SUGGESTIONS FOR LEVERAGING EMPLOYEE RETENTION –A CONCEPTUAL STUDY

Mithra Shanmugasundaram
HR Professional, Former HR Executive, Tata Consultancy Services, Chennai.
Mr.R.Murugesan
Associate Professor, Dept. of MBA, P.S.V.College of Engg & Tech, Krishnagiri, Tamilnadu, India.

Introduction

One of the most valuable assets of any organisation is the man power it holds, for without the human contribution on physical work and mental work the miracles of the modern age are impossible. Civilization of mankind is the right example for this and constructive use of this intellectual and physical power possessed by the human race has brought human to where we are now from the caves. Thus the invaluable asset of human power or man power is considered to be a resource and managing and utilizing this resource to get the maximum benefit out of it becomes inevitable.

Human resources management is the strategic and coherent approach to the management of an organization's most valued assets—the people working for the business, who individually and collectively contribute to the achievement of the objectives of the business. Human resource management is both an academic theory and a business practice that addresses the theoretical and practical techniques of managing a workforce to achieve synergies and excellence with the ultimate goal to attract and retain the best human talents and resources available.

The current paper is the product of the observations made at a real estate organisation located in the metropolitan capital of the state of Tamil Nadu, Chennai, in India. The study was conducted for a time period of three months with the said organisation's human resources department as part of the researcher's academic internship. The name of the organisation has been kept anonymous as per the management's instructions.

As per the instruction of the organisation to work along with the human resources department in analysing the persistent rise in the voluntary labour turnover in the company, the workforce was studied and the following inference was drawn from the observations. The study was conducted in a private real estate organisation with 100 employees in four departments namely Finance, Marketing, Human Resources and Information Technology.

Measuring Employee Turnover

Employee turnover refers to the proportion of employees who leave an organisation over a set period of time—mostly on a year-on-year basis—often expressed as a percentage of total workforce numbers (CIPD UK, 2013). In the current scenario where woes of job-hopping, rising turnover and lack of employee loyalty are rampant around every corner nobody likes losing employees for competitors or otherwise and wrestling attrition is a global phenomenon.

Despite the tooth and nail fight of organizations to retain their employees, it is to be accepted that they are oblivious of staff allegiance and happiness. In order to fulfil this need the managers need to get a handle on employee loyalty and satisfaction, how committed is the workforce to the organization and whether workers are really contented with the way of things for gauging their likelihood to stay with the company.

A model that is extensively used to measure employee turnover, often referred to as the Price-Mueller model, examines job satisfaction level against a series of factors, including pay, community participation, social class, commitment to work and other staff and organisational factors that typically affect employee job satisfaction. Exit from a job due to illness, dismissal, death or other personal reasons are termed as involuntary employee turnover. Whereas, according to Price & Mueller (1986) employees who leave an organization at their own discretion are examples of voluntary turnover.

In order to maintain a cordial relationship between the work force and the management to leverage workforce efficiency and reduce voluntary turnover, **Three Cs** are inevitable.

The three Cs proposed by the present study are:
- **C**ommunication
- **C**o-ordination
- **C**o-operation

Observations and Suggestions
After interacting with the various staff and arriving at the deficiency persisting in the organization (three Cs) it was decided to do an analysis on the employees by active interaction and interrogation.

Suggestions that were made to the organisation on the grounds of the current need to utilize the labour were as follows:
- Improving the HR department's approach to leverage employee satisfaction and loyalty
- Recruiting through effective methods to recruit the most suitable candidates
- Appraising performance periodically
- Career planning and employee retention through psychometric analysis

Improving the HR Department's Approach to Leverage Satisfaction and Loyalty
Employee satisfaction is very close to employee loyalty as satisfaction leads to loyalty. Employee satisfaction is the key driver of productivity, profits, customer satisfaction and retention. It should be measured through attitude, and not behaviour, a keen observation of employee reaction and conduct.

5 Steps to Gauge Employee Satisfaction
1. Energy: High energy level in the work place means it is filled with happy employees.
2. Smile: This is the most obvious indication of the employees' satisfaction and their commitment to the organisation's goals. The lack of a smile and agitations are clear signals of unhappiness with the company, be it the individual's job or the work environment.
3. Banter: Banter roughly includes lunchroom conversations and general gossip can help the HR department understand who gravitate together out of common interests and what is being discussed to pinpoint the levels of satisfaction within the organization.
4. Willing to take extra: This means the employees are happy with their jobs and do not mind taking extra loads to help the organisation reach its goals.
5. Faithfulness to deadlines: Commitment is all about adhering to deadlines when a job is executed with enthusiasm. Lack of motivation coupled with lethargy means that the work is viewed as a burden and not as fun.

Employee loyalty can be measured by,
- L**oyalty litmus test** is a measurement of employee turnover and average length of service. If turnover is on the rise, loyalty levels are low and vice versa. Comparing them to industry average gives a good idea of attrition probabilities.
- **Staff attendance and compliance with company policy** are indications of employees' confidence in their leaders in the organisation and when this reduces the employees are most likely to seek other jobs

Recruitment, Performance Appraisal and Career Planning through Effective Methods
To wholly benefit from the employee prowess, recruiting the right kind of people is needed. The recruitment of employees must not lead to loss of talented employees or hiring of people with different skills that do not serve the organisation's needs due to lack of systemised and organised recruitment programs.

Employees and managers should meet formally to discuss and set goals, responsibilities and performance expectations. A critical activity during this step is to align every individual with the organization's missions, values, and strategies. This provides clarity to both the parties by clarifying expectations and goals. Performance appraisals are effective tools to encourage the workforce to aim higher with the promise of a fruitful career with the organisation that cares for the employees' welfare.

In order to facilitate the employees' substantial growth, managers and employees need to have coaching sessions and refresher courses on a routine basis. Employees can be updated with the latest technology and honed during such sessions. Managers shall give positive feedback to employees who deserve recognition for outstanding performance.

Managers shall also identify performance problems, diagnose the cause of problems, and agree with employees on the steps to be taken to solve these problems. These coaching sessions help to increase and strengthen the communication between employees, their managers, and the organization.

Conclusion & Suggestions
The organization conduct psychological counselling sessions to help employees improve their Performance and stress management. All workers are not the same and are to be handled differently. Strategies are to be developed that strengthen the work environment. Offering meaningful and challenging work to effectively utilise staff skills, empowering and ensuring the employees with job security can boost them psychologically to give a better yield. Providing legitimate feedback, genuinely listening to employee problems and making their interests a management priority will kindle up the employees' spirit of commitment and loyalty. Many organisations utilise psychometric tests during recruitment, which has its share of criticism as the traits of the human mind are far more complex than that (Freedman, 2010). However, after recruitment the employees can be analysed by psychometric tests to analyse their learning styles and preferred mode of approach psychologically. Using such tests to categorise or understand employees to train or motivate them in later stages of their employment can be very effective in aiding the employees and the organisation in building better career prospects for the employees. Psychometric analysis can help in improving the worker performance as it sheds light into the right ways to approach and train the workforce.