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Employee Retention: A Much Needed Strategy in Global Work Environment

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ABSTRACT

Retention of productive employees is one of the major areas of concern for the HR professionals throughout the world. Employee retention is significantly important because of the high costs and time lapse involved in hiring new employees. Moreover, it is in the interest of the employers to retain the valuable employees who contribute their best to the organization. In a global work environment, there are more chances wherein employees may leave a job for various reasons like better career prospects, lucrative salary packages, flexible working hours, better workplace environment etc. Therefore, it is the responsibility of employers to conduct surveys and get a regular feedback from the employees regarding their level of satisfaction with respect to the various aspects of the workplace. Thus this paper discusses about various factors that can have impact on employee retention. Further, it suggests various strategies which can adopted for retaining the employees as retaining an honest and trustworthy employee is much better than recruiting someone else from outside.

Keywords-- Employee Retention, Work-life balance, Engaged employee, Empowerment

I. INTRODUCTION

In today's' globalized world employee retention has become one of the most critical issue facing the corporate leaders and managers. Retaining talented employees has become the topmost priority of organizations because of the shortage of skilled labor, economic growth, increased competition and employee turnover.

Having a retained and a committed workforce has become an important strategic aspect for almost all the organizations. In order to survive in the present scenario recruiting the most talented employees is not sufficient these days. Organizations need to be more careful about how to retain these employees. It is ultimately the employees who are supposed to be one of the greatest assets for any organization. Therefore, businesses can't afford to lose their top talent. An organization tends to gain competitive advantage because of the stable and committed workforce.

In today's competitive world talented employees have lots of opportunities in their hands. If they are not happy with their present job or employer, they would definitely switch to some other job. If a talented employee leaves an organization the competitors are going to take the advantage. So a manager's job is not only to attract and recruit the best employees but also to retain them. Managers should know the ways to retain their talented staff otherwise they would not be left with good employees.

In order to retain the employees, organizations are required to maintain a right balance between the human aspirations and the strategic and financial needs of the business. This in turn requires commitment of efforts, energy as well as resources. But all these efforts are really worth it because a company's long term health and success depends upon employee retention. The cost of losing talented employees is in turn very high for any organization. It may include various costs like: cost of advertising, interviewing, screening, training, orientation, lost productivity, potential customer dissatisfaction, lost business, lost expertise, and administrative expenses.

Therefore, organizations need to focus on various techniques and strategies that can considerably help in reducing the rate of employee turnover. In order to achieve this, managers should be able to provide a good work culture and environment, reward good performers, provide opportunities for growth and advancement, respect employees, empower employees and other such aspects.

II. CONCEPTUALIZATION

Employee retention is a process where employees are influenced to be a part of the organization for the maximum period of time. Even Maertz & Campion (1998)

stated that "relatively less turnover research has focused specifically on how to decide whether to remain with an organization or not and the retention processes should be studied along with quitting processes". According to Walker (2001) managing and retaining promising employees' is an important fundamental mean of achieving competitive advantage among the organizations. From the view point of these two eminent authors, retention is an important HR function and care must be taken so that quitting of the employee is less in the organization. According to Denton (2000) employees who are satisfied with their current jobs are more committed towards their work and always put their best efforts to improve their organizational effectiveness as well as focus on better customer's satisfaction. Panoch, (2001) is of the view that now-a-days, organizations are taking more care in retaining its valuable employees so that there is no difficulty in finding them.

Though lot of researchers have given their view on the importance of employee retention but Steel, Griffeth, & Hom (2002) added something new to it and according to them "the fact is often overlooked, but the reasons people stay are not always the same as the reasons people leave". So care must be taken to find out the exact reasons of their leaving the organizations as it is not matching with the reason why people join the organizations.

Human resource department now focuses more on the retention of its employees as the employees who are working with the same organization have some trust level in the organization and they would be much better than the employees who have stayed in the organizations for a shorter period of time. Due to this, there are instances in the organizations where the management is keeping its old employee in the organization who have left because of his or her personal reasons.

Various Researchers like Taplin et al.(2003); Amadasu (2003) are of the view that by using appropriate employee retention strategies, organisations would be in a better position to retain their productive which can definitely lead to the successful achievement of organisational goals. So overall, it was concluded that the requirement for retention of the employee is not only related to the trust factor which an employee shares with the organization but there are certain skilled individuals which helps the organization to grow beyond a particular level.

III.   OBJECTIVES OF THE STUDY

- To know about the concept and importance of Employee retention
- To study various factors affecting employee retention
- To suggest various strategies which can adopted for retaining the employees.

IV.   FACTORS AFFECTING EMPLOYEE RETENTION

1. Opportunities for Career development: Every employee wants to have a clear vision about their career goals in the organization. When they are not having this, it could be one of the reasons to quit also. There are other reasons to quit also like the kind of work they are offered, lack of training and development, unfair performance appraisals, lack of benefits etc but still employees look for a better career growth and development opportunities in the organization which is as important as the financial rewards for them. It makes the employee more satisfied and contended and there are chances of employee engagement too.

2. Managing talent by imparting Training and development: The main problem in the organizations is not getting the required talent but managing that. Many companies are incorporating effective talent management practices to inculcate leadership qualities in the employees so that they are better developed and are successful in the marketplace. Organization's talent management would help in retaining the best of employees and in turn creating positive employer brand in the market.

3. Financial and non-financial Benefits: This is one of the most important factor for employee retention. Sometimes the employee leaves the organization as he/she is not getting good financial benefit and they are leaving the organizations on a very less salary difference and here non-financial benefits play an important role. Employees will not leave when they are getting a less difference in the salary as non-financial benefits do matter to them. If the employee is very crucial for the organization, they should give him a good salary package but care must be taken that they should not develop a mind-set that if they are frightening to leave, they will get a pay hike. Other reasons for employee attrition are- related to their work profile, dissatisfaction with internal job postings and other personal reasons. Factors like culture and norms of the organization, good working environment, flexible working hours, and relationships with the co-workers also affect the retention of the employees.

4. Work Life Balance: Now-a-days employees are being treated as partners in the organization and it is believed that if they are given the benefits and treated like a human being, they can be better engaged in the organization. Accordingly, organizations should provide work life balance and other emotional support which makes them stay in the organization. The role of work life balance is important in everybody's life and if the organization cares about it, employee will be more satisfied, committed and engaged with the organization and there is no point in leaving the organization.

5. Culture of engagement: Retaining a satisfied employee and retaining an engaged employee is altogether different. Engaged employees are more loyal to an organization. If

the employee is engaged, he would work as if it is his organization and would care for the customers, bringing satisfaction and loyalty among them especially in the services sector. For better employee engagement culture, organizations should not only give stress on better compensation and benefits but also on flexible working hours, good working conditions, cooperative teams etc.

6. Supportive Leadership: Employees having supportive leadership tend to stay more in the organization. Leaders, who can manage their staff by using effective management games and other ice breaking techniques, are able to retain top talent within the organisation. Leaders help in inculcating the culture of the organization and on the other hand taking care of the employees. Leader shows the path and if the employees know what is expected out of them, they would be in a better position to work efficiently.

7. Interpersonal Relationships: It is very important to maintain cordial relationships in the organization where employees spend the most productive time of their daily routine. Having good relationships with superiors as well as colleagues tends to create a positive work environment and a special bond among the employees where they trust and support each other to deliver the best of their performance. Having good interpersonal relations also helps in employee motivation and open channels of communication thereby reducing misunderstandings and conflicts among employees. Since employees are not machines therefore, they have a need to socialize with others so that they can share their thoughts and feelings. Developing cordial relationships creates a healthy environment due to which level of satisfaction increases and the intention to leave a workplace among employees' decreases.

8. Appreciating Employee Performance: Recognizing and appreciating the efforts and good work of employees is a fundamental requirement for retaining the employees. It can also be considered as one of the fundamental needs of human beings. Employees tend to feel valued and highly motivated if they are appreciated and recognized in an organization, either formally or informally. This in turn helps in improving their productivity and level of satisfaction also. In order to appreciate the performance of employees both the financial as well as non financial rewards play an equally important role. Moreover, recognizing and appreciating employees creates an overall positive environment in the organization and fosters good relations among employees.

9. Redesigning jobs to provide challenging work: Job redesign basically involves reshuffling and restructuring the job content in terms of tasks and duties involved in order to add more variety and to make the job more challenging in nature. This helps to motivate the employees and contributes to increased job satisfaction and overall job experience. Job redesigning encourages the employees for higher levels of job performance. The challenging nature of the work creates a kind of interest in

the job and also provides them with better pay opportunities. A well designed job also makes employees to feel that they will have good growth in the organization due to which employee commitment increases and the intention to leave the job decreases. This helps in creating an overall positive change in the beliefs and thoughts about the organization among the employees and therefore the rate of employee turnover is low.

10. Job and Personal Security: Job security is basically an assurance that an employee would be able to work in his job as long as he pleases and would not be unemployed. It is basically a sense that a job is indefinitely available to an employee and it gives him a satisfying and peaceful feeling. Even though organizations have lot of options available with them in terms of availability of cheap labour but providing s sense of job security to employees holds utmost importance with respect to employee retention. Job security creates a stress free environment and helps in increasing the overall productivity of employees. It brings a kind of career and financial stability among the employees and acts as one of the best motivators. Employees who don't have to fear for their jobs tend to perform better and have higher levels of commitment also. On the contrary higher employee turnover may lead to loss of knowledge, commitment, performance and low customer satisfaction.

11. Working Conditions: Employees generally spend most of their lives at their workplace. Therefore, it is very important for organizations to provide good working conditions to employees in terms of working hours, rest intervals, comfortable sitting, open spaces, well designed cubicles, safe drinking water, proper lighting, ventilation, heating, air conditioning, maintenance of hygiene etc. These are essential not only for physical well being but also for the mental well being of employees. Providing an attractive and comfortable physical environment at the workplace helps in creating a positive energy in the organization which ultimately enhances overall productivity and satisfaction of employees.

12. Employee Empowerment: Employee empowerment is about sharing information, power and resources with employees so that they can take their work related decisions on their own without much dependence on their supervisors. One of the important implications of empowerment is employee retention. Empowered employees tend to have more autonomy on their jobs which is quite fulfilling. They tend to be more engaged and satisfied because it helps in developing their skills and knowledge. It gives them a sense of being valued in the organization as a result of which their loyalty increases. This power of decision making makes the employees more committed to their workplaces and the levels of employee turnover reduce significantly.

Thus in order to realize its goals, organization must make appropriate strategies for employee retention as hiring a new employee in the organization is costlier than to keep

the current employee in the organization. So organizations are more focusing on managing the current employees.

V. EMPLOYEE RETENTION STRATEGIES

Employee turnover has become one of the major areas of concern for the HR managers these days. In order to retain employees, managers need to look at things from the employees' point of view. They need to know about the expectations and ultimate goals and desires of the employees so that these can be well aligned with the organizational goals and employees tend to feel committed. While formulating retention strategies the employers should keep into consideration some of the basic expectations that almost all the employees have from their employer. For example: a good pay and compensation package, exciting and challenging jobs, growth opportunities, respectable treatment, a fairly good work environment, autonomy etc.

Keeping the above considerations in mind, following are some of the effective employee retention strategies.

1. Form a rapport at the beginning itself i.e. at the time of taking the interview so that an employer gets to know about the aspirations and passion of the candidate. This will enable an employer to have a fair idea about what motivates the employee.

2. Another important area that needs to be taken into consideration by managers is that apart from giving corrective feedback to the employees so as to improve their performance, good performers should also be given positive feedback as a means of appreciation. This really helps in motivating them further.

3. Employers can offer training and sponsor education programmes for their employees in order to retain the best talent. This would give the employees an opportunity to learn and grow.

4. Another strategy that can be implemented for employee retention is that of promotion from within. This will help in satisfying their need for career advancement.

5. An environment of creativity and innovation also helps in talent retention. This is because it gives a sense of involvement and inclusion to the employees if their ideas are taken up seriously by management in solving various problems.

6. Everywhere around the world employees are looking for respect from their employer. They want to feel valued and important. Therefore fostering a culture of respect throughout the organization is one of the possible employee retention strategies.

7. Employers need to accept the fact that employees cannot work like machines. They need to be given some personal space and time also. Moreover, they must be able to strike the balance between family and work otherwise situations become stressful. So providing flexible working options,

sabbaticals, loner tea breaks, long weekend offs etc. is a good way to retain the employees.

8. Communicating more openly with the employees not only formally but informally also helps in building a strong bond between the employee and the employer. Formal communication may include getting feedback from the employees and informal communication can be encouraged by organizing get-togethers, team lunches, picnics etc.

9. As far as retention is concerned money is not everything. Still an attractive compensation package comprising of monetary as well as non monetary benefits makes the employees feel that their time and work is valued.

10. Creating a culture of teamwork, trust, support, cooperation, friendliness, positive leadership and maintaining a safe and comfortable work environment goes a long way in retaining employees.

VI. CONCLUSION

In today's severe competition, it is very difficult for any organization to survive and retain its best employees especially when employee poaching is on the rise. The employees who are loyal and committed towards the organization make all the difference, so employee retention is an urgent requirement. Human resources are the most valuable asset that can make as well as break an organization. Retaining them and satisfying them is the most complex task, so it is imperative to consider factors like financial benefits, compensation practices, career planning and development, leadership and supervision, good working conditions, flexible working hours etc. so that best can be given to them in order to bring engagement in them. Engaged employees will never think of quitting the job and with time they will become more loyal thus bringing added advantage to the organization.

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