

EMPLOYEE RETENTION IN MANUFACTURING INDUSTRIES

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Abstract : Attrition is a serious issue and very high in the industry these days, especially with blue collared employees. Attrition is said to be the gradual reduction in the number of employees through retirement, resignation or death. It can also be termed as Employee Turnover. Employee retention refers to the ability of an organization to retain its employees. Definition: An effort by a business to maintain a working environment which supports current staff in remaining with the company. Employee retention refers to the various policies and practices which let the employees stick to an organization for a longer period of time. Being HR personnel one should know how to attract and retain its employees. Retaining employees is a critical and ongoing effort. A company, which wants to strengthen its bond with its employees, needs to invest in their developments. This involves the creation of opportunities for role enhancement within the company as well as training & skill development. Employee Delight a new way to retain employees in the organization.

Key words: Employee Delight, Employee Turnover, Employee Retention.

1.1 INTRODUCTION:

Every organization invests time and money to groom a new joinee, 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. Employee retention techniques go a long way in motivating the employees for them to enjoy their work and avoid changing jobs frequently. Employee Retention refers to the techniques employed by the management to help the employees stay with the organization for a longer period of time. Employee retention strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and contribute effectively. Sincere efforts must be taken to ensure growth and learning for the employees in their current assignments and for them to enjoy their work.

Employee retention has become a major concern for corporate in the current scenario. Individuals once being trained have a tendency to move to other organizations for better prospects. Lucrative salary, comfortable timings, better ambience, growth prospects are some of the factors which prompt an employee to look for a change. Whenever a talented employee expresses his willingness to move on, it is the responsibility of the management and the human resource team to intervene immediately and find out the exact reasons leading to the decision.

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.

•Why do Employees Leave?

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. It is the responsibility of the managers as well as the management to ensure that the employees are satisfied with their roles and responsibilities and the job is offering them a new challenge and learning.

•Need & Importance of Employee Retention

Hiring is not an easy process. The HR Professional shortlists few individuals, conducts many rounds of interviews to judge whether they are fit for the organization or not. Recruiting the right candidate is a time consuming process.

An organization invests in training. 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.

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. In some cases even leak the secrets of the previous organization. To avoid such cases, the new joiner is made to sign confidentiality agreement. This is an effective way to retain the employees.

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.

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.

•Methods and Strategies for Employee Retention

The job responsibilities must be delegated according to the individual's specialization and interests. 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. The human resource department must ensure that it is hiring the right candidate. 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. 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. 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 twice or thrice in a month.

•Role of HR in Employee Retention

Whenever an employee resigns from his current assignments, it is the responsibility of the HR to intervene immediately to find out the reasons which prompted the employee to resign. It is the duty of the HR to sit with the employee and discuss the various issues face to face. The human resource department must conduct motivational activities at the workplace. The HR must launch various incentive schemes for the top performers to motivate them. As it is the duty of the HR to motivate people, it is the responsibility of the management too, to support the HR in order to retain the talent back in the company. A combination of monetary and non-monetary motivational factors is the real key.

•Employee Engagement

Q) What is employee engagement?

Employee engagement refers to a situation where all the employees are engaged in their own work and take keen interest in the organization's activities. An engaged employee is one who is focused, enjoys his work and learns something new each day. An engaged employee is satisfied with his work and would never think of quitting his job. He is the one who willingly accepts responsibilities and looks forward towards a long term association with the organization. An employee who is busy with his work stays away from nasty politics, backstabbing and thus maintain the decorum of the office.

•Challenges in Employee Retention

Monetary dissatisfaction is one of the major reasons for an employee to look for a change, this is due to salary budget for every employee which can be raised to some extent but not beyond a certain limit. In the current scenario, where there is no scarcity of opportunities, stopping people to look for a change is a big challenge. Individuals speak all kind of lies during interviews to get a job. It is only later do people realize that there has been a mismatch and thus look for a change. Problems arise whenever a right person is into a wrong profile. Some individuals have a tendency to get bored in a short span of time. Unrealistic expectations from the job also lead to employees looking for a change.

•How to Retain the Best Employee

Work should never become monotonous and must offer a new learning each day. An employee should be able to upgrade his skills and enhance his knowledge at the workplace. Employees leave the organization whenever there are no chances of further growth. An individual must be made to do something which really excites him and most importantly matches his background. Every individual should enjoy privacy at the workplace. The superiors must ensure that no employee interferes in each other's work. Team members sitting at adjacent desks should not overhear their colleague's conversation or check any confidential documents. The hierarchy should not be too complicated and transparency in communication is important at all levels. Manipulation of truth should be strictly avoided as it leads to severe misunderstandings and eventually conflicts. Every employee should be treated as one irrespective of his designation. The male workers should respect their female counterparts and make them feel comfortable. The management must formulate employee friendly policies. The employees must be allowed to take one or two leaves in a month so that they get time to rejuvenate, celebrate birthdays of employees at the workplace. Incentives, cash prizes, trophies, perks should be given to deserving employees to motivate them to perform up to the mark every time. The slow learners must not be criticized but should be inspired to gear up for the next time. An organization must have a simple hierarchy and the functional areas of each team should be well defined. Freedom of expression is of utmost importance at the workplace to retain employees. The organization must encourage employees to celebrate major festivals at the office premises itself.

The top 5 reasons given by employees who quit their jobs in 2011 are: (with percentage agreement)

- 1.Lack of Opportunities for Professional Development (30%)
- 2.Inadequate Compensation (28%)
- 3.Boredom/Lack of Challenge (27%)
- 4.Poor Work/Life Balance (20%)
- 5.Job Stress and Unfair Treatment (20%)

CONCLUSION

Employee Retention involves a lot of energy, efforts & resources but the results are "WORTH IT". As the competition in the market heats up, the acquisition of skills, talents and knowledge becomes a difficult job for the organization. The company feels in pressure when in every management meeting managers come and repeat this excuse for poor performance, and then the pain comes out "stop the turnover". Many of the companies are facing problems in retaining employees. Where recently a survey shows that employee turnover can cost an organization almost 4 - 5 times more than an annual employee salary. A study conducted by some B - schools researched that 80% of employee turnover is attributable to blunders committed during the recruitment process. An HR professional and the management of the company need to understand employee turnover is not a disease but it is a symptom of the disease. Thus Employee Retention is a process in which the employees are encouraged to be with the organization for the maximum time or as of now, until the project gets completed. Though, employee – employer relationship has undergone a fundamental change, which has implications on the attrition, motivation and retention of talented employees. Employee retention is beneficial for both the organization and employee.

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