EMPLOYEE RETENTION

Anamika. O. Dubey and Dr . Sushama Patil

Ramanand Arya D.A.V College.

Abstract : In this present competitive business environment almost in all industries the most important ongoing HRM is employee retention .Employees are the backbone of the organization so the organization should look after the employees that they have job satisfaction at their workplace. And also that are ready to work for the organization with greater determination.

Key words: Employee retention, Competitive benefits, Development, Retention tools and resources.

INTRODUCTION

Employee retention refers to the ability of an organization to retain its employees. Employee retention can be represented by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period). However, many consider employee retention as relating to the efforts by which employers attempt to retain employees in their workforce. In this sense, retention becomes the strategies rather than the outcome.

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.

RETENTION PROGRAMS

It is important to first pinpoint the root cause of the retention issue before implementing a program to address it. Once identified, a program can be tailored to meet the unique needs of the organization. A variety of programs exist to help increase employee retention.

•Career Development
•Executive Coaching
•Motivating Across Generations
•Orientation and On Boarding
•Women's Retention Programs
•Exit Interview and Separation Management Programs

REVIEW OF LITERATURE

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OBJECTIVES

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• Employee engagement
• Knowledge retention
• Diversity
• Reducing turnover cost

RESEARCH METHODOLOGY

The data has been collected from primary as well as secondary sources.

ANALYSIS OF DATA

Employee Retention – How to Retain Employees

⏶ Hiring employees is just a start to creating a strong work force. Next, you have to keep them. High employee turnover costs business owners in time and productivity. Try these tactics to retain your employees.
⏶ Offer a competitive benefits package that fits your employees' needs-Providing health insurance, life insurance and a retirement-savings plan is essential in retaining employees. But other perks, such as flextime and the option of tele-commuting, go a long way to show Free employees you are willing to accommodate their outside lives.
⏶ Provide some small perks - bagels on Fridays and dry-cleaning pickup and delivery may seem insignificant to you, but if they help employees better manage their lives, they'll appreciate it and may be more likely to stick around.
⏶ Use contests and incentives to help keep workers motivated and feeling rewarded - Done right, these kinds of programs can keep employees focused and excited about their jobs.
⏶ Conduct "stay" interviews - In addition to performing exit interviews to learn why employees are leaving, consider asking longer-tenured employees why they stay. Ask questions such as: Why did you come to work here? Why have you stayed? What would make you leave? And what are your nonnegotiable issues? What about your managers? What would you change or improve? Then use that information to strengthen your employee-retention strategies.
⏶ Promote from within whenever possible- And give employees a clear path of advancement. Employees will become frustrated and may stop trying if they see no clear future for themselves at your company.
⏶ Foster employee development- This could be training to learn a new job skill or tuition reimbursement to help further your employee's education.
⏶ Create open communication between employees and management -Hold regular meetings in which employees can offer ideas and ask questions. Have an open-door policy that encourages employees to speak frankly with their managers without fear of repercussion.
⏶ Get managers involved-Require your managers to spend time coaching employees, helping good performers move to new positions and minimizing poor performance
⏶ Communicate your business's mission- Feeling connected to the organization's goals is one way to keep employees mentally and emotionally tied to your company.
⏶ Offer financial rewards-Consider offering stock options or other financial awards for employees who meet performance goals and stay for a predetermined time period, say, three or five years. Also, provide meaningful annual raises. Nothing dashes employee enthusiasm more than a paltry raise. If you can afford it, give more to your top performers. Or, if you don't want to be stuck with large permanent increases, create a bonus structure where employees can earn an annual bonus if they meet pre specified performance goals.
⏶ Make sure employees know what you expect of them- It may seem basic, but often in small companies, employees have a wide breadth of responsibilities. If they don't know exactly what their jobs entail and what you need from them, they can't perform up to standard, and morale can begin to dip.

⌖ Hire a human-resources professional- If your company is nearing 100 employees, consider hiring a human-resources director to oversee and streamline your employee structure and processes. Putting one person in charge of managing employee benefits, perks, reviews and related tasks takes a huge load off of you and makes sure employees are treated fairly. HR managers are also more up to date on employment laws and trends. They can set up various programs and perks you may not have known existed.

RETENTION TOOLS AND RESOURCES

Employee Surveys – By surveying employees, organizations can gain insight into the motivation, engagement and satisfaction of their employees. It is important for organizations to understand the perspective of the employee in order to create programs targeting any particular issues that may impact employee retention.

Exit Interviews – By including exit interviews in the process of employee separation, organizations can gain valuable insight into the workplace experience. Exit interviews allow the organization to understand the triggers of the employee's desire to leave as well as the aspects of their work that they enjoyed. The organization can then use this information to make necessary changes to their company to retain top talent. Exit interviews must, however, ask the right questions and elicit honest responses from separating employees to be effective.

Employee Retention Consultants – An employee retention consultant can assist organizations in the process of retaining top employees. Consultants can provide expertise on how to best identify the issues within an organization that are related to turnover. Once identified, a consultant can suggest programs or organizational changes to address these issues and may also assist in the implementation of these programs or changes.

NEED & IMPORTANCE OF EMPLOYEE RETENTION

Let us understand why retaining a valuable employee is essential for an organization.

⌖ Hiring is not an easy process
⌖ An organization invests time and money in grooming an individual and make him ready to work and understand the corporate culture
⌖ When an individual resigns from his present organization, it is more likely that he would join the competitors
⌖ The employees working for a longer period of time are more familiar with the company's policies, guidelines and thus they adjust better
⌖ Every individual needs time to adjust with others
⌖ It has been observed that individuals sticking to an organization for a longer span are more loyal towards the management and the organization
⌖ It is essential for the organization to retain the valuable employees showing potential

CASE STUDY - Wipro launches staff retention plan to tackle attrition; to facilitate further academic pursuits

Bangalore: Wipro has launched one of its biggest employee-retention programme, aiming to stem the exodus of experienced executives by offering them a chance to study at some of the nation's premier engineering and management colleges.

The "Notch Up" programmed is the second major initiative by India's third largest software exporter this year to retain employees with five or more years of experience, as the rate of people leaving the company from this group is higher than Wipro's overall attrition level of 17%, a senior executive said.

Under the new programmed, launched in the second quarter that started in July, Wipro offers employees who have put in more than two years at the company a chance to do Masters at Pune based Symbiosis, Birla Institute of Technology and Science or VIT University in Vellore. The company has also partnered with ICFA to offer a two-year regular programmed in professional accounting. According to Wipro, more than 500 employees have already enrolled, and its aim is to expand this number tenfold to 5,000 in three years.

The company has worked out a fee structure with the institutes, and staff will be reimbursed the fee based on their scores. "Hope this will help us in retaining talent, Govil said.

Managing the expectations of employees is one of the biggest challenges in India's IT sector where companies are known to aggressively poach staff from rival organisations. Homegrown IT companies see an uptick in attrition levels during the first quarter of every fiscal year, when people either leave their employers in search of better opportunities or quit to pursue higher education.

Wipro's bigger rival Infosys reported an attrition rate of 19.5% in the first quarter through June. Most companies have taken steps to reduce the exodus of employees, with Wipro rewarding the top 20% of its workforce with double the salary hikes compared with the rate given to average performers and Infosys giving promotions to more than 19,000 employees in the first two quarters of this fiscal year.

TCS maintains best employee retention rate

Mumbai: The country's largest software exporter Tata Consultancy Services (TCS) on Monday said it has maintained its position as the "employer of choice" with the best retention rate in the industry. The company, while announcing its second quarter results today, said that as many as 8,919 employees joined it in June-September period, taking its total headcount to 78,028 employees. The company's global human resources head S Padmanabhan said, "We continue to be the employer of choice in the industry with the best retention rate and this is helping us execute on the ground globally."TCS continued to maintain the lowest attrition rate in the industry at 10.6 per cent, the company said. Talking about its FY'08 hiring plans, the company said it had already made 11,250 offers on the campus. The company witnessed a net addition of 6,663 employees from 60 different nationalities in its workforce in the quarter. In the year ago quarter, TCS employed people from 49 different countries. Non-Indian nationals formed 8.3 per cent of the company's workforce, up from 7.3 per cent in the previous quarter and 3.9 per cent in the year ago quarter. Women made up for 25 per cent of total employees, unchanged from the previous quarter and up from 23 per cent in the year ago quarter.

RECOMMENDATION

By focusing on the fundamentals, organizations can go a long way towards building a high-retention workplace. Organizations can start by defining their culture and identifying the types of individuals that would thrive in that environment. Organizations should adhere to the fundamental new hire orientation and on boarding plans. Attracting and recruiting top talent requires time, resources and capital. However, these are all wasted if employees are not positioned to succeed within the company.

Recruitment- Presenting applicants with realistic job previews during the recruitment process have a positive effect on retaining new hires. Employers that are transparent about the positive and negative aspects of the job, as well as the challenges and expectations are positioning themselves to recruit and retain stronger candidates.

Selection- There are plethora of selection tools that can help predict job performance and subsequently retention. These include both subjective and objective methods and while organizations are accustomed to using more subjective tools such as interviews, application and resume evaluations, objective methods are increasing in popularity. For example, utilizing biographical data during selection can be an effective technique. Bio-data empirically identifies life experiences that differentiate those who stay with an organization and those who quit. Life experiences associated with employees may include tenure on previous jobs, education experiences, and involvement and leadership in related work experiences.

Socialization- Socialization practices delivered via a strategic on boarding and assimilation program can help new employees become embedded in the company and thus more likely to stay. Research has shown that socialization practices can help new hires become embedded in the company and thus more likely to stay. These practices include shared and individualized learning experiences, activities that allow people to get to know one another. Such practices may include providing employees with a role model, mentor or trainer or providing timely and adequate feedback.

Training and development- Providing ample training and development opportunities can discourage turnover by keeping employees satisfied and well-positioned for future growth opportunities. In fact, dissatisfaction with potential career development is one of the top three reasons employees (35%) often feel inclined to look elsewhere. if employees are not given opportunities to continually update their skills, they are more likely to leave. Those who receive more training are less likely to quite than those who receive little or no training.

CONCLUSION

Why employee retention matters
Want to develop lasting relationships with your customers?
Think about how to develop lasting relationships with your employees first.

Customer service agents with the most experience provide a superior customer experience. The above chart shows the satisfaction rating for tickets based on how many weeks the person who solved it has been an agent

Up and to the right-The result is the kind of trend we all love to see: clear improvement over time.

We often think about the impact of agent turnover in terms of the resources needed to hire, train, and develop new agents, but there is another important factor to consider: the opportunity cost of happier customers.

Even after conquering the initial learning curve, agents continue to boost the customer experience gradually over time. Given increased familiarity with the company's product or service offerings, brand, internal business practices, and common support requests, as well as a better grasp of the Zen desk platform, agents are able to deliver a superior customer experience.

Employees who are satisfied with their jobs, enjoy their work and the organization, believe their job to be more important, take pride in the company and feel their contributions are impactful are five times less likely to quit than employees who were not engaged. Engaged employees give their companies crucial competitive advantages, including higher productivity.

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