

EMPLOYEE RETENTION-A REAL TIME CHALLENGES IN GLOBAL WORK ENVIRONMENT

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ABSTRACT

Employee retention is most critical issue facing corporate leaders as a result of the shortage of skilled labor, economic growth and employee turnover. Retaining employees involves understanding the intrinsic motivators of them which many organizations unable to identify. The reason is "Individuals differ greatly in this regard. A Company should exert some effort and undertake some analyses to determine the nonmonetary interests and preferences of its key employees, and then attempt to meet these preferences in action." In this context organizations need to dig novel approaches to retain the most effective manpower. Indian companies are lining up robust hiring plans, making India the most lucrative country in the world for job seekers. Retention strategies should not be orchestrated in isolation but must form part of the overall strategies for strengthening the pull on the talent while this augurs well for employees, it means employers need to up the ante on Employee Retention, one of the most critical issues organizations face today. Looking carefully into many organizations-Retention strategies are very competitive, companies try to provide their best to retain the employees of their competitors. In this conceptual paper the author has attempted to bring out employee retention approaches, strategies for knowledge workforce, for achieving competitive advantage. The Author has given some suggestion to improvise the procedure of employee retention.

Keywords: Employees Retention, non-monetary, isolation, orchestrated.

INTRODUCTION

A Great Workplace Culture is Foundational to Success. Intelligent employers always realize the importance of retaining the best talent. Retaining talent has never been so important in the Indian scenario; however, things have changed in recent years. In prominent Indian metros at least, there is no dearth of opportunities for the best in the business, or even for the second or the third best. Retention of key employees and treating attrition troubles has never been so important to companies. Employee retention is the, organizational issues such as training time and investment, costly candidate search, are involved. Hence, failing to retain a key employee is a costly proposition for any organisation. Various estimates suggest that losing a middle manager in most organizations, translates to a loss of up to five times his salary. This might be worse for outsourcing companies where fresh talent is intensively

trained and inducted and then further groomed to the successive stages. In this scenario, the loss of a middle manager can often prove.

OBJECTIVES OF THE STUDY

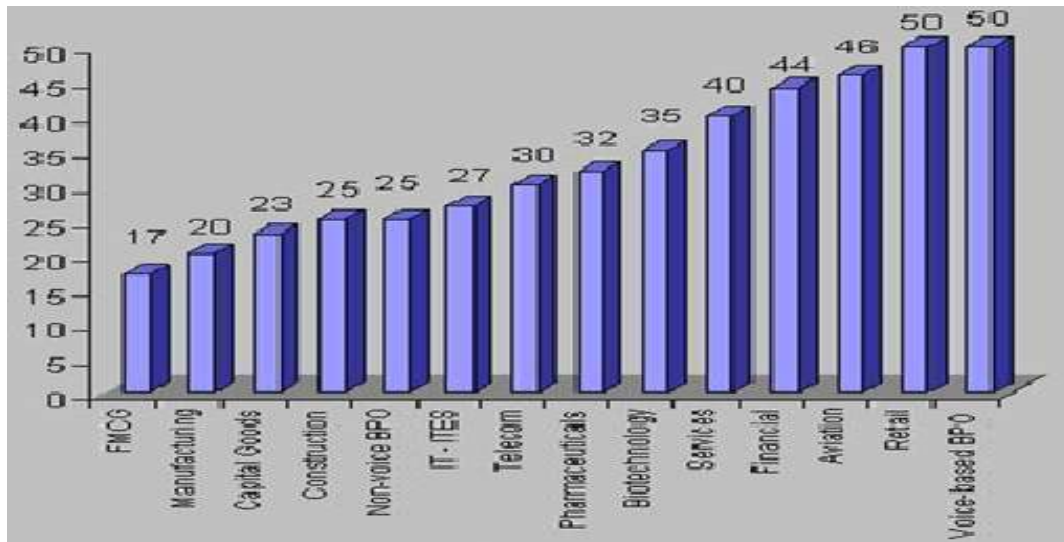
1. Concept of employee retention. And is employee retention manageable?
2. The challenges and Growth of strategies for employee retention.
3. Suggestion for developing retention strategy in an organization.

Concept of Employee Retention

Good culture is usually typified by quality of excellence, openness in communication, participation in decision-making, high standard of safety, good corporate citizen. Employee retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring. There are many organizations which are looking for such employees. If a person is not satisfied by the job he's doing, he may switch over to some other more suitable job. In today's environment it becomes very important for organizations to retain their employees. Retention is not only important just to reduce the turnover costs or the cost incurred by a company to recruit and train. But the need of retaining employees is more important to retain talented employees from getting poached. They may be the turnover cost which includes hundreds of thousands of rupees to the company's expenses. Employee retention involves a systematic effort by the organization to create an environment that addresses diverse employee needs so employees will stay with the company.

Why People Leave

Employee Retention is an effort by a business to maintain a working environment which supports current staff in remaining with the company. Many employee retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff. In an industry like Manufacturing, Outsourcing the work can often be monotonous and opportunities for career growth minimal. So when opportunities beckon, the high rate of attrition is not surprising. However, there are some common reasons that especially cause people to leave. Surveys have listed night shifts, 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 outsourcing employees, as reasons for quitting jobs.



Source: <http://www.indjst.org>

Figure 1. Attrition Rates of Different Sectors in Percentages (2011)

REVIEW OF LITERATURE

To develop a thorough understanding of the conceptual constructs and empirical research for the present study, extensive review of literature was undertaken. This has not only helped in identification of the gaps in the existing body of knowledge but has also enabled to establish a relationship of the present study with what already exists.

According to **Joan Brannick's** Successful retention strategies can also translate into dollars and cents on the balance sheet. It can cost as much as two times the annual salary to replace an employee. A small decrease in employee turnover often results in a dramatic increase to the company's bottom line. Retention-savvy companies use these seven strategies to retain their top talent and, therefore, to improve their company's financial and non-financial standing in the marketplace.

According to **Get Les McKeon's** employee retention is effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their divers needs. Also of concern are the costs of employee turnover (including hiring costs. productivity loss).

RESEARCH METHODOLOGY

The nature of the data for the above study will be a secondary data. The data employed in the study consists of Comprehensive review of existing literature i.e., Journals, Books, Magazines, Internet and Newspapers was undertaken to know the contemporary employee retention scenario and the research undertaken in the field so far. It enabled identification of the prevalent gaps in the existing literature.

The Challenges to Employee Retention

1. 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 who 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.

2. 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.

3. 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.

4. 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.

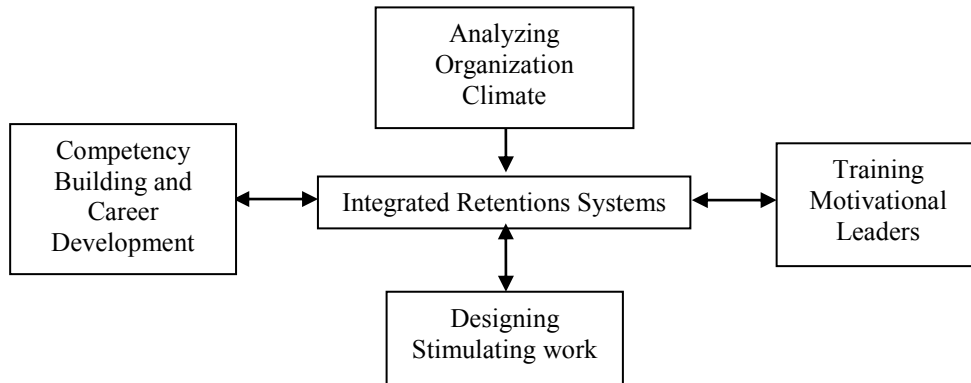
5. Unrealistic expectations from the job also lead to employees looking for a change. There is actually no solution to unrealistic expectations. An individual must be mature enough to understand that one can't get all the comforts at the workplace just like his home. Individuals from different backgrounds 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.

FINDINGS

Employee retention is most critical issue facing corporate leaders as a result of the shortage of skilled labor, economic growth and employee turnover. This site explores all aspects of the workforce stability issue in the face of unprecedented churning in the employment market with a focus on retaining your employees. This is one of the hottest topics for corporate leaders in all fields in the United States and globally.

Suggestion to Improve the 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. Work-life balance policies would have a positive impact on retaining skilled employees, as well as on attracting high-caliber recruits.



Source: <http://www.strategic-change.com/erc/retentionsystem.html>

Figure 2. The Employee Retention Connection Approach (ERC)

The Employee Retention Connection (ERC) transforms organization culture and enhances competitive edge is very essential for the competitive edges. The employer should delivers a plan for employee career paths and skill building: Designing career paths, not necessarily up the organizational chart ,Identifying core competencies for different career paths, Planning training and other opportunities to build competencies, Mentoring for employee direction. Trains supervisors and managers have to provide methods of motivational leadership and shared vision and direction, developing the capabilities of others, Recognizing and appreciating employee contributions. Employee Retention Connection builds a tailored reward and recognition system to fit organization's culture, Identifying activities, attitudes and contributions to be recognized and rewarded which help to proper friendly culture in the organization.

CONCLUSION

As genius say, happiness can be contagious. So make sure the work place is a happy one, which every employee would love to spend time. Human resources department along with senior management must take steps to make sure of this.

Effective human resource management must be practiced at both strategic and day-to-day levels. HR management practices must reflect company policy as to how it will manage and relate to its employees. The HR strategy should evolve from a transactional support role to partnering in the organizations business strategy. HR must take steps to be aware of employee problems and try to solve them, creatively. 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 involved and their enthusiasm in it is of critical importance. This paper concludes that employee retention can be practiced better by motivating the employees in the aspects of Open Communication which enforces loyalty among employees.

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