

Employee Retention

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ABSTRACT:

Efficiency, effectiveness and survival of any organization depend on the human capital. Thus acquisition of qualified human resource, developing them, and maintaining them becomes all the more important. Employee turnover not only reduces the human capital in an organization but also organizational productivity besides incurring the costs of acquisition of human resources for replacement and developing them hence increased emphasis is being laid on retention

In today's corporate world the organizations are facing a problem of retaining talented employees due to many reasons. The employees having similar work experience are targeted by other organizations through attractive policies. This became the threat to many organizations as it disturbs the entire functions of organizations due to loss of trained workforce. Hence we tried to suggest important issues to be addressed by the organizations to overcome this problem.

Key Words: Churn rate, Attrition rate, Learning Organization, Career planning & Development, Team spirit, Work environment, Quality of work life, Reward system.

INTRODUCTION

An organization is a set up where Individuals come together and work together to achieve a common goal and earn their lively hood as well. Employees are the Backbone of an organization and contribute to its success, thus play a vital role in getting profit to the organization. Organization cannot survive if the employees are not serious about achieving the goal of organization and are more concerned about their personal interests.

In organization the goal of management or an employer is to decrease the employee turn over in order to reduce the training costs, Recruitment costs, loss of talent and organizational knowledge. By implementing the important concepts of behavioral science can reduce churn rate and improve the retention.

A number of studies have found that managing Attrition rate is a challenge for organization. Every organization invests time and money to groom a new employee, bring him on 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 a maximum period of time.

Today the demands of skilled workers have been increased very much than before. It is in terms of every aspect, not only salaries and perks but also work experience and cultural context in which it occurs. Providing flexible and dynamic work environment can be a critical asset in attracting and retaining valuable employees. In order to develop an effective retention plan for present employment market, it is vital to be aware of the varying needs and expectations. If the retention strategies are not properly planned, implemented, and controlled continuously in the business processes, all the efforts since recruitment will ultimately go in vain.

Following are the practices that help the organization to enhance employee retention.

Learning Organization (Active Learning)

Organizations should teach their employees "Learning to learn", i.e., how to learn in short double-loop learning. Managers should focus on endorsing active learning to improve knowledge workers' competency and capability to discover new ways. Organizations should make employees self-dependent, self-motivated and self-controlled in order to adapt according to changing requirements of the world.

Learning Organization helps to reduce the attrition rate by developing the skills of employees and creativity and by improving social interaction which enables the work force to be flexible to adapt

to the changes. It also helps the groups to work better by knowledge sharing and interdependency. The firm also gets the benefit through learning organization by breaking down the traditional barriers.

Career Planning & Development

Career planning & development is planned effort of achieving a balance between the individual career needs and the organization's requirements. The new challenge for the HR professionals is to identify the developmental strategies which can inspire the commitment of employees to the firm's mission and values so that the employees become motivated and help the firm to gain and maintain a competitive advantage.

A company that wants to retain their employees must invest in the development of their employees. It entails in creating opportunities for promotion within the company and also providing opportunities for skill development that helps to improve their capability to be the best employee. Growth opportunities which were offered by the employers if satisfied will reduce intentions of employees to leave the organization.

Career development is a mutual benefit process. It provides the important outcomes for both parties. Organizations need talented employees for maintaining the sustainable competitive advantage. Individuals require career opportunities to develop and grow in their competencies. One of the most important factors that have impact on retention is the relationship between a worker and a supervisor/ Manager. Managers are the "human face" of an organization. Workers are less likely to leave an organization and more engaged by having good relationship with the Supervisor/ Manager. Supervisors act as a link to practice applications among stated goals and expectations. By considering the competing demands, they support in managing both internal and external work environment. If a good relationship does not exist then employee will seek to any other opportunity for new employment and vice versa. The boss support is essential for retention. It is observed that employees leave bosses, not jobs. Employees look for supervisors who know them, understand them and treat them fairly. Supervisors create conflicts in worker's attitude. It disturbs their job, life and the organization as a whole.

A pre requisite for implementing knowledge-oriented concept in organization is that the top management should be involved to the fullest. The top management should lead the process and encompass it at all the levels in order to spread knowledge culture in the organization. Effective leaders are defined as people who come up with new ideas, and articulate a vision that inspires others to act. This work should be headed by a top managerial committee. Managers should provide opportunities for knowledge workers to brain storm ideas, exchange knowledge, and formulate new ways of doing business. Employees should view challenges in terms of opportunities, rather than merely focusing on problems. They should work on generating tomorrow's business instead of focusing on yesterday's problems.

Along with effective leaders, effective leadership style should also be used. As knowledge workers cannot merely perform on the basis of instructions, they must be treated with due respect and dignity. All employees should be dealt tactfully because each one is different from another and may have altogether different needs. So, tailor-made and participatory style of leadership style should also be followed to create win-win situations.

Team Spirit

Managers should focus on maintaining coordination and collaboration among knowledge workers. Generating team spirit in workers should be given the highest priority by developing Self managed work teams which performs all activities. Each team has authority to make decisions and regulate the activities. The group as a whole is accountable for the success or failure. This in turn will create a sense of belongingness.

Due to the Global economy in today's organization, diverse workforce is being utilized. Employees who feel highly satisfied will actively take part in organization's goals, exhibit positive behaviors such as increased job involvements, reduced absenteeism and have less turnover rates. Through formal and informal way of recognition, supervisor can reveal the support.

Employees respond to praise, encouragement and support, no matter how the personal and professional environment is. They help employees to find the right position in the organization, not simply the higher position. Employees who are highly skilled and who are in good position can find similar job elsewhere but the effective way to retain is promote support and develop close work relationship. Organization should see that supervisors are trained to build the place where employees want to stay. Providing challenging opportunities can enhance their capabilities to work and Employees wish to stick on to the same organization.

Work Environment

It's very important to recognize the emerging needs of individuals to keep them committed and to provide the work environment as demanded to move the organization forward. People enjoy working, and strive to work in those organizations that provide positive work environment. Work environment is one of the factors that affect employee's decision to stay with the organization.

Employees get benefit by work environment that provide sense of belongingness. Firms with generous personalization policies may have better chance to satisfy and retain employees by providing appropriate level of privacy which increases the motivation levels to be committed with the organization for a longer period. Organizations must focus on how to provide better jobs with great work environment to retain employees. Open communication in the organization with the co-workers is the vital factor that ensures good quality of work life. It leads to more of informal communication between co-workers and subordinates during the rest hours of the organization.

Quality of Work life

QWL program is another dimension in which employers has the responsibility to provide congenial environment i.e. excellent working conditions where people can perform excellent work. The quality of personal life is always reflected in professional life and vice versa. Now a day to retain the employees in the organization providing healthy QWL is the key factor. QWL programs usually emphasize on development of employee skills, the reduction of occupational stress and the development of good industrial relations. Job security is the vital element to get maximum productivity from the employee. Managers of knowledge workers should act as facilitators in directing them towards their goals. Managers should play the role of a counselor and mentor, in order to motivate employees and remove obstacles in their path of achievement

“Stress level should be in proportion to the work life.”

Higher the stress level poor or the quality of work life, lower is the stress level higher is the quality of work life. Occupational Stress is a condition of strain on one's emotions, thought process and physical condition. Stress is determined by the nature of work, working conditions, working hours, pause in the work schedule, worker's abilities and nature and match with the job requirements. Stress is caused due to irritability, hyper—excitation or depression, unstable behavior, fatigue, stuttering, trembling psychometric pains, smoking and drug abuse. Stress adversely affects employee productivity. The P/HR manager, in order to minimize the stress, has to identify, prevent and tackle the problem. If such measures are taken by the organization the employees' attrition rate can be reduced to maximum extent.

By applying work-life course of actions, an organization can enhance its ability. Impact made by the work factors such as job stress and job burnout and non-work factors like Work-family clashes on worker, intent to shift from the organization. The characteristics of the job lead the employee to leave the organization. The level of support employees receive, the personal attributes they bring to the job, the industry norms and the way all these components are managed in the workplace will impact the work-family conflict which in turn effect the job contentment and organizational commitment and ultimately lead to employee turnover.

Reward System

Reward is something that an organization gives to the employee in response to their contribution or performance so that the employees become motivated for future positive behavior. The term 'reward' is something which is desired by the employees, it can be cash reward like bonus or recognition such as naming a Best Employee of the Month or Best Performer of the Month and free trips. It is very important that the rewards have a lasting impression on the employee and it will continue to substantiate the employee's perception that they are valued. An organization's reward system can affect the performance of the employees and their desire to remain employed in the same organization. Rewards are very important for job satisfaction because it fulfills the basic needs as well as it helps to attain the higher level of goals. Earnings is the way by which worker get to know that how much they are gaining by dedicating their time, effort and skills in a job.

Attractive remuneration packages are one of the very important factors of retention because it fulfills the financial and material desires as well as to provide the means of being social by employee's status and position of power in the organization.

Along with the above said elements other aspects like work and family benefits which comprise of flexible schedules, childcare, paternal leave, has a positive impact on organization commitment. Research showed that there is a greater organizational commitment if employees had

access to work life policies and also these employees articulates considerably with lower intent to renounce their profession.

Today a major concern in business is flexibility at work. The one thing becomes very clear that money is not ultimate. Employees are willing to trade a certain amount of money for reduced work hours in their schedules. It is argued by the researchers that reduced work hour options should have the potential of win-win situation for both individuals and organizations. Distress and fatigue from excessive time on job can lead to decline in performances of the employee and also it affects the safety level. A large amount of time at work is not a good predictor of productivity and it is observed that periods of time away from work can be extremely beneficial to the quality of person's work. The employee willingness to opt for reduced-hours schedules is not simply a matter of scheduling it involves redesigning work arrangements which leads to change in organization culture and careers. Viable reduced-hours and career options require simultaneous changes in the areas of compensation, assignments and promotions. So it is more cost-effective and productive for management to design the work arrangements to fit the human than to force the human to fit into the system.

Thus practices like learning organization, Career planning & Development, Work Environment, Reward system, Team Spirit, Quality of Work Life etc. will improve retention.

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