A Study on Effective Employee Retention Strategies

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ABSTRACT:

Employee retention is a process to encourage employees to stay in the organization for maximum time. It is a strategic tool for the success of the firm. Employee retention is a technique adopted by a company to maintain an effective workforce and, at the same time, meet operational requirements. Employees are the biggest assets for an organization because they add value. This paper provides a review of the literature on the effectiveness of employee retention. For the purpose of collecting data for this research subject structured questionnaire was used and it was made available online using Google forms. For the purpose of data collection purposive sampling method of non- probability sampling methods used to choose the sample. Researcher used purposive sampling method and selected 133 respondents from Oil and Natural Gas Corporation Limited, from Mehsana city.

Keywords: Employee retention, human resource, organization, retention, Employee retention strategies.

1. INTRODUCTION

Employee retention can also be considered a business management term referring to efforts by employers to retain current employees in their workforce. A person regularly hired by a company to perform services for them in exchange for payment but does not do so as their own independent business. Organizations must have good human resources to form a good and efficient team of working professionals. The main functions of the human resources management team are recruiting candidates, providing training to new candidates, evaluating employee performance, encouraging employees, and promoting health and safety. The human resources division is crucial in helping organizations prepare to handle the difficulties that may arise as they grow and operate in increasingly competitive markets. Employee retention refers to the various practices and policies that enable employees to stay with a company for longer. According to mathematics, retention refers to the frequency with which current employees of an organization continue in their positions. The opposite of "turnover" is "retention." Retention is, therefore, high if Turnover is low. Employing retention strategies is an excellent human resource management practice, which begins with best hiring practices that facilitate an employee's access to an organization. Top leaders initiate employee retention practices within the hiring stage. Leaders can deal with the problem of low employee retention through many proactive retention strategies, policies, and practices in the workplace. Human resource management strategies must interrelate with the general objectives of the Organization to create and promote variations in overall performance. Different strategies, including employee engagement and engagement programs, could enhance the overall strategic nature of HRM. The most apparent human resource management strategic planning practices are performance-based total rewards, employee engagement, results-based evaluation, job security, internal career ladder, and the training system.

2. REVIEW OF LITERATURE

Horwitz et al. (2003) said that the powerful creative employee retention strategies designed by Human Resource managers of talented organizations are still related to the compensation package. Second, career development opportunities are considered one of the most significant factors influencing employee retention. It is recommended that a company that wants to encourage its relationship with its employees must invest in developing these employees.

Zineldin, (2000) has viewed retention as "an obligation to continue to do business or exchange with a particular company on an ongoing basis".

Doug Lawrence (2017). Employee turnover is the greatest challenge globally, and from 2013 to 2018 is anticipated to be 23 per cent. *Mentoring* is a technique that can be incorporated along with the leadership style. The focus of mentoring can improve the personal and professional relationships of employees. Mentoring acts as guidance for attracting and retaining high-potential employees. Mentoring is also an effective tool for constructing organizational culture.

Keith McIlvane (2011). Corporate culture is an essential part of any organization. The culture is an intangible system that builds employee bonding, trust and environment. The work culture includes communication, a challenging job, a proactive approach, team spirit, leadership, peer relation, cooperation and coordination. A favourable work culture encourages the workforce to retain themselves in an organization.

Muhammad Irshad, after 2009 The article described the relationship between human resource practices and employee retention. The researchers identified elements of HR practices that influence employee retention. After analysis, some recommendations they suggested to management to manage employees towards the successful attainment of organizational goals are 1. Improvements in organizational culture,2. Exit interview system,3. Turn over based HR Policies,4. Fair Appraisal System, 5.Employee talent Recognition, 6. salary hikes and promotions, 7.Employee Retraining, 8. Employee Counselling 9. Career Development Opportunities. etc

Bliss (2007) and Sutherland (2004) contend that organizations lose productivity and social capital and suffer customer defection when a productive employee quits. Knowledge, skills and contacts that a departing employee takes out of the organization constitute a considerable loss. These attributes are, in most cases, lost to a competitor organization that may use this to gain a competitive advantage.

3. RESEARCH METHODOLOGY

OBJECTIVE

The objectives of the study are:

(a) To study various employee retention strategies.

(b) To determine the role of HR in the retention of employees in the organization.

(c) To determine the effectiveness of employee retention strategies.

RESEARCH DESIGN

Here researcher has adopted exploratory design and descriptive design. As a student this concept is completely new for researcher, so the researcher wants to explore each and everything in the reference to identify the effectiveness of employee retention strategies in the organization.

UNIVERSE OR POPULATION

Here the universe considered for this study is all the production department employees of oil and natural gas corporation limited.

SAMPLING METHOD (Sampling)

Here researcher uses the **Non-Probability Sampling method** in **that Purposive sampling method** use to collect the data.

SAMPL SIZE (Sample)

Here the sampling size for this study is **133** of production department oil and natural gas corporation limited.

SOURCES OF DATA

Here the researcher uses **primary and secondary source** to collect the data. The basic information is obtained through the survey method by administering a questionnaire and through personal enquiries.

1. Primary Data: Primary data is collected through a structured questionnaire having a series of close ended and open-ended questions.

2. Medium: Google forms

3. Secondary data: it has been collected from books, reports, and online resources. The authentication of information has been assured while referring to the official and the reputed websites. Literature review and other information is reviewed from journal papers; newspaper reports; committee reports, annual reports, and a collection of journal-based articles on Retention and its strategies used by companies in India.

4. DATA ANALYSIS AND INTERPRETATION

Employees rewards for performance	Frequency	Percentage
Yes	119	89.50%
Never	0	0%
Sometimes	14	10.50%
Total	**133**	**100%**

Pie chart showing the employees rewarded for their performance in the organization.

Are the employees rewarded for their performance ?
133 responses
- Yes
- Sometimes
- Never

89.5%   10.5%
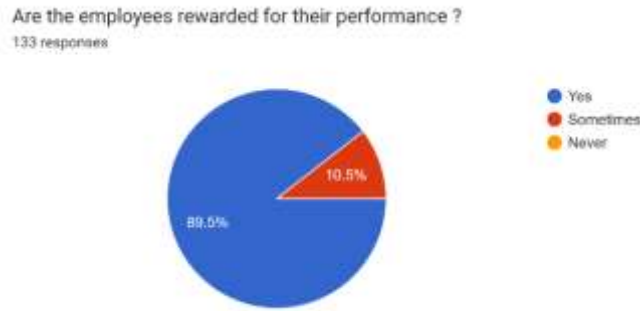
The Above table explains about the employees performance are rewarded in the company or not. 119(89.5%) respondents believes that employees are rewarded according to their performance, whereas 14(10.5%) respondents showing that sometimes the organization reward the employees. From the table it is good to see that no one is agreeing that employees are not rewarded according to their performance.

3 R's increase employee retention	Frequency	Percentage
Yes	118	88.70%
No	3	2%
May be	12	9%
Total	**133**	**100%**

Pie chart showing the implementation of three R's will increase the employee retent

Do you think that the implementation of the three R's (recognition, reward & respect) will increase employee retention?
133 responses
- Yes
- No
- Maybe

88.7%
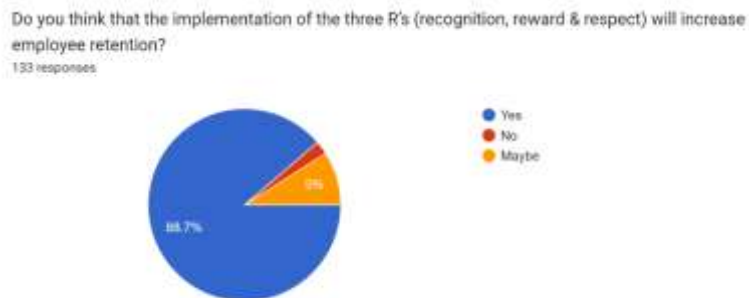
From the above tabular data, we can see that about 88.70% of the respondents out of 133, think that the implementation of the three R's will increase the employee retention, as recognition, reward and respect are the essential tools towards building a healthier work environment for the employees. About 2% have opted "No" as they disagree with the above statement and 9% of the respondents are unsure about which is better. The frequency for the above percentage mentioned is 118, 3 and 12 respectively.

Employee retention plays vital role in productivity	Frequency	Percentage
Strongly disagree	2	1.50%
Disagree	0	0.00%
Neutral	87	65.40%
Agree	39	29.30%
Strongly agree	5	3.80%
Total	**133**	**100.00%**

Pie chart showing the employee retention plays vital role in productivity of the organization.

Do you agree that employee retention plays a vital role in the result of productivity?
133 responses

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
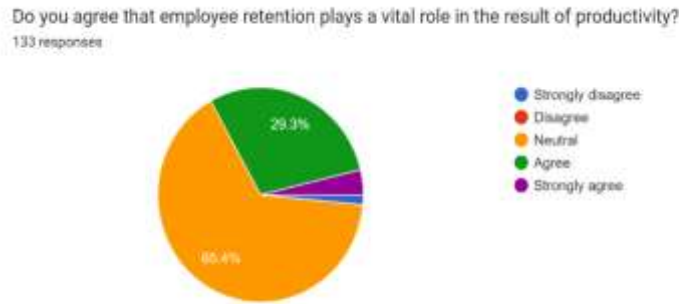
From the above tabular data 4.15, we can see that the majority out the total 133 respondents are 65.40% whose opinion on whether employee retention plays a vital role in the result of productivity stands to be 'neutral'. The lowest percentage of the respondents, i.e., 1.50% are of the opinion that they strongly disagree with the statement. Only 29.30% of the respondents agree with the fact that employee retention plays a vital role in the productivity of the result. The frequency of the above percentage mentioned is 65.40%, 1.50% , 3.80% and 29.30% respectively.

Crucial role of HR in employee retention	Frequency	Percentage
Hiring the right resource	68	51.10%
Employee motivation	30	22.60%
Job rotation of employee	4	3.00%
Rewards leave policy, recognition	31	23.30%
Total	**133**	**100.00%**

Pie chart showing the response of the respondents on crucial role of HR in employee retention.

Which of the following can be termed as a crucial role of HR in employee retention
133 responses

- Hiring the right resource
- Employee motivation
- Job rotation of employee
- Rewards leave policy, recognition
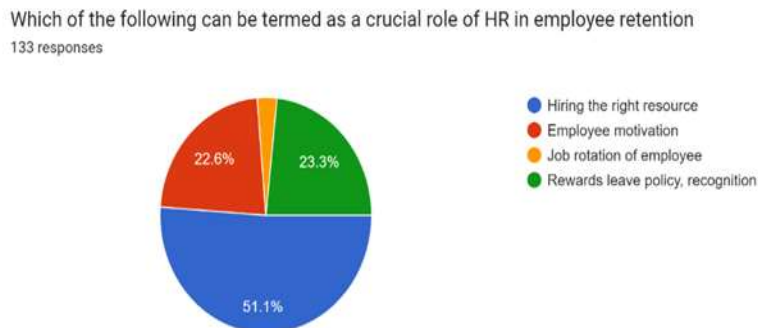
From the above tabular data 4.21, we can see that about 51.10% of the total respondents of 133, think that "hiring the right source" should be termed as a crucial role of HR in employee retention. Out of the 133, 23.30% feel that rewards, leave policy, recognition are the crucial roles of HR in employee retention, and only 3% think "Job rotation of employee" has to be the crucial role for an HR. The role of an HR is quite elaborative hence all the above factors could be called as crucial. The frequency of the above percentage mentioned is 68, 31, 30 and 4.

5. FINDINDS, SUGGESTIONS AND CONCLUSION

FINDINGS

- It is to be believed that older employees whose age above 50 they are more in the organization as compare to other age group employees, further they can be perceived as energetic, reliable, organized and highly motivated. Research shows that older employees are more likely to show up to work on time and less likely switch jobs as often as their younger colleagues.

- It is to be believed that employees who are working in the ONGC serve longer tenure, which shows that spending longer period of time in a single organization can allow employees to gain access to special job benefits that are reserved for long time employees, furthermore they also feel respected, recognized and valued.

- It is to be considered that 3R policy or practice can help organization to work effectively and efficiently, it leads to higher retention rate in the organization. Furthermore, the act of recognising reward increase the desired behaviour therefore it boosts productivity.

- It is to be believed that placing right resource on right time and at right place also important for the organization to take the maximum benefit out of workforce, similarly employees should also feel that their skills and expertise are being utilised in the right direction and functional area.

- It is to be perceived that support from the management increase performance and decrease work absence, employees that feel values also increased job satisfaction which causes higher morale level.

SUGGESTIONS

- Researcher has found that, undoubtedly retention method or practice is a success metric, hybrid model can increase the productivity directly, having low turnover rate will keep your business running successfully and smoothly, saving your time, money, and effort.

- Every HR should focus on keeping workers motivated engaged and happy. The key thumb rule is to organize such strategy on a regular basis.

- The best strategy is a plan that organization create and reduce employee turnover, prevent attrition, increase retention by fostering employee engagement.

- Giving more focus on employee engagement, work culture, recreational activities, session on mental health and physical health all these indicators help employee to work in good organization for longer period of time.

- Employees only retain themselves when they feel their growth, financial security and position is being served.

- Higher level of motivations across your old team will help you maximize productivity and sustain success over a long period of time.

CONCLUSION

Employee retention is a big problem for many businesses; successful organizations must understand the necessity of retaining their most productive employees—high turnover results in the loss of valuable employees, who must be replaced at a high cost. Employees like to feel that there is someone they can turn to for advice if needed. The workplace environment should possess a culture where people work more as a team, and the supervisor's duty is to act as a helping hand than being the taskmaster. Employee retention is a prime concern for many employers; a successful organisation's management teams must understand the importance of retaining its most productive workforce. Massive turnover leads to the loss of valuable workers whose replacement is high priced. Each employee is the backbone of the company, and the more experience an employee has with the company, the more valuable they become.

6. REFERENCES

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