



A Study on Employee Retention and Turnover

¹Dr. V.K. Arthi, ²Abisha K A

¹Associate Professor of Sri Ramakrishna Engineering college, Coimbatore, Tamil Nadu, India

²Student of Sri Ramakrishna Engineering college, Coimbatore, Tamil Nadu, India

ABSTRACT:

Human Resource Management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets the people working there, who individually and collectively contribute to the achievement of the objectives of the business. The terms "human resource management" and "human resources" (HR) have largely replaced the term "personnel management" as a description of the processes involved in managing people in organizations. Human Resource Management is evolving rapidly. Human Resource Management is both an academic theory and a business practice that addresses the theoretical and practical techniques of managing a workforce.

I. INTRODUCTION:

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 diverse needs. A strong retention strategy, therefore, becomes a powerful recruitment tool.

Retention of key employees is critical to the long-term health and success of any organization. It is a known fact that retaining the best employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning, and deeply embedded organizational knowledge and learning. Employee retention matters as organizational issues such as training time and investment, lost knowledge, insecure employees, and a costly candidate search are involved. Hence, failing to retain a key employee is a costly proposition for an organization. Various estimates suggest that losing a middle manager in most organizations costs up to five times his salary.

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 third best. Retention of key employees and treating attrition troubles has never been so important to companies.

II. REVIEW OF LITERATURE

Walid Abdullah Al-Suraihi Siti Aida Samikon (2021) Employee Turnover: Causes Importance and Retention Strategies This research aims to understand the causes of employee turnover and retention strategies in an organization. Key research findings indicate that employees have several reasons to leave their workplaces, such as job stress, job satisfaction, job security, work environment, motivation, wages, and rewards. Furthermore, employee turnover has a huge impact on an organization due to the costs associated with employee turnover and can negatively impact the productivity, sustainability, competitiveness, and profitability of an organization. However, the organization must understand the needs of its employees, which will help organizations adopt certain strategies to improve employee performance and reduce turnover. Thus, implementing strategies will increase job satisfaction, motivation and the productivity of individuals and organizations, which can reduce employment problems, absenteeism, and employee turnover.

Evy Rombaut Marie-Anne Guerry (2020) The effectiveness of employee retention through an uplift modeling approach The main goal of employee retention is to prevent competent employees from leaving the company. When analysing the main reasons why employees leave and determining their turnover probability, the question arises: Which retention strategies have an actual effect on turnover and for which profile of employees do these strategies work? To determine the effectiveness of different retention strategies, an overview is given of retention strategies that can be found in the literature. Next, the paper presents a procedure to build an uplift model for testing the effectiveness of the different strategies on HR data. The uplift model is based on random forest estimation and applies personal treatment learning estimation. Through a data-driven approach, the actual effect of retention strategies on employee turnover is investigated. The retention strategies compensation and recognition are found to have a positive average treatment effect on the entire population, while training and flexibility do not. However, with personalised treatment learning, the treatment effect on the individual level can be estimated. This results in an ability to profile employees with the highest estimated treatment effect. The results yield useful information for human resources practitioners. The personalised treatment analysis results in detailed retention information for these practitioners, which allows them to target the right employees with the right strategies.

Eiman Malik, Sajjad Ahmad Baig (2020) Effect of HR Practices on Employee Retention: The Role of Perceived Supervisor Support Organizations priority is managing human resource (HR) efficiently now a days. They are striving to maintain this efficiency by implementing effective HRM practices. The relationship between human resource management (HRM) practices and employee retention (ER) is investigated in this study. This study also scrutinized the moderating effect of perceived supervisor support's (PSS) between HRM practices and employee retention (ER). The data was collected from employees of textile industry using questionnaire. Results show significant relationship between HRM practices and employee retention (ER). Except employee empowerment (EE), PSS is moderating between HRM practices and employee retention (ER). Organizations should implement these HRM Practices to keep employees motivated and positive towards work, this will decrease employee turnover and increase retention of skilled and motivated employees in an organization.

Iman Sabbagh Molahosseini Masoud Pourkiani (2020) The Influence of Organizational Aesthetics On Employee Retention And Turnover Intentions From Organization The present study offered a new perspective on the impact Organizational Aesthetics on employee retention and turnover Intentions from organization. The research approach of this study was a qualitative approach and the grounded theory method has been used. Deep interviewing was used to collect data. The statistical population of this study was employees of the social insurance organization of Kerman city, Iran. The sampling methods of this study consisted of theoretical sampling. Theoretical sampling is one of the basic steps in the process of grounded theory. Besides, the analysis of the data is performed based on the three coding methods used in grounded theory which include open, axial, and selective coding. The results of this study showed that organizational aesthetics strategy cause employee retention. Also, organizational aesthetics strategy prevents employee turnover intentions from the organization.

III. STATEMENT OF THE PROBLEM

Factors that contribute to employee turnover are varied and have been verified to an extent by equally varied models and theories. The literature surveyed by this study mention employee motivation, job satisfaction and job embeddedness as the main factors that influence employee retention rates. Organisations typically apply some of these factors in the development and implementation of their employee retention strategies. There is however little information on the strategies to adopt when dealing with knowledge-intensive industries. The nature of jobs in these kinds of industries directs the employee to use his creative abilities together with extensive knowledge about a subject. The strategies applied to retain the knowledge worker may need to be adjusted to some extent as compared to other workers, say factory workers.

IV. OBJECTIVE OF THE STUDY Primary Objective

To study the employee retention and turnover with reference to Kaaspro Enterprises, Chennai.

Secondary Objective

To study the organizational factors influencing employee retention and employee turnover of Kaaspro enterprises.

To find the individual factors that are leading to employee turnover.

To understand the measures to encourage employee retention in organization.

V. SCOPE OF THE STUDY

The study is to determine the factors influencing retention and turnover of employees in the organization.

The study also determines the drivers of employee retention the nature of retaining employees in order to make the employees to feel comfort.

, Where "O" is the observed Frequency, "E" is the expected Frequency

Time is very short for research, so this is very difficult to get the knowledge about everything.

Since the filling of questionnaire and interviews need special attention so may be the employees are less interested in entertaining.

The information was collected through the questionnaire is subject to willingness of the respondent to respond.

VI. CORRELATION TEST

Aim:

To test the relationship between employee career counseling and freedom of work.

Null hypothesis H0:

There is no relationship between employee career counseling and freedom of work.

Alternative hypothesis H1:

There is relationship between employee career counseling and freedom of work.

Correlation Test

Factors	Agree (5)	Strongly agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
Career counseling	11	8	14	3	7
Rank (R1)	2	3	1	4	5
Freedom of work	10	15	3	2	13
Rank (R2)	3	1	4	5	2

R1	R2	D=R1-R2	D ²
2	3	-1	1
3	1	2	4
1	4	-3	6
4	5	-1	1
5	2	3	6
			$\sum D^2=18$

$$r = 1 - 6 \sum D^2 / n(n^2 - 1)$$

$$r = 1 - 6(18) / 5(5^2 - 1)$$

$$r = 1 - 108 / 120$$

$$r = 1 - 0.9$$

$$r = 0.1$$

Correlation Co- efficient lies between -1 to +1

Result:

Employee career counseling and freedom of work are positively correlated. The

calculated correlation coefficient 0.1 is greater than the tabulated value of rank correlation coefficient. Hence the null hypothesis H_0 is rejected.

Decision:

There is a significant relationship between the employee career counseling and freedom of work that influence the employee retention.

Hypothesis is rejected.

CONCLUSION

Retention and turnover 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 are more productive. Any technology needs motivated employees to adopt it successfully. Several approaches to Retention are available. Early theories are too simplistic in their approach towards Retention.

The Human Relations Movement posits that social contacts will motivate workers. Mere knowledge about the theories of Retention will not help manage their subordinates. They need to have certain techniques that help them change the behaviour of employees. One such technique is reward. Reward, particularly money, is a motivator according to need-based and process theories of Retention. For the behavioural scientists, however, money is not important as a motivator. Whatever may be the arguments, it can be stated that money can influence some people in certain circumstance. Being an outgrowth of Herzberg's, two factor theory of Retention, job enrichment is considered to be a powerful motivator. An enriched job has added responsibilities. The makes the job interesting and rewarding. Job enlargement refers to adding a few more task elements horizontally. Task variety helps motivate job holders. Job rotation involves shifting an incumbent from one job to another.

RECOMMENDATIONS

- Management needs to focus on training program as it must be linked with the career development.

- Right employee should be employed at right position so that they feel motivated and can do work more efficiently.
- Management should redefine the pay structure of their employees.
- HR manger takes care that work should be distributed more fairly.
- Management should provide better infrastructure to their employees so that they can do their job well.
- Management should help employees in balancing their work life.
- Right employee should be employed at right position so that they feel motivated and can do work more efficiently.

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