

## RETAINING THE TALENT – NEED OF THE HOUR

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**Abstract :** Retaining the talents and maintaining the commitment of the workforce has become a key strategic aspect for the organizations. Hiring and recruiting the talented employees does not suffice but it is equally important to retain them for long term benefits to both the organization and its workforce. This paper is an attempt to throw some light on the importance of employee retention strategies, factors that impact employee commitment and retention in a work environment. This study also explains the various reasons of turnover and various challenges in implementation of the strategies. There are no one fixed practices which show the importance and significance of the influence of all these above broad points because different organizations lay different emphasis on these pointers depending upon their suitability impacting retention. It's quite clear by the review of research that in spite of a lot of challenges organizations can successfully retain the talent with support of top management and participative involvement of the people. the paper tries to give a holistic view on the various practices that organizations should adopt to minimize the turnover and take the employee retention to the next level.

**Keywords:**talents and maintaining , organizations.

### INTRODUCTION

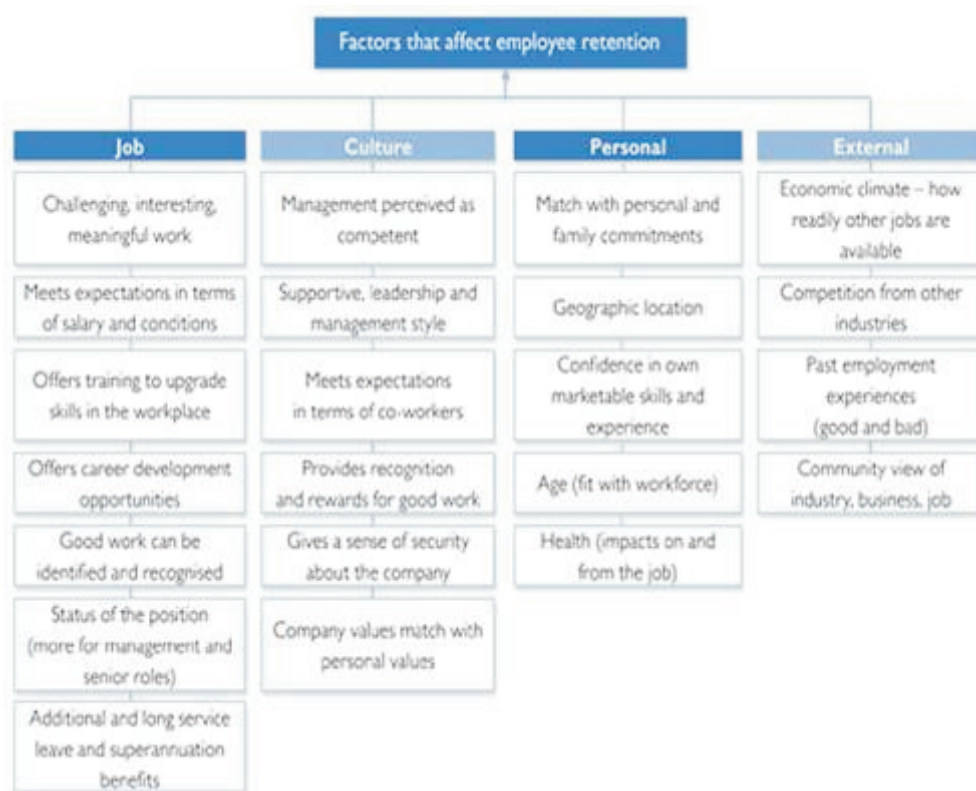
Employee Retention is a process in which the employees are encouraged to be with the organization for the maximum time. Though, employee employer relationship has undergone a fundamental change, which has implications on the attrition, motivation and retention of talented employees. The demand for talent in the country like India has increased to a great extent due to globalization. Globalization has changed not only the business world but also the minds of the individuals. Every organization is interested to grab the fittest from such a competitive environment. The retention of human resources has been shown to be momentous to the development and the accomplishment of the organization's goals and objectives. Increased emphasis has been laid on retention especially with the onset of revolution of information technology which is human sensitive. 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 be with the organization for the maximum time. Though, employee employer relationship has undergone a fundamental change, which has implications on the attrition, motivation and retention of talented employees.

### Employee Retention – Meaning and Importance

.Most certainly one cannot retain all the best employees but can definitely reduce loss. Reducing employee turnover is most important for organizations and to maintain an ideal staff takes a lot of efforts and resources of the organization and if that is lost it hampers organizations success. Therefore, every organization must treat their employees as Today employee retention is the top priority of organizations due to increasing competition. It is an efficient and productive advance towards the employee management who are considered to be 'greatest assets' to the company. To manage top talent it requires a constant balance between the human aspirations and the strategic and financial needs of the business. Employee retention is a

technique adopted by businesses to maintain an effective workforce and at the same time meet operational requirements. People related issues for example-compensation and benefits, hiring, administration, development, employee motivation, wellness, benefits, safety, communication, performance management, and training are dealt by it. HR practices in an organization are used for talent acquisition i.e. recruitment, selection, training and development, reward management, performance appraisal etc. Experts and line managers play a major role on how these HR policies are implemented and to the utmost efficiency. Employee commitment can have a major role in low turnover rates as it has positive developments on productivity, turnover and employees eagerness to help colleagues. In fact, increased employee commitment has shown better team performance, low absenteeism and intention to leave. Therefore employee commitment in a way helps employee retention and hence employee retention strategies must be kept in place. Well planned initiatives and processes must be in place so that employees will not think of quitting and remain with the company for a longer time.

**Factors affecting Employee Retention**

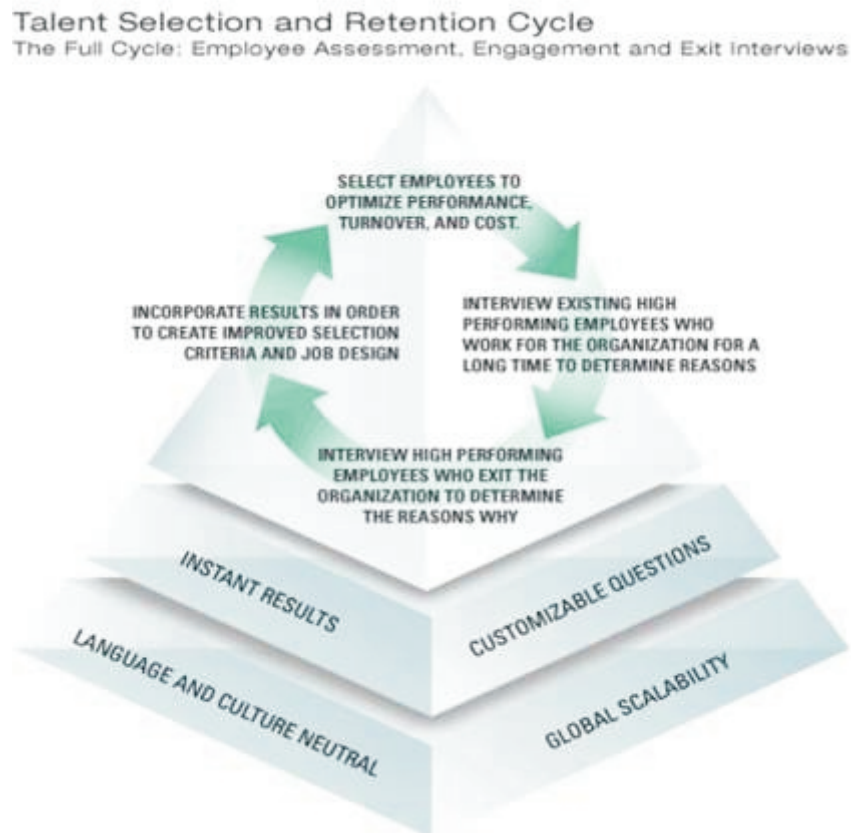


**Turnover Facts and Figures**

Turnover is costly. According to Right Management, a talent and career management consulting firm, it costs nearly three times an employee’s salary to replace someone, which includes recruitment, severance, lost productivity, and lost opportunities. Life Work Solutions , a provider of staff retention and consulting services, provides the following turnover facts and rates:

- ✘ Over 50 % of people recruited in to an organization will leave within 2 years.
- ✘ One in four of new hires will leave within 6 months.
- ✘ Nearly 70% of organizations report that staff turnover has a negative financial impact due to the cost of recruiting, hiring, and training a replacement employee and the overtime work of current employees that’s required until the organization can fill the vacant position.
- ✘ Nearly 70 % of organizations report having difficulties in replacing staff.
- ✘ Approximately 50% of organizations experience regular problems with employee retention.

## Retention Strategies and Retention Cycle



As explained by EA Consulting Group in a recent white paper, the dilemma facing organizations is whether to invest more time and money fine-tuning their recruitment strategy or to pay extra attention to retaining the talent they already have. Recruiting new staff is expensive, stressful and time-consuming. Once you have good staff it pays to make sure they stay (Main, 2008).

Think of retention as re-recruiting your workforce. Recognize that what attracts a candidate to a particular job is often different from what keeps that person there. While salary certainly is a key consideration for potential employees, pay alone won't keep them in a job (Angott, 2007). Advantageous aspects other than strictly compensation attract good employees; something more than a number retains them. Today employees are looking for a career package, including a comfortable company culture, career path, diversity of responsibilities, and a work/life balance (Griffiths, 2006).

### **Various Effective Methods for effective Employee Retention are ;**

Here are some effective methods employers utilize in order to keep employees happy and part of their organization instead of looking for employment opportunities elsewhere.

**Training.** Training employees reinforces their sense of value (Wingfield, 2009). Through training, employers help employees achieve goals and ensure they have a solid understanding of their job requirements (Maul, 2008).

**Mentoring.** A mentoring program integrated with a goal-oriented feedback system provides a structured mechanism for developing strong relationships within an organization and is a solid foundation for employee retention and growth (Wingfield). With a mentoring program, an organization pairs someone more experienced in a discipline with someone less experienced in a similar area, with the goal to develop specific competencies, provide performance feedback, and design an individualized career development plan (Goldenson, 2007).

Instill a positive culture. A company should establish a series of values as the basis for culture such

as honesty, excellence, attitude, respect, and teamwork (IOMA, 2008). A company that creates the right culture will have an advantage when it comes to attracting and keeping good employees (Main).

Use communication to build credibility. No matter what the size of the organization, communication is central to building and maintaining credibility. Many employers get communication to “flow up” through a staff advisory council (or similar group) which solicits and/or receives employees’ opinions and suggestions and passes them on to upper management (IOMA). It’s also important for employees to know that the employer is really listening and responds to (or otherwise acknowledges) employee input.

Show appreciation via compensation and benefits. Offering things like competitive salaries, profit sharing, bonus programs, pension and health plans, paid time off, and tuition reimbursement sends a powerful message to employees about their importance at the organization. The rewards given to employees must be meaningful in order to impact their perception of the organization and therefore have a marked influence on its retention efforts. Moreover, if an organization promises a reward, it should keep that promise (Gberevbie, 2008).

Encourage referrals and recruit from within. Having current employees offer referrals could help minimize confusion of job expectations. Current employees can realistically describe a position and the environment to the individual he/she is referring. Another way an employer can lessen the impact of turnover is to hire from within, since current employees have already discovered that they are a good fit in the organization (Branham, 2005).

Coaching/feedback. It’s important for companies to give feedback and coaching to employees so that their efforts stay aligned with the goals of the company and meet expectations. During an employee’s first few weeks on the job, an employer should provide intensive feedback. Employers should also provide formal and informal feedback to employees throughout the year (Branham).

Provide growth opportunities. An organization should provide workshops, software, or other tools to help employees increase their understanding of themselves and what they want from their careers and enhance their goal-setting efforts (Branham). It’s important to provide employees with adequate job challenges that will expand their knowledge in their field (Levoy, 2007). According to Right Management, employees are more likely to stay engaged in their jobs and committed to an organization that makes investments in them and their career development.

Make employees feel valued. Employees will go the extra mile if they feel responsible for the results of their work, have a sense of worth in their jobs, believe their jobs make good use of their skills, and receive recognition for their contributions (Levoy).

Employees should be rewarded at a high level to motivate even higher performance. The use of cash payouts could be used for on-the-spot recognition. These rewards have terrific motivational power, especially when given as soon as possible after the achievement. It’s important for employers to say “thank you” to employees for their efforts and find different ways to recognize them. Even something as simple as a free lunch can go a long way towards making employees feel valued.

Listen to employees and ask for their input as to what rewards might work best at your organization. Conduct meetings and surveys to enable employees to share their input (Branham). Most team members will work harder to carry out a decision that they’ve helped to influence.

Lower stress from overworking and create work/life balance. It’s important to match work/life benefits to the needs of employees. This could be in the form of offering nontraditional work schedules (such as a compressed work week, telecommuting, and flextime) or extra holidays. When work-life balance is structured properly, both the employee and employer come out ahead. For example, the employer will experience more productivity in the workplace because employees will be less stressed, healthier, and thus, more productive (Wingfield). Encouraging employees to set work/life goals, such as spending more time with their children, communicates that you really do want them to have a life outside of work and achieve a healthy work/life balance.

Foster trust and confidence in senior leaders. Develop strong relationships with employees from the start to build trust (Stolz, 2008). Employees have to believe that upper management is competent and that the organization will be successful. An employer has to be able to inspire this confidence and make decisions that reinforce it. An employer cannot say one thing and do another. For example, an employer shouldn’t talk about quality and then push employees to do more work in less time. In addition, employers need to engage and inspire employees by enacting policies that show they trust them, such as getting rid of authoritarian style of management .

### **What are the Challenges to Employee retention**

Many employee retention policies are aimed at addressing the various needs of employees to

enhance their job Employee Retention is an effort by a business to maintain a satisfaction and reduce the substantial costs involved in hiring and training new staff. However, there are some common reasons that especially cause people to leave. Surveys have listed nightshifts, money, inability to handle various types of stress, monotonous work; company policies, lack of career growth, problems with those in senior positions, as some of the most common reasons listed by employees. In the current scenario, a major challenge for an organization is to retain its valuable and talented employees. The management can control the problem of employees quitting the organization within no time to a great extent but can't put a complete full stop to it. There are several challenges to it.

**Let us understand the challenges to employee retention:**

- ✍ Monetary dissatisfaction is one of the major reasons for an employee to look for a change. Every organization has a salary budget for every employee which can be raised to some extent but not beyond a certain limit. Retention becomes a problem when an employee quotes an exceptionally high figure beyond the budget of the organization and is just not willing to compromise. The organization needs to take care of the interests of the other employees as well and can't afford to make them angry. The salaries of the individuals working at the same level should be more or less similar to avoid major disputes amongst employees. A high potential employee is always the center of attention at every workplace but one should not take any undue advantage. One should understand the limitation of the management and quote something which matches the budget of the organization. An individual should not be adamant on a particular figure, otherwise it becomes difficult for the organization to retain him. Remember there is a room for negotiation everywhere.
- ✍ In the current scenario, where there is no dearth of opportunities, stopping people to look for a change is a big challenge. Every organization tries its level best to hire employees from the competitors and thus provide lucrative opportunities to attract them. Employees become greedy for money and position and thus look forward to changing the present job and join the competitors. No amount of counseling helps in such cases and retaining employees becomes a nightmare.
- ✍ Individuals speak all kind of lies during interviews to get a job. They might not be proficient in branding but would simply say a yes to impress the recruiter and grab the 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. An individual loses interest in work whenever he does something out of compulsion. The human resource department should be very careful while recruiting new employees. It is really important to get the reference check done for better reliability and avoid confusions later.
- ✍ Some individuals have a tendency to get bored in a short span of time. They might find a job really interesting in the beginning but soon find it monotonous and look for a change. The management finds it difficult to convince the employees in such cases. Individuals must also understand that every organization has some or the other problem and adjustment is required everywhere, so why not in the present organization? It becomes really difficult for the HR Department to find out what exactly is going on in the minds of the individual. An individual should voice his opinions clearly to make things easier for the management.
- ✍ Unrealistic expectations from the job also lead to employees looking for a change. There is actually no solution to unrealistic expectations. An individual must be mature enough to understand that one can't get all the comforts at the workplace just like his home. Individuals from different backgrounds come together in an organization and minor misunderstandings might arise but one should not make an issue out of it. An individual must not look for a change due to small issues. One needs time to make his presence feel at the organization and must try his level best to stick to it for a good amount of time and ignore petty issues.
- ✍ Ways and means to better Employee Retention Strategies
- ✍ An employee's work must be communicated to him clearly and thoroughly. The details of the job, its importance, the way it should be done, maximum time that can be allotted to complete it etc., must be made clear. If there are changes to any of these, let the employee know at the earliest.
- ✍ The employee must have the tools, time and training necessary to do their job well or they will move to an employer who provides them.
- ✍ Have a person to talk to each employee at regular intervals. Listen and solve employee complaints and problems, as much as possible. Fairness and impartial treatment by seniors is important. Help employees manage stress, both at work and if possible, off work too. Give them special concessions, when in need. Treat the employees well & provide dignity of job.
- ✍ The quality of the supervision an employee receives is critical to employee retention. Frequent employee complaints arise on this issue.



- ✗ Provide the employees a stress free work environment. People want to enjoy their work. Make work and work place cheerful and fun filled as possible.
- ✗ Make sure that employees know that their work is important for the organization. Feeling valued by their employer is key to high employee motivation and morale. Recognize their strengths and help them to improve those they lack.
- ✗ Employees must feel rewarded, recognized and appreciated. Giving periodical raise in salary or position helps to retain staff.
- ✗ Offer excellent career growth prospects. Encourage & groom employees to take up higher positions/openings. If they don't get opportunity for growth within the organization, they will look elsewhere for it.
- ✗ 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.

## CONCLUSION

Employee retention is really emerging as a challenge for the organizations for sure but if Top Management and HR Department works synergistically towards making sure that work place is a happy one, which every employee would love to spend time talent retention will not be impossible. HR management practices must be in line with the organizational HR policies as to how it will manage and relate to its employees. The HR strategy should evolve by a participative contribution from workforce of the organization. Human Resource Department must take initiatives to be involved with and be aware of employee problems and try to solve them at the earliest and best manner. Successful strategy starts with the management's right mindset, which ensures that the strategy adds value throughout the organization, implementing processes sincerely, that the top management is fully supportive and enthusiastic regarding the retention of the talent. Finally we can say that employee retention can be practiced much efficiently by motivating the employees in the aspects of Open Communication which strengthens loyalty and integrity among the employees towards the organization.

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