

Employee Retention and Strategies for Future Prospect

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Date of Submission: 15-12-2020

Date of Acceptance: 30-12-2020

ABSTRACT: It is truly said that people can and do make a difference to organization and are often the most valuable assets. The ability to retain these talented, key members of staff is one of the most important issues facing all organizations around the world. Employee retention is a process in which the employees are encouraged to remain with the organization for life time or maximum period of time. As we know organizations continue to change as does the nature of work and probably, the expectations of existing and prospective employees are changing due to the better job opportunity and lucrative salary available in the global market. It is essential for an employer to have the policies and practices in place to ensure staff commitment and retention. If the best employees are retained then organizations also retain clients and customers. Keeping valuable employee acts as a source of competitive advantage. Their knowledge, expertise and skills contribute to the long term success of an organization. Organizations need to attract good people, use them effectively and reward them timely. The process is therefore to attract, recruit, induct, develop, reward, retain and separate. It costs money when you lose employee, costs money to keep them but failing to deal with employee retention can potentially affect financial performance and reduce organization profits. The paper urges to understand Changing nature of Organizations, Changing nature of work and Costs of Staff Retention that can have major influence on retention and also the strategies organisations can develop in retaining the best talented employees for future growth and prospects.

KEYWORDS: Staff commitment, retention, job design, performance, acquisitions, human capital, cognitive.

I. INTRODUCTION:

It is truly said that people can and do make a difference to organization and are often the most valuable assets. The ability to retain these talented, key members of staff is one of the most important issues facing all organizations around the world. Employee retention is a process in which the

employees are encouraged to remain with the organization for life time or maximum period of time. If the best employees are retained then organizations also retain clients and customers. Good employees are often referred to as key employee because they are so important to the success of an organization who place significant emphasis on their retention. Certain positions within an organization, for example strategic or technical, are vital to its success, and a vacancy in one of these positions could cause immediate problems for the organization. The employees in these positions are extremely important because of their skills, knowledge, and expertise. They are seen as a source of competitive advantage. Organizations need to attract good people, use them effectively and reward them timely. The process is therefore to attract, recruit, induct, develop, reward, retain and separate. It costs money when you lose employee, costs money to keep them but failing to deal with employee retention can potentially affect financial performance and reduce organization profits.

Staff retention begins long before recruitment. It might sound strange and retention will only begin once we have staff working within the organization. However, we need to consider whether the organization have a good reputation and is somewhere that people wants to work. Organizations need to focus on employer brand to both attract and retain staff. For organizations to be recognized as an employer of choice, a good reputation must exist in all parts of the organization. If it is a good place to work you will be able to keep the staff and probably attract good people. The details that you put in job advertisements, how enquiries are handle and the actual recruitment and selection process all say something about the organization.

The ability of an organisation to succeed depends on the retention power of an organisation. It is always wiser and less costly to retain existing employees that are of high calibre than to recruit in experienced staff in the name of cost saving. A wise employer learns how to attract and keep good

employees that makes organisations more stable which pleases organisational stake holders.

II. REVIEW OF LITERATURE:

Johnson (2000) defines employee retention as the ability to hold on to those employees you want to keep longer than your competitors. Similarly, Giri (2008) defined employee retention as the techniques employed by the management to help the employees stay with the organization for a longer period of time. Employees are considered as the most valuable asset of all organizations as they provide competitive advantage to an organization, therefore, retaining them in their job is essential (Ng'ethe, Iravo&Namusonge, 2012). Taylor (2002) states that the solutions to improve retention within employees; competitive salaries, comprehensive benefits, incentive programs, and similar initiatives are important to be executed. Gberevbie(2008) have revealed that if appropriate employee retention strategies are adopted and implemented by organisations employees will surely remain and work for the successful achievement of organisational goals. Panoch, (2001) expressed the view that organizations today take great care in retaining its valuable employees and good employees as they are increasingly becoming more difficult to find. Henry Ongori (2007) added in his study that employees are the long-term investments in an organization and as such management should encourage job redesign, open book management, empowerment of employees, recruitment and selection must be done scientifically with an objective of retaining employees and decreasing employee turnover. Akila (2012) studied on employee retention among executives at BGR energy system and found that employee retention is mostly affected by career opportunities, work life balance, work environment, supervisor support. Mita (2014) states that employee retention as "a technique adopted by businesses to maintain an effective workforce and at the same time meet operational requirements"

Suman Bhamu and Dr. Kishor Barad (2018), identifies the gap between the strategies required and strategies followed, and highlights the feelings of employees regarding the retention strategies used by the selected companies in Indian telecom sector. Ednah Jepkemboi Rono and Dr Geoffrey Kimutai Kiptum (2017), the findings of the study indicates that compensation have significant relationship with employee retention. They further recommend the organisation should ensure that the policy governing the level of compensation should

be improved to enhance a higher rate of employee retention.

III. RESEARCH METHODOLOGY:

This paper is based on conceptual study drawn from various sources of literature review. The researcher have articulated that retaining employees is an essential part of both workforce optimization and business productivity to help create a positive work environment and strengthen an employee's commitment to the organization. Employee replacement costs usually are 2.5 times the salary of the individual, so it is an imperative for most organisations to increase retention rates and grow their employment brand and reputation.

IV. OBJECTIVE OF THE STUDY:

The main aim of the study was to understand the Changing nature of Organizations, Changing nature of work and Costs of Staff Retention that can have major influence on employee retention and the strategies organisations can develop in retaining the best talented employees for future growth and prospects.

Changing Nature Of Organizations

In the past twenty years or so, downsizing, cost reduction, restructuring, outsourcing, mergers and acquisitions and organizational changes have eroded staff loyalty. A lack of security and a view that career development is a personal responsibility has resulted in individuals believing their only choice for career progression is to change employers.

Organizations are changing and there is a need to understand both what is happening inside the organization and in the external environment. The external factors that affect organization are political, economic, social, technological, legal and environmental. These are important when examining skill shortages, demographic issues, competitors and the government, and can have a major influence on staff retention. We need to understand how these factors can cause problems. We also need to understand what is happening inside the organization in terms of structure, size, culture, management style.

Changing Nature Of Work

As we know organizations continue to change as does the nature of work. Additionally, the expectations of existing and prospective staff are changing. It is easier to change jobs and also to work from home. Nevertheless, employers still need people, but how do we manage staff

effectively to increase commitment and performance? What practical policies can we put in place to ensure staff commitment and retention, especially when long-term employment cannot be guaranteed? An organization's culture and values are important, together with work ethics, loyalty and how managers treat their employees. Many organizations refer to their staff as human capital because of the knowledge and experience they bring to the workplace. People are seen to make a difference to the success of an organization and add value. It is important to understand how the nature of work differs from that of our parents and grandparents, as well as how it has changed over the past few years.

Costs of Staff Retention

Retaining the staff we want has a direct impact on an organization's effectiveness and profitability. Focusing on retention can save time and money and improve profitability but we need to know what the cost are, what reductions in staff turnover and costs we want to achieve, and then relate this to retention strategies. Significant costs can be incurred as a result of staff turnover in terms of recruitment and selection, whereas staff retention does not always have to be expensive and rewards to staff can be non-financial. Giving someone a day off because they have been working very hard or produced some excellent work demonstrates that they are valued and costs very little. Similarly, writing a short piece for a staff newsletter recognizing the achievement of a team or an individual can be very encouraging. Even rewards that do cost money, such as dinner for two or a small gift, may be a very valuable investment if staff remains with the organization.

Employers need to critically examine the costs of losing staff and how this affects the organization and its profits versus the investment needed to keep them. There are strong links between staff retention and business success. Staff retention can be viewed as investment rather than a cost. Staff retention strategy should aim to keep the staff that an organization wants, by satisfying their needs and to reduce the number of staff recruited as this is costly and time consuming. Employers need to analyze and understand the causes of staff turnover before putting in place solutions to encourage the staff retention

V. RETENTION STRATEGIES:

To know how to retain good employees, it is necessary to understand what they are looking for. Good retention practice starts from the time you hire employees in the organisation to the time

they leave the organisation. Some of the employment practices can have a big impact on employee retention:

- **Recruitment And Selection**

This is time consuming and costly but is an important part of staff retention so care and attention needs to go in this stage. Good recruitment and selection means selecting excellent employee who will make a positive difference to the organization, perhaps helping it to expand and be more profitable. Skilled people are in demand so the organization needs to be seen as a good place to work and have a good reputation to attract them. Hence we need to attract, select and appoint the right people in the first place those who wish to stay with the organization.

- **Training And Development**

This helps transmit the culture and values of an organization, can reduce turnover, encourage retention and create a more stable workforce. It can also improve performance, reduce errors/mistakes and absenteeism, improve job satisfaction and can be seen as a reward in its own right. Learning, training and development can help attract and retain people and develop commitment, skills, competence and adaptability.

- **Job Design**

Job design is concerned with the content of jobs and is important to both the individual and the organization. An effective job design can increase employee involvement in the job as they enjoy performing tasks and exert all cognitive, emotional and physical energies to achieve goals. Employees feel that they are getting what they want from their jobs and fulfil their duties as ethical responsibility. These involved and delighted behaviours can lead to improvements in performance, productivity, job satisfaction and employee retention.

- **Organisational Policies, Practices And Procedures**

Policies and practices apply to the issues such as rewards and benefits, appraisal/performance management, training and development. No single strategy will work and a combination of strategies will most probably be required. People policies and practices need to be integrated with other organizational practices, strategy, structure and processes and should enhance the image and reflect the culture of the organization. Policies and practices are influential in attracting and retaining talented quality staff and employers need to devise attractive employment

initiatives and be more strategic about people. Employers need to consider the importance of new employment contracts that encourage flexibility and responsibility in comparison to traditional contracts and polices whilst observing the legal framework of the country in which they are based. Monitor equal opportunities and if necessary increase awareness. Appropriate organizational processes, policies and practices need to be in place, regularly reviewed and improved.

VI. CONCLUSION:

Employee retention is and has always been important for organisations to look at. It is imperative for growth, expansion, profitability, business continuity and service delivery. Employee replacement costs can reach as high as 50 to 60 percent of an employee's annual salary. Organizations need to take extra care to retain their top employee and perhaps look at how up-to-date their retention strategy from time to time towards retaining good employees which helps offset employee replacement costs and reduces the indirect costs such as decreased productivity and lost clients.

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