

EMPLOYEE RETENTION

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Abstract :

EXECUTIVE SUMMARY

The project begins with the significance of Human Resource Management in today's corporate world. It signifies the increasing importance of HRM.

Then it leads over to the employee Turnover problem faced by the companies. It highlights the resource for the high turnover rate and the cost that this act adds up to the company.

Then the project highlights the significance of employee retention to overcome the employee turnover problem.

The project briefly covers the various areas where employee retention strategies are implemented namely recruitment, training and development, work culture, salary negotiation, compensation management, rewards and recognition and exit interviews.

And at the end the report finally highlights various aspects which are to be considered for improvement of employee retention strategies.

Key words:Methodology , Human Resource Management , training and development

OBJECTIVE OF STUDY

To know the importance attached to employee retention in today's corporate world.
Strategies employed by the company to improvise on the rate of employee turnover rates.
General problems faced by the companies while practicing employee retention.

METHODOLOGY

The information provided in this project has been collected from various sources. These include major information's downloaded from various articles through the Internet.

The information collected has been diluted and presented in a very simple and lucid manner. This was done with an objective that even a layman should be able to understand the topics that I have dealt with.

SCOPE OF STUDY

This project has been prepared with an intention to make one realize and understand the significance of employee retention.

Employee retention has become a major goal of the organization.

Initially recruitment was only talked about, but now in today's corporate world, recruitment has become just a part of HRM. Major importance is attached to employee retention.

This project not only aims to present the theoretical aspects, but the practical aspects as well, A survey has been done to understand the strategies followed by various organizations to ensure Employee Retention.

INTRODUCTION

MEANING OF “EMPLOYEE RETENTION”

EMPLOYEE RETENTION MEANS,

“AN EFFORT BY A BUSINESS TO MAINTAIN AN ENVIRONMENT WHICH SUPPORTS CURRENT STAFF IN REMAINING WITH THE COMPANY.

EMPLOYEE RETENTION REFERS TO,

ALL THOSE PRACTICES WHICH LET THE EMPLOYEES STICK TO AN ORGANIZATION FOR A LONGER TIME.

BENEFITS OF EMPLOYEE RETENTION

Benefits to organisation

1. Significant cost savings:- The cost of turning over a staff position can be anywhere between one third and three quarters of a persons annual salary cost.
2. Improved quality and productivity :- Ensures a reliable knowledge base regarding the organisations processes, policies and procedures and alignment with the organisations culture.
3. Improves work efficiency.
4. Reduces absenteeism.
5. Facilitates a productive work energy.
6. Increases staff loyalty to the organisation and consumers.
7. Facilitates the potential for valuable contribution to the organisation.

Benefits to your clients

Ensures the consumer has continuity with staff who understand their needs and are able to meet their requirements

Benefits to your employees

- Ongoing development of skills and knowledge
- Improves staff capacity to contribute to, and develop, work practices, procedures and quality.
- Provides opportunity for career development and the building of sustainability and the knowledge base in the organisation.

Continuity of employment

- Reduces the stress associated with moving between employers.
- Facilitates the development of satisfying relationships with consumers, colleagues and management.

Positive organisational culture and values

Facilitates a sense of belonging and security and encourages new recruits.

REASONS WHY EMPLOYEE LEAVE

A distinction should be drawn between low-performing employees and top performers, and efforts to retain employees should be targeted at valuable, contributing employees.



Employee turnover is a symptom of deeper issues that have not been resolved, which may include low employee morale, absence of a clear career path, lack of recognition, poor employee-manager relationships or many other issues. A lack of satisfaction and commitment to the organization can also cause an employee to withdraw and begin looking for other opportunities. Pay does not always play as large a role in inducing turnover as is typically believed.

Following are some of the reasons why employees quit the job:-

- Unhappy Employee
- Not feeling fulfilled
- Irrelevant job needs and the person skills
- Weaker / undefined career path
- Lack of recognition
- Family needs not met
- Because the spouse (or someone very important) is settling to another city or country
- Poor salary, Poor benefits, no perks!
- Low morale
- Change of personal goals
- Sensing layoff!
- Poor Organization Culture
- Ineffective reward systems
- Boring workplace
- Feeling of boredom
- Lack of challenges
- Work life imbalance
- Stressful work environment
- Very demanding client
- Culture of not taking the accountability
- Less overall communication between people
- Lost faith in the vision
- Too much Internal politics
- Company culture mismatch with individual's values
- Too much bureaucracy
- Too much agility
- Insecurity
- Unfriendly leave policy
- Hostile environment
- Revised mission statement not exciting
- Lack of growth opportunities

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- Salary not in alignment with responsibilities!
- Lack of learning opportunities
- Lack of coaching, training and mentoring
- Bad Boss
- Whimsical reporting manager
- Lack of motivation
- Indistinctive leadership in different situations
- Management does not keep promises
- Lack of trust and confidence in the boss / management
- Bad Team
- Sore relationship with team members
- Mental / physical abuse

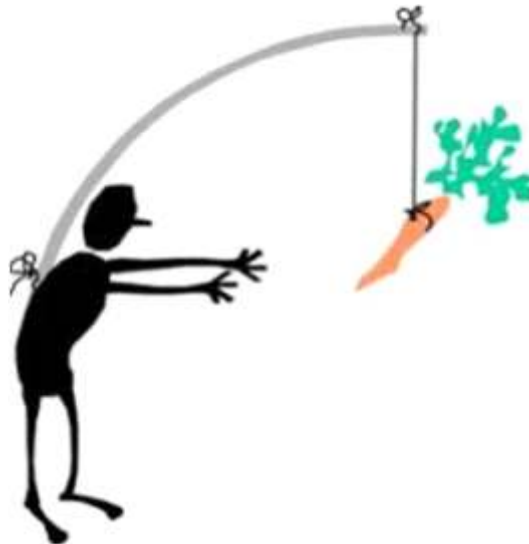
METHODS TO FIND OUT WHY STAFF ARE LEAVING

- 1.CONFIDENTIAL ATTITUDE SURVEYS
- 2.QUESTIONNAIRE SENT TO FORMER AROUND SIX MONTHS AFTER THEIR DEPARTURE
- 3.EXIT INTERVIEWS

EMPLOYEES EXPECTATIONS.

WHAT EMPLOYEES WANT IN ORDER TO FEEL MOTIVATED

- Good wages – at least as per the market standard.
- Job security – no fear of getting fired.
- Good working environment – place they love to spend their time.
- Interesting work – which they would love to get engaged in.
- Care and loyalty – from management.
- Fairness – in the policies, procedures and decisions that management take.



- Appreciation and recognition – especially when they have outperformed.
- Help on personal problems – only then they will feel overall satisfied.
- Feeling involved – liberty to participate in the decision making process.
- Clear, measurable and achievable goals – doesn't matter if they get it or they are allowed to set it!
- Rewards based on performance – not seniority or relationship.
- Little to zero corporate politics – it kills the organization and the employees' loyalty.
- Respect – from colleagues.
- Constructive mentoring – from seniors.
- Promotions – at least when they are due.

KEYS TO ATTRACT AND RETAIN THE BEST AND BRIGHTEST EMPLOYEE

A popular belief is that the primary reason people quit their jobs is because of pay. A bad boss or supervisor is the number one reason people leave due to the environment their boss creates and how they feel they've been treated.

•Know what people want and need

We work the majority of our adult lives. So, it's important to find an environment where we feel valued and have meaningful work to do. Employees want the opportunity to learn and grow and work for a manager who encourages and supports excellence in all they do. The truth is...people want to make a difference. And, in return they want to be treated with dignity and respect, have some influence over their future and feel appreciated for their contributions.

People thrive when they are part of a winning organization. They have pride in the products and services being offered, they know they can satisfy customer needs and are confident they can positively impact the success of the organization.

•Don't kid yourself

If you are thinking that people will stay put due to recent economic times, think again. Having endured layoffs, mandatory overtime, and the pressures of doing more with less, workers are stressed and burnt out. And, multiple sources predict once hiring begins to pick up, your top performers will be entertaining offers to work elsewhere.

•Value Your Employees

If you want to attract and retain the best and brightest, the culture needs to embrace your people as the organization's most valuable asset. It is through them your products will be sold, services will be provided, customers will be served, and the organization will succeed. Your employees need to know that leadership places as much value in them as they do in their customers.

•Lead and Engage Your People

Leadership is vital to engaging people and delivering results. Leaders need to communicate clear direction and priorities, let people know what's expected, and regularly share how they are doing against expectations. This helps people see how what they do contributes to the success of the team and organization. And, when leaders engage people in running the day-to-day business, solving problems and finding new and innovative ways to improve how the work is done, trust is built and employees feel valued.

•Provide Meaningful Work

People enjoy spending their time performing tasks and working on projects that have a significant impact. When employees get to perform meaningful work, they use a variety of skills, solve problems and find new and better ways to get things done. They know that their contributions make a difference for the customers, the team and the organization.

•Ensure Learning and Development

Organizations that attract and retain the best and brightest are committed to professional development. They provide opportunities for their employees to learn and grow. They regularly coach and provide feedback to their people on how they are doing so they know where to focus their improvement efforts. They also take the time to catch people in the act of doing things right, and provide recognition for a job well done.

If you want to attract the right people and retain star performers, it's important to recognize that your people are your most valuable asset. Leaders should be actively involved in developing their people to be the best they can be, teaching them everything they know, and getting them in the boat rowing the same direction.



FINDINGS

The findings include the following:

High salaries and incentives is the primary tool for employee retention. Most of the companies attract the employees by paying them high salaries and other incentives time to time. Monetary packages are able to attract and retain talent, however, in long run it becomes limiting for the organization to pay huge cash.

For employee satisfaction, the most important aspect to take care by the organization is that the job profiles offered should match with individual capabilities and aspirations. This makes the employee feel satisfied and glad in his job.

Better work culture is also very important where the relationship between employee and employer is such that individual problems and conflicts are properly addressed with time.

Excellent career growth should be provided to the employees to move on the vertical ladder of organizational hierarchy. The most common reason for leaving the job is the expectation of higher level of responsibility and position.

Work-life balance initiatives are important. Innovative and practical employee policies pertaining to flexible working hours and schemes, granting compassionate and urgency leave, providing healthcare for self, family and dependants, etc. are important for most people. Work-life balance policies would have a positive impact on retaining skilled employees, as well as on attracting high-caliber recruits.

Organized training, counseling and development programmes for employees also used to motivate them for their work. Best performers should be encouraged to share their experiences with others and guide others. The emphasis is to create the desire to learn, enjoy and be passionate about the work they do.

SUGGESTIONS

Following steps/ efforts should organization take to retain its employees:

- Lucrative opportunities
- Implement good employment practices
- Maintain healthy organizational climate
- Proper training should be provided to employees according to their skills
- Proper salary structure should be there.
- Need to restructure company's policy and follow certain process to overcome problems.
- Should make a hierarchy for various positions.