posting are applied, 18% of newer avenues for career growth in the organisation. 15% of promotions and 12% restructuring job profile/ responsibilities. The least is 7% of Non financial incentives are used to retain the employees.

## RESULTS

Table 1, 2 & 3 presents the composition of the sample size, name of the organisation and the type of industry the respondents are associated with. Table 4 and table 5 present the data related to factors influencing employee retention in an organisation and measures applied by the organisation to retain employees.

From the above table 4 it is evident that the maximum focus for ERS was given to new responsibilities like overseas project and added responsibilities and the minimum importance as low as 6%

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was given to broader skills which enhance employability, Cultivating relationships and mentor-mentee relationships.

In the above table 5 the measures applied by the industry to retain employees, the major focus i.e 24% was for overseas posting and financial incentives and the least was low i.e 7% nonfinancial incentives

### STRATEGIES TO REDUCE EMPLOYEE TURNOVER

- \* Hire the best candidate.
- \* Welcome new employees. Customize induction program for new employees according to the requirements. Same induction program cannot be applied to all the candidates.
- \* Produce quality managers who can really manage employees well.
- \* Provide employees with work schedules that are flexible enough to suit their needs. Don't be too demanding, employees are human beings who have their own life and family commitments. Respect them.
- \* Provide career counselling and development.
- \* Discuss future plans regarding the candidate with the candidate. Let them know that the management is interested in retaining them and cares for them.
- \* Proper feedback from employees regarding their grievances.
- \* Remember ex-employees. They can be of help in future. It is also a part of employee retention

#### Employee retention strategies by companies

Employers	Key Drives To Attract And Retain Talent
Tata Steel	<ul style="list-style-type: none"> <li>o Financial incentives</li> <li>o Overseas posting</li> <li>o Freedom to work and innovate</li> </ul>
Wipro	<ul style="list-style-type: none"> <li>o Company's brand as an employer</li> <li>o opportunities for growth</li> <li>o Financial incentives</li> <li>o Value compatibility</li> <li>o Innovative people program</li> </ul>
TCS	<ul style="list-style-type: none"> <li>o The group brand equity</li> <li>o Strong corporate governance and citizenship</li> <li>o Financial incentives</li> <li>o Overseas posting</li> <li>o Challenging assignments</li> <li>o Opportunity to work with fortune 500 clients</li> </ul>
Procter and Gamble India	<ul style="list-style-type: none"> <li>o Early responsibilities in career</li> <li>o Flexible and transparent organizational culture</li> <li>o Restructuring job profile/responsibilities</li> <li>o Performance Recognition</li> </ul>
American Express (India)	<ul style="list-style-type: none"> <li>o Strong global brand</li> <li>o Financial incentives</li> <li>o job profile/responsibilities</li> <li>o Overseas posting</li> </ul>
Johnson & Johnson	<ul style="list-style-type: none"> <li>o Strong values of trust, caring fairness, and respect within the organization</li> <li>o job profile/responsibilities</li> <li>o opportunities for growth</li> <li>o Overseas posting</li> <li>o Financial incentives</li> <li>o Non Financial incentives</li> </ul>

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