A Study on Effectiveness of Employee retention Strategies

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ABSTRACT
 Employee Retention is a challenging concern of the organization. This study stressed on EmployeeRetention strategies. Employees are the assets of the organization. To retain skillful and committed employeesin the organization, management should take care of employee satisfaction. Find out the reasons of employeeturnover and overcome this. The purpose of this study is to prove how employee retention is essential in thisday and age, and if the organizations are not awake to the situation and immediate actions are not taken to thateffect, what repercussions lay ahead and how they would affect the organization and the industry.
Key Words: Employee Retention, Reasons of Employee Turnover, Strategies of Employee Retention.

I. INTRODUCTION

Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as the employee. Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best employees. If they don't, they would be left with no good employees. A good employer should know how to attract and retain its employees.

Most employees feel that they are worth more than they are actually paid. There is a natural disparity between what people think they should be paid and what organizations spend in compensation. When the difference becomes too great and another opportunity occurs, turnover can result. Pay is defined as the wages, salary, or compensation given to an employee in exchange for services the employee performs for the organization. Pay is more than "dollars and cents;" it also acknowledges the worth and value of the human contribution. What people are paid has been shown to have a clear, reliable impact on turnover in numerous studies.

Employees comprise the most vital assets of the company. In a work place where employees are not able to use their full potential and not heard and valued, they are likely to leave because of stress and frustration.Employee retention refers to the ability of the organization to retain its human resources and its emerging as a big challenge to companies. Organization culture, pay, remuneration, flexibility and job satisfaction highly influence the retention rate for any company.

OBJECTIVIES OF STUDY:
➢ To study the employee retention strategies in the organization.
➢ To study the organizational factors influencing retention strategies
➢ To find the individual factors leading employees to leave the organization.
➢ To examine the necessary conditions to retain the employees

SCOPE OF THE STUDY
➢ The study is to determine the factors influencing retention of employees in the organization.
➢ These researches also determine the nature of retaining employees in order to make the employees to feel comfort.
➢ To motivate the employees to continue to work in the same organization with full interest and hence provide the results to the company it wanted.

Potential Reasons for an Employee to Leave a Job

Key employee retention is critical to the long term health and success of company. Retaining our best employeeensures product sales, customer satisfaction, contented co workers and reporting authority, effective progression planningand deeply embedded organizational knowledge and learning:

Following are some potential reason for an employee to leave:
- Salary
- Lack of challenge or growth
- Lack of reorganisation
- Loss of religion in manager / supervisor for providing opportunity of self growth
- Lack of trust in senior management
- Over all low job satisfaction

Recognizing the Problem

Who is eventually accountable for staff retention?
Retention starts at the top. Sourcing, hiring and retaining motivated employees are the responsibility of the company's governing board and Leadership Team. Getting and retaining good employees demands focussed, recognized and comfortable policies and procedures that make retention a prime management outcome. To appreciate staff every day and constantly work to keep them on board is the job of the manager.

The HR department alone cannot reduce turnover. Company leaders must establish distinct, significant and positive change for retention processes and programs within all levels of an organization. After recruiting the right people, it is management's most important role to take responsibility for the success of their employees including leading people towards performance goals and targets.

Theoretical Background:

The process of employee retention will benefit an organization in the following ways:

1. The Cost of Turnover: The cost of employee turnover adds hundreds of thousands of money to a company'sexpenses. While it is difficult to fully calculate the cost of turnover (including hiring costs, training costsand productivity loss), industry experts often quote 25% of the average employee salary as a conservativeestimate.

2. Loss of Company Knowledge: When an employee leaves, he takes with him valuable knowledge about thecompany, customers, current projects and past history (sometimes to competitors). Often much time andmoney has been spent on the employee in expectation of a future return. When the employee leaves, theinvestment is not realized.

3. Interruption of Customer Service: Customers and clients do business with a company in part because of thepeople. Relationships are developed that encourage continued sponsorship of the business. Whenanemployee leaves, the relationships that employee built for the company are severed, which couldlead topotential customer loss.

4. Turnover leads to more turnovers: When an employee terminates, the effect is felt throughout theorganization. Co-workers are often required to pick up the slack. The unspoken negativity often intensifiesfor the remaining staff. Goodwill of the company: The goodwill of a company is maintained when theattrition rates are low. Higher retention rates motivate potential employees to join the organization.

5. Regaining efficiency: If an employee resigns, then good amount of time is lost in hiring a new employee andthen training him/her and this goes to the loss of the company directly which many a times goes unnoticed.And even after this you cannot assure us of the same efficiency from the new employee. What MakesEmployee Leave? Employees do not leave an organization without any significant reason.

There are certain circumstances that lead to their leaving the organization. The most common reasons can be:

a) Job is not what the employee expected to be: Sometimes the job responsibilities don't come out to be same asexpected by the candidates. Unexpected job responsibilities lead to job dissatisfaction.

b) Job and person mismatch: A candidate may be fit to do a certain type of job which matches his personality. Ifhe is given a job which mismatches his personality, then he won't be able to perform it well and will try tofind out reasons to leave the job.

c) No growth opportunities: No or less learning and growth opportunities in the current job will makecandidate's job and career stagnant.

d) Lack of appreciation: If the work is not appreciated by the supervisor, the employee feels demotivated andloses interest in job.

e) Lack of trust and support in co workers, seniors and management: Trust is the most important factor that isrequired for an individual to stay in the job. Non-supportive coworkers, seniors and management can makeoffice environment unfriendly and difficult to work in.

f) Stress from overwork and work life imbalance: Job stress can lead to work life imbalance which ultimatelymany times lead to employee leaving the organization.

g) Compensation: Better compensation packages being offered by other companies may attract employeestowards themselves.

h) New job offer: An attractive job offer which an employee thinks is good for him with respect to job responsibility, compensation, growth and learning etc. can lead an employee to leave the organization.

The task of managing employees can be understood as a three stage process:
1. Identify cost of employee turnover
2. Understand why employees leave
3. Implement retention strategies

The organizations should start with identifying the employee turnover rates within a particular time period andbenchmark it with the competitor organizations. This will help in assessing the whether the employee retentionrates are healthy in the company. Secondly, the cost of employee turnover can be calculated. According to asurvey, on an average, attrition costs companies 18 month salary for eachmanager or professional who leaves,and 6months' pay for each hourly employee who leaves. Thisamounts to major organizational and financialstress, considering that one out of every three employees plans to leave his or her job in the next two years.

Retention Involves Five Basic Things

Environment:A motivated employee wants to contribute to work areas outside of his specific job description.Ramlall (2003) stressed that a suitable work environment is the need of an employee in an organization as itwill encourage commitment.

Nelson(2006), explained in his study that job satisfaction is priceless, incomparable and invaluable. Hopelessemployees negatively upsetting the desire level of work. A little amount of employees whichare satisfied withtheir work not only affect the performance but also the work environment affects the performance of employeesand performance of organization.

Growth: Growth is an integral part of every individual's career. If an employee cannot foresee his path of career development in his current organization, there are chances that he'll leave the organization as soon as he gets an opportunity.

Grossman, J.(2002) stressed that Work growth is the effect of employee performance in the organization as well as the result of organizational

provenance provided to employees by organization. The Growth and productivity is the ultimate result of employee behavior such as performance, retention, satisfaction of employees.

Compensation: Compensation constitutes the largest part of the retention process. The employees always have high expectations regarding their compensation packages. Compensation includes: Salary and Wages, Bonus, Health Insurance, after retirement benefits.

Davies, Taylor, &Savery (2001) Compensation to top workers is given by every organization but very few organizations uses it strategically. They said that "Salary and benefits policies are not being used strategically, within the organization to improve morale, reduce turnover, and achieve targets within an establishment". In a research it was concluded that although compensation was not one of the top factors influencing nonmanagement turnover but compensation can act as a critical factor in reducing managerial turnover and increasing commitment.

Relationship: Sometimes the relationship with the management and the peers become the reason for an employee to leave the organization. The management is often not able to provide an employee a supportive work culture and environment in terms of personnel and professional relationships. A supportive work culture helps grow employees professionally and boosts employee's satisfaction. There are times when an employee starts feeling bitterness towards the management or peers, which leads to less satisfaction and eventually attrition.

Armstrong (2003) Employee relations consist of all those areas of human resource management that deals with employees directly and through collective agreements where trade unions are recognised. The union practices for the welfare and good working condition of the employees. Employee relations are concerned with generally managing the relationship between employer and employees at the workplace that can be formal e.g. contract of employment or procedural agreement.

Support: Employees today are asking for a work place that helps them balance the demands of their work and family lives, rather than forcing them to one over the other. Schemes like: Special schemes for their children, Scholarship, Medical benefits, Training etc William Kahn(1993) "The harnessing of organisation members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally

during role performances." Employee engagement with the definition: "an employee's involvement with, commitment to, and satisfaction with work. Employee engagement is a part of employee retention."

II. RESEARCH METHODOLOGY

The steps in which the project was carried out was by collecting both the primary and the secondary data. The secondary data was collected first. This collection of data was done by means of reading various materials such as books, journals, magazines, newspaper articles, etc.; looking for similar content online (i.e., on the Internet).

The project work was, therefore, carried out on the basis of the data collected therefore.

Descriptive & Exploratory Research Methodology is adapted for this project work.

The present study is descriptive in nature, as it seeks to discover ideas and insight to bring out new relationship. Research design is flexible enough to provide opportunity for considering different aspects of problem under study. It helps in bringing into focus some inherent weakness in enterprise regarding which in depth study can be conducted by management.

Data Collection-sources and methods

Primary data

The primary data are those, which are collected fresh for the first time and thus happen to be original in character. I collect primary data during the course of doing experiments in an experimental research. In My research, data was collected through the **questionnaire method**

Secondary data

It is the data which is already collected by someone else. Researcher has to analyse the data and interprets the results. It has always been important for the completion of any report. It provides reliable, suitable, adequate and specific knowledge.
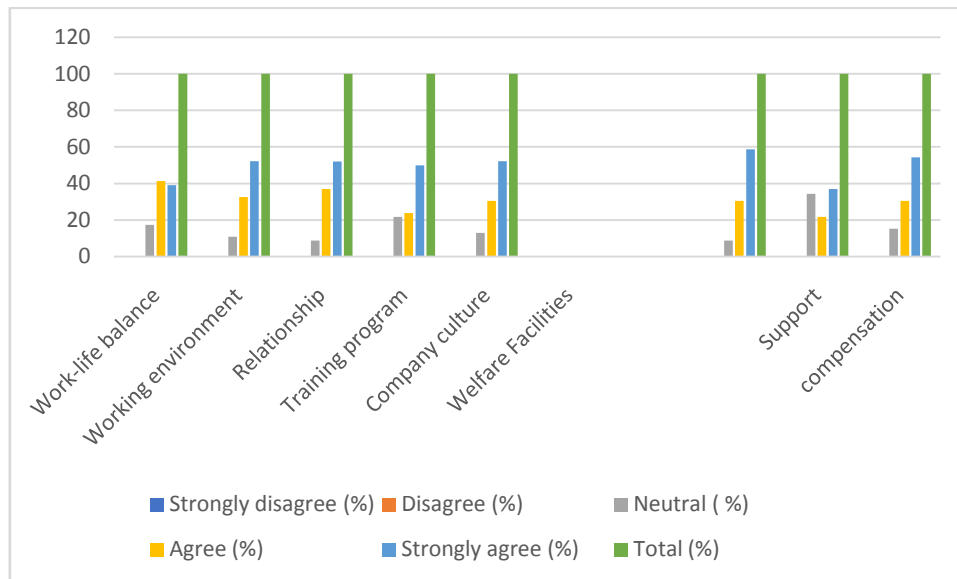
Sampling Design
Sampling Unit
Employees of the organization
Sample Size
Sample Size used for the Study is 46 employees.

III. DATA ANALYSIS AND INTERPRETATION:

Summarized data analysis table for eight components are given below. For the each attributes different
questions were framed and collected the opinion of respondents.

Opinion	Strongly disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly agree (%)	Total (%)
Work-life balance	0	0	17.4	41.3	39.1	100
Working environment	0	0	10.9	32.6	52.2	100
Relationship	0	0	8.7	37	52	100
Training program	0	0	21.7	23.9	50	100
Company culture	0	0	13	30.4	52.2	100
Welfare Facilities	0	0	8.7	30.4	58.7	100
Support	0	0	34.3	21.7	37	100
Compensation	0	0	15.2	30.4	54.3	100

IV. FINDINGS

- Most of the respondents feel benefit programs like health and welfare, retirement benefit, paid time off facility are helping them for work-life balance.

- It was observed that most of the employees gives importance to the supervision, direction & guidance in the organization.

- Above table shows that relationship between employees and management is most important component to increase retention of employees in the organization.

- Most of the respondents feel training program is very useful for our professional career developmentAnd it is most important component to increase retention of employees in the organization.

- Respondents feels work life programs (family support, personal support) are satisfying them to balance their personal life as well as professional life.

- According to the overall analysis most of the employees have strongly accepted the importance of company rules and regulations of the organization in employee retention. They are happy with the organizational culture. So they are not thinking about switching the job.

- Most of the respondents are feels good for the welfare facilities which are provided by the company such as restroom facility and drinking water facilities.

- Compensation or salary or monetary benefit is always motivation to retain in the organization. Otherwise highly paid jobs of competitors will attract skilled employees.

V. CONCLUSION

Retention is an important concept that has been receiving considerable attention from academicians, researchers and practicing HR managers. In its essence, Retention comprises important elements such as the need or content, search and choice of strategies, goal-directed behaviour, social comparison of rewards reinforcement, and performance-satisfaction. The increasing attention paid towards Retention is justified because of several reasons. Motivated employees come out with new ways of doing jobs. They are quality oriented. They aremore productive.

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