EMPLOYEE RENTENTION STRATEGIES IN THE ORGANIZATIONS

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Abstract
Today employee preservation and retention has become an important planned and tactical aspect for the organisation. It is not only important to have the best and the most talented employees but it is equally necessary to be able to retain them for long term benefits to both the organization and its people.

The purpose of this research paper is to review the findings of research papers of various authors to derive the factors that influence employee assurance and preservation within the organization.

This research paper classifies these factors into three categories viz. Individual Factors, Organizational Factors and Work Related Factors.

Preservation (of Employees) is a multifaceted perception and there is no single formula or technique for keeping employees with an organization. This is mainly because above said aspects considerably vary across different organizations. It is seen that various organizations give diverse importance to these factors. This may depend upon their appropriateness influencing the retention.

Based on our understanding of the papers reviewed by us, suggestions are drawn which give a holistic view on the various practices that organizations may adopt to keep the level of employee retention and commitment high.

Keywords: Ways of Employee Retention, Employee Management, Retention Strategies, Reward, Recognition, Retention, Satisfaction*.*

Employee Retention – Understanding the Concept

Employee retention refers to the ability of an organization to retain its employees. Employee retention can be represented by a simple statistic (for example, a retention rate of 60% usually indicates that an organization kept 60% of its employees in a given period). However, many consider employee retention as relating to the efforts by which employers attempt to retain employees in their workforce. In this sense, retention becomes the strategies rather than the outcome.

Employees are the lifeline of an organization. Happy customers are created only when the employees are happy. Organizations invest a lot of time and money in training employees. However, they also need to pay attention to their employee's well-being. A company with discouraged employees will always struggle to survive. Promoting team satisfaction is a major step towards retaining your employees.

Employee retention techniques are of huge importance to businesses because they bring down the training time and costs. Few of the reasons for employees leaving an organization are dissatisfaction with their job roles and/or lack of professional growth[1] .It is no wonder that cost effective employee retention measures has attracted numerous contributions from researchers and HR practitioners that attempt to investigate on various factors influencing reason to leave or skip work from the employees' viewpoint, their interrelationship and possible outcomes of the retention measures implemented across different levels of the employees within the organization.

With the arrival of Liberalization, Privatization and Globalization, India has come to be recognized as one of the major emerging economies of the world, necessitating momentous paradigm shifts in business processes that compel organizations to transform the way in which they function compared to earlier days. Increased emphasis on competition and radical technological advancements has resulted in organizations to be more competitive, responsive, and flexible and customer focused. Consequently organizations require, empowered employees possessing higher competencies and multitasking skills in order to ensure sustained growth at minimum operational costs.

Employees working in organizations of the modern era most often encounter eternal challenge of performing well and are forced to devote most of their time at work in this enhanced competitive work setting. However, commitment towards self development, allegiance to family and social life in order to fulfill the demands and duties along with organisational obligations are imperative for any individual employee. Thus the employee retention measures within the organizations were aimed at achieving work life balance for the employees.

The balancing act of an individual in this three dimensional aspects of employee retention viz. organisational, work specific aspects and employee's personal life as shown in the schematic diagram below.[2]

Employee Retention Measures - Schematic Diagram
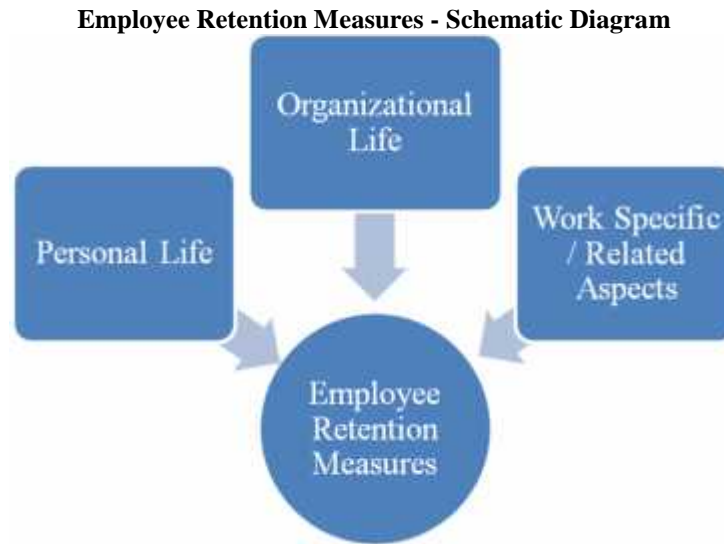
Understandably, any imbalance between organisational and personal commitments and the inefficient management of life priorities can lead to serious consequences in each or all of these domains.

Theoretical definitions of Employee Retention
Preservation (of Employees) is a multifaceted perception and there is no single formula or technique for keeping employees with an organization.

Employee retention refers to the ability of an organization to retain its employees. In simple terms, employee retention is defined as "the extent to which an organization is able to withhold its outgoing employees with themselves. Additionally, the organization also succeeds in engaging the employees with their work as well as making them equally satisfied with professional life (work environment) and the personal life (family environment) roles". Some of the definitions as mentioned by the researchers are given below.

1. Zineldin et al. viewed retentions as "a compulsion or requirement to stay with and continue to do business or exchange with a particular organization on a continuing basis.[3]
2. Strauss et al. had put a more elaborated and recent explanation for the concept of retention and is "end user (customer) preferences (liking), classification, obligation, trust, willingness to recommend, and repurchase intentions, with the first four being emotional-cognitive retention constructs, and the last two being behavioral intentions".[4]

Various researchers and their research studies have attempted to have tried to identify the kinds of factors that influence employee retention.

Earlier studies have also indicated that retention is driven by several key factors, which ought to be managed congruently: organizational culture, communication, strategy, pay and benefits, flexible work schedule and career development systems.
A research study on employee retention strategies identifies following factors that may be taken into account. These are individual factors, organizational factors, work specific factors, and other factors. The said research study further mentions that measures of employee retention can be better explained with the help of these factors as listed below.[5]

Individual Factors: Individual factors influencing the perception of someone's work interest may be described in terms of existing skills, innovativeness, willingness to learn and upgrade, and effective communication.

1. Organizational Factors: Organizational factors are the aspects influencing the perceptions of employees about the organization among themselves and may be described in terms of providing pro-learning and pro-working climate, one to one interaction, organization commitment (to have mutually beneficial policies and programmes), and employee motivation.
2. Work Related Factors: The work related factors influencing the ways to retain the employees may be described in terms of benefits and compensation offered (for their work), and career development options provided to them.

3. Researchers observed that a keeping the good employees is very essential for the organizations to achieve high performance and growth in profitability. There exist benefits to organizations as well as benefits to the employees as stated below.6

Benefits to the Organizations
1. Employee loyalty and commitment.
2. Improved productivity.
3. Enhanced organizational image.
4. Reduced staff turnover rates.
5. Increased retention of valuable employees.
6. Reduced absenteeism.

Benefits to the Employees
1. Increased job satisfaction.
2. Enhanced control over work life environment.
3. A greater sense of job security.
4. Better physical and mental health.
5. Reduction in job stress levels.

From The Above Explanations, It Can Be Concluded That
1. Employee Retention Strategy is not a simple aspect but is complicated in nature.
2. Employee Retention is a multi–dimensional concept.
3. As Employee Retention is a multi–dimensional in nature, it is a relative concept that cannot be defined more accurately and measured.
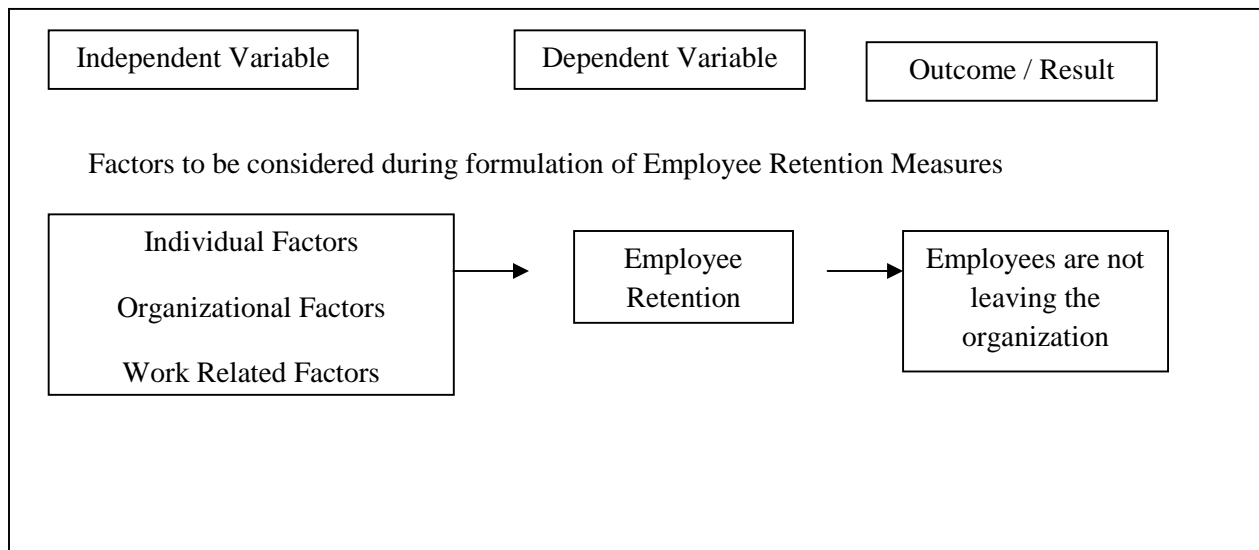
It is observed that the employees with good employees and their skills, experiences were more likely to be satisfied with their job. The research study done also states that there is a positive relationship between the independent (Factors to be considered during formulation of Employee Retention Measures) and the dependent variables (Employee Retention).

Theoretical Framework for the Study
The dependent variable is employee retention and the independent variable is a wide range of factors influencing the employees to think of alternative career options. Some of these factors are:
1. Individual Factors.
2. Organizational Factors.
3. Work Related Factors .

Exhibit 1: The Proposed Theoretical Framework As Assumed

Independent Variable	Dependent Variable	Outcome / Result

Factors to be considered during formulation of Employee Retention Measures

Individual Factors Organizational Factors Work Related Factors	→	Employee Retention	→	Employees are not leaving the organization

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Findings
The study results stated that above listed factors are essential for employee retention. These factors are referred to as 'Three Rs' of keeping the employees. Employee retention consists of three R's which facilitates prevention of employees. These are Respect (Individual Factor), Recognition (Organizational Factor), and Rewards (Work Related Factor).

The said empirical study was carried out with a sample size of 100 employees and those are selected from select multinational companies in India. Most of them i.e. about three fifth of them are young (within the age group of 26-35 years) and have annual income above Rs. 1 Lakh.

The said study has one hypothesis that says 'Three Rs' i.e. Respect, Recognition and Rewards do not have an impact on the retention of employees. This was tested using Chi-Square. Details are presented below:

Exhibit 2: Hypothesis Testing Statistics for the Study

Table Chi-Square Statistics for Hypothesis Chi Square for Three R's			
	Observed N	Expected N	Residual
1	1	25.00	-24.00
2	38	25.00	13.00
3	51	25.00	26.00
4	10	25.00	-15.00
Total	100		
Chi-Square	65.84		
df	3		
Asymp Sig.	0.00		

The study calculations state that table value for Chi-Square at df = 3 is 7.815 while the calculated value is 65.84. This indicates that the calculated value is more than the table value. Hence the null hypothesis stands cancelled. Thus according to the said study, it can be reckoned that the three R's - Respect (Individual Factor), Recognition (Organizational Factor), and Rewards (Work Related Factor) has considerable bearing on preservation of the employees. Amongst these three R's, Rewards (Work Related Factor) have the highest bearing on retaining employees.

Inferences and Suggestions
As stated earlier, Preservation (of Employees) is a multifaceted perception and there is no single formula or technique for keeping employees with an organization. This is mainly because above said aspects considerably vary across different organizations. It is seen that various organizations give diverse importance to these factors. This may depend upon their appropriateness influencing the retention.

Recruitment or hiring employees is just the start to creating a strong motivated manpower. The real task is to preserve or withhold them. Based on the research, following points are a list of some of the suggestions that may be viewed as recommendations for employee preservation and commitment:-
1. Organizations may undertake "in" and "out" interviews to understand as to why employees chose to stay or leave the organisation. This information will help in understanding the reasons why employees are not retaining with the organization. Based on this organizations may formulate their employee-retention approaches.
2. Organizations may have competitions to keep employees inspired and active. If done in appropriately such events may keep employees more committed, determined and inspired about their work.
3. Organizations may support employees to be part of their corporate social responsibility initiatives so that they may feel that they are not only working for the organization but also they are doing something for good cause or doing well for the society.
4. Organizations may think of smart hiring. They may hire on selectively basis from the start by keeping in basic things simple such as due diligence, way of thinking, reliability, academic qualification, skills and relevant work experience.
5. Organizations may inculcate thought of treating every employee equally and fairly. This is something that employers always keep in mind. It is mainly because for the employees it is very important that they must see, know and recognize the fact that their organization treats everyone the same way without any bias.

6. Organizations may try and encourage and ask their managers to be more involved in the communication process. Managers may dedicate sufficient and quality time towards training of employees, motivating them to achieve good performance and ascend to newer positions up the hierarchical ladder and inspire other low performers to work better.

7. Organization may try and recognize the need for employee's personal time off. Giving employee the time to keep his/her personal life in place is also very important for employee retention.

8. The above discussion may facilitate us to conclude that the identification of the various factors required for employee retention.

Through this research paper it was attempted to see various factors and practices used across industries for improving employee retention and commitment. For any organizations to survive in today's ever increasing competition where employee poaching is on the rise, it is very essential to maintain their best employees and keep them obliged towards the organization.

The need for organizations to retain their talented manpower is very essential and crucial for their ability to be competitive (remain in business) depends on it. Although this research paper attempted to bring forth all the factors related to employee retention, this complicated area of human resource needs further investigations.

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