

## EMPLOYEE RETENTION : THEORETICAL AND PRACTICAL ASPECTS

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**Abstract :** India is emerging as a fast developing knowledge economy. To meet the requirement of new emerging sector there is need for highly skilled manpower which falls short of the demand. Organisation cure skilled and highly productive employer with high salaries and pcrrbs. It such a scenario, retaining the good employer become difficult for organisation. This paper examines the importance and theoretical aspect of employee retention, pros and cons of employee retention, challenges faced in retaining women employees etc.

**Keywords:** Employee Retention, Companies, Human Resource, Career opportunities, Job satisfaction.

### I.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. 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.

### 2.NEED & IMPORTANCE OF EMPLOYEE RETENTION

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

**2.1Hiring is not an easy process-** The HR Professional shortlists few individuals from a large pool of talent, conducts preliminary interviews and eventually forwards it to the respective line managers who further grill them to judge whether they are fit for the organization or not. Recruiting the right candidate is a time consuming process.

**2.2Understand the corporate culture-** A new joinee is completely raw and the management really has to work hard to train him for his overall development. 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; a mere duplication of work. Finding a right employee for an organization is a tedious job and all efforts simply go waste when the employee leaves.

**2.3Join the competitors-** In such cases, employees tend to take all the strategies, policies from the current organization to the new one. Individuals take all the important data, information and statistics to their new organization and in some cases even leak the secrets of the previous organization. To avoid such cases, it is essential that the new joinee is made to sign a document which stops him from passing on any information

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even if he leaves the organization. Strict policy should be made which prevents the employees to join the competitors. This is an effective way to retain the employees.

2.4 The employees working for a longer period of time are more familiar with the company's policies, guidelines and thus they adjust better- They perform better than individuals who change jobs frequently. Employees who spend a considerable time in an organization know the organization in and out and thus are in a position to contribute effectively.

2.5 Every individual needs time to adjust with others- One needs time to know his team members well, be friendly with them and eventually trust them. Organizations are always benefited when the employees are compatible with each other and discuss things among themselves to come out with something beneficial for all. When a new individual replaces an existing employee, adjustment problems crop up. Individuals find it really difficult to establish a comfort level with the other person. After striking a rapport with an existing employee, it is a challenge for the employees to adjust with someone new and most importantly trust him. It is a human tendency to compare a new entrant with the previous employees and always find faults in him.

2.6 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.

2.7 It is essential for the organization to retain the valuable employees showing potential- 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.

### **3. THEORIES AND MODELS FOR EMPLOYEE RETENTION**

#### **3.1 Motivator-Hygiene (Herzberg's) theory**

The theories have overlap, but the fundamental nature of each model differs. While Maslow's Hierarchy implies the addition or removal of the same need stimuli will enhance or detract from the employee's satisfaction, Herzberg's findings indicate that factors garnering job satisfaction are separate from factors leading to poor job satisfaction and employee turnover. Herzberg's system of needs is segmented into motivators and hygiene factors. Like Maslow's Hierarchy, motivators are often unexpected bonuses that foster the desire to excel. Hygiene factors include expected conditions that if missing will create dissatisfaction

#### **3.2 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 are as follows

Career Development

Executive Coaching Motivating Across Generations Orientation and On Boarding Women's Retention Programs

#### **3.3 Join, Stay, Leave Model**

For organizations and employers, understanding the environment is the first step to developing a long-term retention strategy. Organizations should understand why employees join, why they stay and why they leave an organization.

**3.3.1 Why employees join-** The attractiveness of the position is usually what entices employees to join an organization. However, recruiting candidates is only half the problem while retaining employees is another. Understanding what your employees are looking for in the job while simultaneously making sure your expectations are correct are both important factors to address in the hiring process. High performing employees are more likely to be retained when they are given realistic job previews. Organizations that attempt to oversell the position or company are only contributing to their own detriment when employees

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experience a discord between the position and what they were initially told.

**3.3.2 Why employees stay-** Understanding why employees stay with an organization is equally as important to understanding why employees choose to leave. Recent studies have suggested that as employees participate in their professional and community life, they develop a web of connections and relationships. These relationships prompt employees to become more embedded in their jobs and by leaving a job; this would sever or rearrange these social networks. The more embedded employees are in an organization, the more they are likely to stay.

**3.3.3 Why employees leave-** By understanding the reasons behind why employees leave, organizations can better cater to their existing workforce and influence these decisions in the future. Oftentimes, it is low satisfaction and commitment that initiates the withdrawal process, which includes thoughts of quitting in search of more attractive alternatives.

### **3.4 Outsourcing Employee Retention Program**

Organizations that don't have the time or have limited resources can outsource employee retention programs to specialists. Companies can hire third party specialists to pinpoint the root causes of their workforce challenges. By identifying the root causes, customized action plans can be tailored to fit your organization's need to and create a retention program customized to your organization. Another benefit of outsourcing is that organizations can get quantifiable justifying the actions needed to improve their organization.

## **4.SIX KEY PRACTICES THAT ORGANIZATIONS CAN IMPLEMENT TO RETAIN TALENT**

- Recruit the right people in the first place.
- Improve the line manager's ability to manage.
- Give employee's constant feedback about clear, meaningful goals.
- Empower employees to manage their own careers.
- Proactively drive talent mobility.
- Continuously measure and improve retention strategies.

## **5.THE PROS AND CONS OF EMPLOYEE RETENTION**

In today's highly competitive employment market, employee retention has become an integral part in most of the organizations across all industries. The term "Employee Retention" is not new to today's fast growing economic world. It has gained momentum in the last decade. Many organizations today employ various processes and measures to retain employees so as to encourage employees to stay in the organization for a longer period.

### **5.1Pros**

- Avoids and or reduces hiring costs.
- Retaining employees reduces training costs.
- It builds a team of skilled and experienced employees.
- Retaining experienced staff creates a positive impact on customer services.
- Retention activity fosters loyalty towards the organization amongst employee Encourages friendly environment and fosters bonding amongst employees.
- It facilitates smooth workflow of internal processes.
- It increases the quantity of work delivered.
- It enhances the quality of the work produced.
- It increases revenue for the organization.

### **5.2 Cons**

- It promotes groupism amongst old employees which creates an insecure environment for new employees.
- Improper mixing of staff affects productivity and ensures poor quality of work.
- Excessive liberty to staff just to maintain work flow affects quantity and quality both.
- Flexible work timings rarely justify the work delivered.
- Retaining non-delivering staff kills the productivity and creativity of knowledgeable employees. Retaining spoon-fed and complaining employees add to the cost of the organization.

Affluent employees, who do not require a job, rarely add value to the employee strength.

## **6.WOMEN EMPLOYEE RETENTION**

Most women tend to view their careers more broadly than men. Instead of working up a vertical path, they are willing to entertain possibilities in multiple industries. Many even plan on owning businesses as soon as they get enough experience in the corporate world. When women decide it's time to move on, they are more likely to engage their families in their decision. In contrast, many men tend to worry that leaving a company will upset the family dynamics.

Some top motivators for women are also true for many men, especially the younger generations, but they are strikingly true for women. They include the following  
Provide frequent, new challenges. Women love to learn and tackle new, complex challenges. Never assume that their outside responsibilities will get in the way of a demanding new task. Let your employees make that decision.

Continually affirm their contribution and value. Women typically want to know how well they did in relation to the people they touch, including their peers and customers. It's not enough to praise their knowledge and ability. They need to know the impact their contribution made.

Create an innovative and collaborative environment. Women like environments with an open flow of communications. Ask them to help you design work that engages everyone in the process, instead of working through hierarchies.

Provide meaningful work. Many women struggle with committing to a monetary goal or a drive focused solely on beating competitors. They are more likely to align their energies with profit goals when they understand the significance of their work to the bigger picture.

Engaging and challenging your women employees makes good business sense for both productivity today and your company's growth tomorrow.

## **7.CONCLUSION**

From the study conducted for this particular research work, we observed the importance employee retention along with its 'pros and cons', which gave us a clear view of the employee retention benefits and some major programs ,strategies and models that are used for employee retention for a smooth workforce for improved teamwork, cooperation and productivity. The area still that has to be developed is of women employee retention and maintenance of female workforce in the organisation. The improvement in this area will act as a motivator for woman workforce also a chance to obtain much efficient female team leaders for the organistions. This study concludes that, employee retention program is best, cheapest and efficient manner to collect a great workforce by the companies or firms.

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