A Study on Employee Retention Techniques in an Organisation

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ABSTRACT

Employee Retention is a challenging concern of the organization. This study stressed on Employee Retention Techniques. Employees are the assets of the organization. To retain skillful and committed employees in the organization, management should take care of employee satisfaction. Find out the reasons of employee turnover and overcome this. The purpose of this study is to prove how employee retention is essential in this day and age, and if the organizations are not awake to the situation and immediate actions are not taken to that effect.

Keywords: Employee Retention, Employee Satisfaction, Employee Turnover, Employee Retention Techniques

INTRODUCTION

WHAT IS EMPLOYEE RETENTION?

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 employees. Every organization invests time and money to groom a new joiner, make him corporate ready and bring him at 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 the maximum period of time.

NEED & IMPORTANCE OF EMPLOYEE RETENTION:

- **Hiring is not an easy process**: The HR Professional shortlists few individuals from a large pool of talent, conducts preliminary interviews and eventually forwards it to the respective line managers who further grill them to judge whether they are fit for the organization or not. Recruiting the right candidate is a time consuming process.

- **An organization invests time and money in grooming an individual and makes him ready to work and understand the corporate culture**: A new joiner is completely raw and the management really has to work hard to train him for his overall development. It is complete wastage of time and money when an individual leaves an organization all of a sudden. The HR has to start the recruitment process all over again for the same vacancy; a mere duplication of work. Finding a right employee for an organization is a tedious job and all efforts simply go waste when the employee leaves.

- **When an individual resigns from his present organization, it is more likely that he would join the competitors**: In such cases, employees tend to take all the strategies, policies from the current organization to the new one. Individuals take all the important data, information and statistics to their new organization and in some cases even leak the secrets of previous organization. To avoid such cases, it is essential that the new joinee is made to sign a document which stops him from passing on any information even if he leaves the organization.

SOME EMPLOYEE RETENTION TECHNIQUES ARE:

- ➢ Salary
- ➢ Bonus

- ➢ Career development
- ➢ Work life balance
- ➢ Reward
- ➢ Recognition
- ➢ Respect
- ➢ Motivation

LITERATURE REVIEW

1. **Employee Retention Techniques (Nate Rodnay, 2005)**

   Employees are a valuable asset to any organization. Focusing on employee retention techniques can positively impact the organization.

- **Increase Employee Engagement**: Effectively implementing employee retention program by increasing employee engagement ensures that the employees are satisfied with their work, take pride in their work, report to duty on time, feel responsible for their job, feel valued for their contributions, and have high job satisfaction.

- **Motivate Employees**: Motivating employees by offering them better opportunities for career development can help in employee retention. Giving rewards, recognitions, promotions, and appreciation can motivate them to increase their productivity, commitment to work, and loyalty to the organization.

- **Focus on Team Building**: Team building promotes team work and team efforts that help them to tackle work pressure and thus provide a competitive advantage to organization. Focusing on team building activities can help to reduce workplace conflicts between team members as they work in a team.

- **Recognition of Performance**: Although monetary compensation can act as a motivating factor, openly recognizing the performance, initiative, and good work increases the morale and motivates the employee to work more productively.

2. **10 Strategic Tips for Employee Retention (Jaime Menor, 2009)**
- Balance work and personal life
- Competitive compensation package
- Treat each employee with respect and as an individual
- Positive Work environment
- Eradicate Favoritism
- Communication and availability
- Employee Empowerment
- Placing the Right Talent for the Right Job
- Celebrate successes, big and little and make the workplace fun.
- Workplace flexibility

3. **The Benefits of Employee Retention (Dipika Patel, 2010)**

Employee retention is a vital part of running a successful business, with a range of benefits experienced by human resources professionals who manage to keep hold of their staff. A key advantage to sustaining a stable workforce is that you will be able to establish and maintain a strong knowledge base throughout your company, with a dedicated backbone of employees being able to carry out everyday duties with ease. This kind of experience is vital, allowing you to maximize your profits when business is good, while lessening the impact of downturns. Long-term employees are also able to deal with problems more easily, as well as being more effective at training new staff. Importantly, an established workforce sets a good example for new personnel, providing encouragement that the business environment is not only enjoyable, but stable and supportive.

Studies have also proven that individuals who feel secure in their jobs are happier and work harder, meaning there is a range of benefits from a performance perspective. However, organizations that fail to hold on to their best people may struggle to compete, particularly in adverse economic conditions. Not only will these enterprises find it difficult to attract the most sought-after talent if they have a high

staff turnover, but they may also discover their current employees are being snapped up by competitors with a better reputation. These considerations are why HR manager priorities staff retention and motivation, utilizing a number of methods in an attempt to keep personnel happy. A primary reason many workers give for having left their previous role is their employer's failure to show appreciation or give feedback. This means providing incentives and rewards can be highly effective in raising morale, while also showing that you are aware of their valuable contributions to the company. There are a variety of schemes available for organizations looking at staff retention as a key area in which to improve. One method is to introduce an online point scheme, which allows employees to collect points through various means and store them in an internet account. Using an online website to monitor the initiative also creates a team atmosphere, with leader boards, weekly emails and regular updates keeping people informed of what is going on in the business.

OBJECTIVES

- To identify the factors that causes employee turnover.
- To study the retention techniques at organisation.
- To study the impact of retention techniques to reduce turnover.
- To explore the influence of few determinants on employee retention.

RESEARCH METHODOLOGY

- **RESEARCH DESIGN:**

  The type of research design used in this study is *Descriptive Research Design*. It involves sample survey method for data collection and percentage method techniques for data interpretation.

- **RESEARCH PLAN:**

  To identify the factors that causes employee turnover and to see how retention strategy helps to reduce employee turnover.

- **POPULATION OF THE STUDY:**

  The population involves employees of the company.

- **SAMPLING PLAN:**

  A sampling plan refers to the procedure that researcher would adopt for selecting the samples from the entire population. Sample size and sample must be selected as they fulfill the objective of the study.

- **SAMPLING TECHNIQUE:**

  In this study *Convenience* sampling technique is used for collecting the data from different employees. The selection of units from the population is based on the availability and accessibility of the employees.

- **SAMPLING UNIT:**

  The respondents who will be asked to fill the questionnaires are the sampling units. This comprises of employees of the company.

- **SAMPLE SIZE:**

  The sample size is restricted to only 100 respondents.

- **DATA COLLECTION:**

1. *TYPES OF DATA:*
- PRIMARY DATA: survey, questionnaire, etc.
- SECONDARY DATA: sources of internet, websites, journals or any articles pertaining to the study.

2. *TOOLS FOR DATA COLLECTION:*
- Questionnaire.

3. *PLAN FOR DATA ANALYSIS AND INTERPRETATION:*
- Data collected from respondents is represented in graphs and tables for clear understanding with their respective interpretation.

4. *LIMITATIONS OF THE STUDY:*
- Study is limited to small number of respondents as considering time factor.
- Errors in data collection (respondent error)
- Survey methods can be subjected to personal biasness and prejudices. Hence, 100% accurate results cannot be obtained.

DATA ANALYSIS & INTERPRETATION

1. *The satisfaction of employees towards current job*

    29% of the employees are highly satisfied, 64% of the employees are satisfied, 7% of the employees are dissatisfied and 0% employees of the employees are highly dissatisfied with their current job.
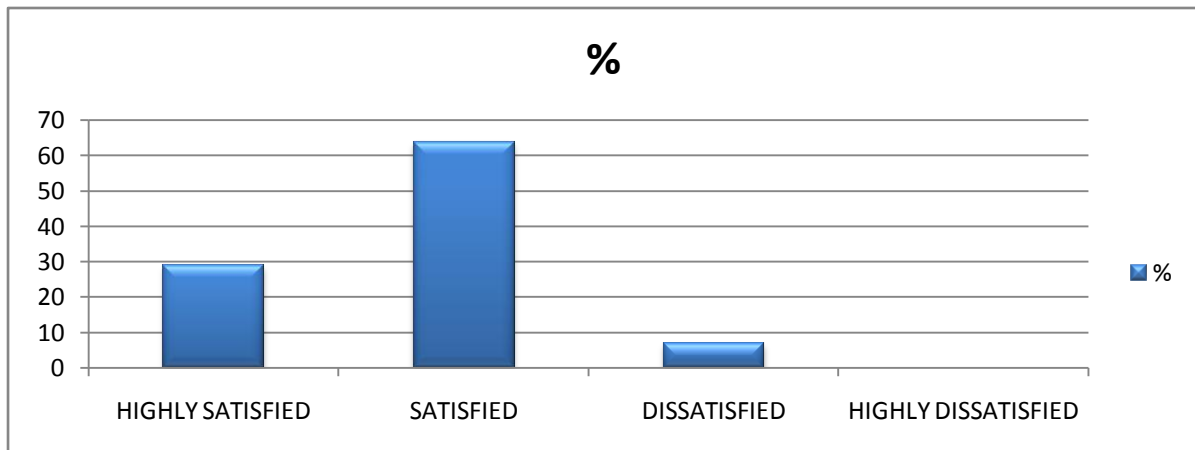

2. *What is your opinion regarding work load?*

    The graph shows work load of the respondents, from which highest number of respondents that is 74% said that they have average work load, 15% of the employees said that they have high work load, 6% of the employees said they have low work load and 5% of the employees said they have very high work load.
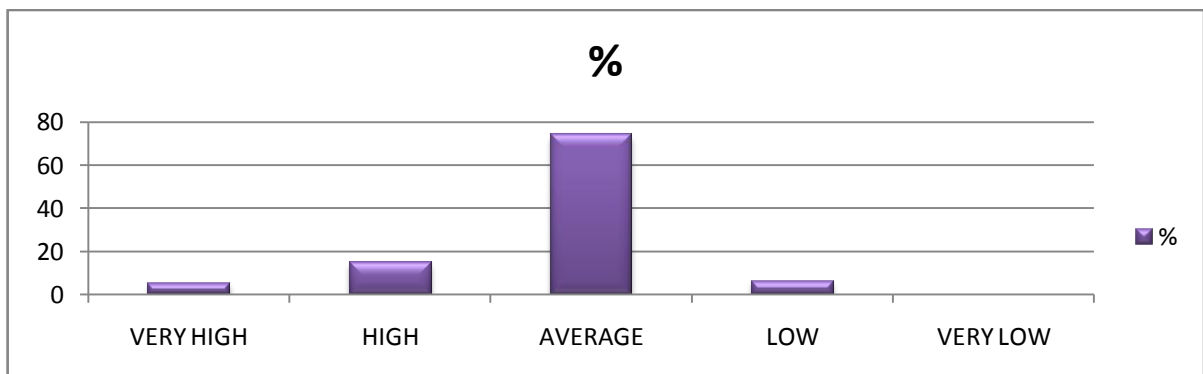

3. *The infrastructure facilities provided in the organization*

    36% of the employees said excellent, 59% of the employees said very good and 5% of the employees said good about the *infrastructure facilities provided in the organization.*

%
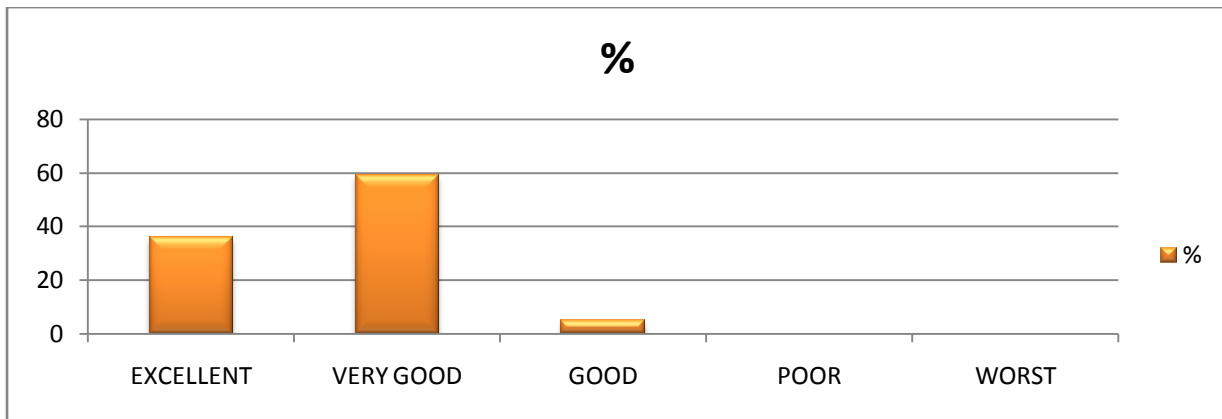
4. *Work life balance is supported by this organization*

85% of the employees strongly agree, 13% of the employees agree & 2% of the employees disagree that work life balance is supported by this organization.

%
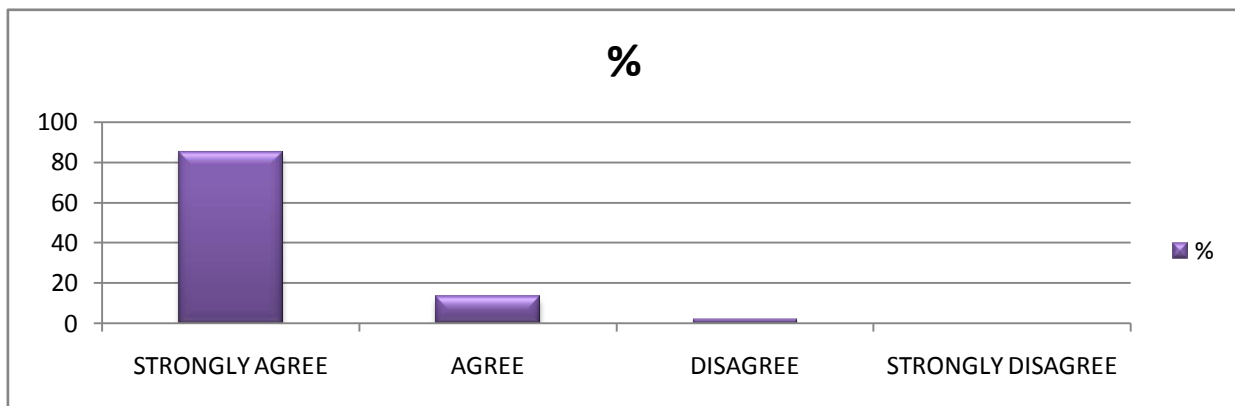
FINDINGS

1. Majority of the employees are satisfied with their current job.
2. Employees get recognition that they deserve for their performance.
3. Most of the employees have average amount of work load. Only few employees have very high & high amount of work load.
4. The organization supports work life balance.
5. The organization provides proper training to employees for their career development.
6. The organization treats its employees in a respectful way.
7. Most of the employees are satisfied with the company's rules & regulations while some of them think that there should be some changes in the rules & regulations.
8. Organization pays sufficient attention to incentives & perks offered to employees.
9. Most of the employees agree that they are rewarded periodically for their performance while few of them disagree with it.
10. The infrastructure facilities provided in the organization is superior.
11. Bonus has an impact on the motivation level & performance of an employee.
12. Most of the employees are satisfied with the welfare measures provided by the organization while some of them are dissatisfied.
13. Majority of the employees said that salary & career growth are the preference of employees to move for a new job.
14. *According to employees three R's (Recognition, reward, and respect) can help in increasing employee retention.*
15. *Employees would like to plan their further career with this organization.*

RECOMMENDATIONS

- The organization should provide proper welfare measures.
- Bonus should be given to employees for their better performance.
- Increment should be done time to time and salary is the motivation factor for employees.
- Proper training & development should be provided to employees for skill and career development.

CONCLUSION

- Employee retention techniques help the organization to reduce turnover.
- Recognition, reward & respect can increase employee retention.
- Training should be such that it helps the employees in career development.
- Work life balance helps employees to perform better.
- Employees get sufficient incentives & perks.
- Proper infrastructure facilities are provided in the organization.
- Bonus motivates the employees for better performance.
- Proper salary & career growth can make the employee stay in the organization for a longer period of time.

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