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How to create a winning employee retention strategy

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Abstract

In this article I would love to share the possible outcome in retention or we can retain the employee for the longer period of time. 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 becomes a powerful recruitment tool. The truth is that employee retention processes must focus on what the employee gets out of the job. The process must be a benefits-based approach that helps employees answer the question, "What's in it for me?" The retention processes must be ongoing and integrated into the daily culture of the company. The best way to keep your employees is to treat them like customers. Customer service works for external customers. We treat them nicely. We work to satisfy them. We help them achieve their goals. Why not do the same for our employees? If positive customer service policies and practices can satisfy and keep external customers, why not adapt these policies and practices for employees? And, there is a service/satisfaction link between employee retention and higher levels of customer satisfaction. Customers prefer dealing with the same employees over and over again. Employee turnover destroys a customer's confidence in the company. Just like a customer does not want to have to "train and educate" a new provider, they do not want to do the same for your "revolving door" employees. So, the key is to keep employees so they in turn will help you keep your customers. Because the techniques of this process mirror the activities of customer service and customer relationship management, I call the combined process C/ERM for customer/employee relationship management. Both activities must be going on simultaneously to create a loyalty link that ensures customer satisfaction and retention through employee service, satisfaction and retention.

Keywords: Employee retention, management

Introduction

"Retention is the best step to improve the level of growth and career perceptiveness of an organization". Retention strategies are policies and plans that organizations follow to reduce employee turnover and attrition and ensure employees are engaged and productive long-term. The key challenge for businesses is ensuring a retention strategy aligns with business goals to ensure maximum return on investment. Good human relations cannot be either window dressing or deliberate manipulation. Unemployment is at record low levels. Great news for employees, but rough water for employers trying to hang onto a steady workforce. Every month, about 3 million Americans quit their job in search of something better. 31% of employees quit before making it to the half-year mark!

This kind of turnover is extremely expensive. By some estimates, it can cost an employer double an employee's salary to replace them when they quit. That cost varies across different industries, but for some employers, it can be even higher.

Consider the employees you have working for you who have mission-critical skills that your business relies on, employees who have reinvented their job or who are such a linchpin that the thought of them leaving terrifies you. 25% of all employees are of this nature, what you might consider "high risk" when it comes to retention.

A recent Glassdoor survey of people in recruitment, HR, and hiring managers found that for 45% of employees who quit, the top reason is salary. This reason was followed by career advancement opportunities, better benefits, and location.

Is it always about the money?

According to a collection of recent surveys on employee retention, only 24% of "Generation X" employees say that financial stability motivates them to stay in a job. Yet 56% of employees say that health care and insurance concerns keeps them in their job. Benefits that are actually beneficial matter. Money matters. What you offer your employees in this area must be comparable to other businesses in your industry in your region.

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After seeing those statistics, you'd be forgiven if you thought that the easiest fix for employee retention concerns would seem to be to offer more money and more benefits. No doubt these are two top issues that employers must consider, and for some employees, that would be necessary. Glassdoor found that 35% of those doing the hiring of new employees are doing so with the expectation that more employees will be quitting in the coming year. It's a little disheartening to know that those doing the hiring are already envisioning over one-third of their hires walking out the door.

If you hire a quitter, don't be surprised if they quit. If you hire someone who's a bad fit for your business, don't be surprised if they (or employees they've annoyed) quit.

37% of hiring managers say that new hires would stick around longer if they were better informed during the hiring process. A poor onboarding experience for a new hire builds a foundation of negativity in the new job.

Make sure you're being honest about what you expect of the new hire. Don't hide or sugar-coat aspects of the job just to get a person to bite. Transparency is key in finding the right employees. If you need a little extra help, try using hiring software to make the job easier.

You can't expect employees to function like robots. When an employee's work and life balance is out of whack, there's pain. If your employee feels like she spends most of her life working instead of living, the job becomes the bad guy.

Consider the aviation industry, and the struggle airlines are having with a pilot shortage. There simply aren't enough pilots to fill the airplanes, and a looming retirement wave of seasoned pilots promises to make the problem worse.

Airlines have been working at several solutions, with one being fairly obvious: offer better salaries than can be found elsewhere in the industry, and tempt pilots away from other airlines or from corporate aviation. This, in turn leads the Air Force to increase salaries for pilots, a kind of trickle-down effect that will ultimately have the worst impact on those companies unable to compete with such salaries.

Few people want to be leaders, but everyone wants to be the boss. Remember, though, that people follow leaders, while they abandon bosses. A boss is a dime a dozen while leaders are rare.

Do you want to keep your employees motivated? / Characteristics of effective leader

It's worth knowing the five characteristics of effective leaders, because it's going to play directly into employee engagement, our next employee retention strategy.

1. Clear direction towards the future. Good leaders let employees know where the company is headed. Bosses don't share information and leave employees wondering if there's good or bad coming down the pipe and if they should be concerned.
2. Able to handle challenges. Leaders handle the many challenges that come their way instead of intentionally or unintentionally offloading the stress onto the employees.
3. Genuine desire to offer high quality. For both customers and employees, good leaders offer the best products, services, and experience possible. Bosses are almost behind the curve, scrambling to meet the minimums.
4. A belief in the importance of people. Good leaders consider employees their most important asset. Bosses

are focused on numbers.

5. Inspires confidence. Good leaders make employees feel confident about their ability to lead them to a good place. Bosses tend to inspire passive-aggressive frustration as employees question the decisions that have been made that have affected them negatively.

The goal of the HR department in retention should be to decrease turnover to the minimum level possible and develop the workforce into a greater asset through training and rewards for performance and tenure. This will decrease recruitment costs, training costs, and the loss of organizational talent and knowledge. On the other hand, some business models are rationalized by the profitability of rapid turnover of workers, as a result of low-pay "probationary periods", after which staff are routinely terminated, to be replaced by new low-paid workers. In this model, retention, rather than turnover, is to be minimized, if not avoided altogether.

Competitive benefits packages that fit the needs of the employees, small perks that are inexpensive but have psychological impact such providing as coffee and bagels in the mornings, contests or incentives, and clear communication of goals and expectations all can go a long way toward employee satisfaction. Promoting from within also provides a positive culture experience. Conducting "stay interviews", similar to exit interviews, can offer insight from tenured employees as to why they have remained with the company and help to build an effective employment brand. A 90-day evaluation period with new hires combined with stringent hiring practices can help to ensure that the post-evaluation period retention rate stays at a high level

Scope of the study

This will be helpful for the management to know their employees' mind set towards their job. The recommendation and suggestion of the study can also be applied to similar project. It will be helpful for the management to identify the needs of employees in order to retain them in the organization. This project can be used for the students who doing the project in the related area and to the organization to have best retention strategies. Managing for employee retention involves strategic actions to keep employees motivated and focused so they elect to remain employed and fully productive for the benefit of the organization.

How to retain the best employee

1. **Every individual should enjoy privacy at the workplace.** The superiors must ensure that no employee interferes in each other's work. Team members sitting at adjacent desks should not overhear their colleague's conversation or check any confidential documents. These things lead to severe demotivation and prompt an individual to look for a change. Discussion is important but one should not irritate anyone. The team manager should also not make his team member's life hell. Just give them deadlines and ask them to complete the assignments within the desired time frame. Motivate them to deliver their best but don't be after their life. Remember everyone is mature enough to understand that work comes first, and everything later.

2. **The seniors must be reachable to their subordinates in case of queries.** The hierarchy should not be too complicated and transparency in communication is important at all levels. Manipulation of truth should be strictly avoided as it leads to severe misunderstandings and eventually conflicts. Employees look for a change when there are unnecessary disputes at the workplace. The team leader once in a week must make sure to meet all the team members on an open forum to address their concern. The meeting should not be made too formal. Everyone should be allowed to bring their cups of coffee. Such interaction strengthens the bond among the employees and also avoid friction among individuals. It is essential to have a positive ambience at the workplace for people to stick to it for a longer time.
3. **Every employee should be treated as one irrespective of his designation.** Sexual harassment is against the law and is a strict no no at the workplace. The male workers should respect their female counterparts and make them feel comfortable. Don't ask any female employee to stay back late. Leg pulling, back stabbing, lewd remarks must be avoided at the organization to retain the employees.
4. **The management must formulate employee friendly policies.** The employees must be allowed to take one or two leaves in a month so that they get time to rejuvenate. Don't call the employees on weekends. Let them enjoy. The human resource department must take the initiative to celebrate birthdays of employees at the workplace. This way people come closer, make friends, develop trust and are thus reluctant to go for a change. Major festivals should also be celebrated at the organization for employees to get attached to the organization.
5. **Incentives, cash prizes, trophies, perks should be given to deserving employees to motivate them to perform up to the mark every time.** The salaries of the high potential employees must be appraised from time to time as monetary dissatisfaction is one of the major reasons for employees quitting their jobs. The hard work of the workers must be appreciated. The slow learners must not be criticized but should be inspired to gear up for the next time.
6. **The performers must be made to participate in the decision making process.** They should have a say in the major strategies of the organization for them to feel important and trust the management.
7. **Discipline is a must at the workplace.** If the office timing is 9.30 am, every employee regardless of designation must punch his card at 9.30 am sharp or before that. No relaxation should be given to anyone. Partiality is something which does not work in the corporate world. It is important to maintain the decorum of the office to make the organization a better place to work.
8. **Treat your employee as you treat your valuable client.** It is cheaper to keep your good employees than it is to hire and train new ones. Your top 20-25% should be courted as you would court and then service your top customers

Challenges in Employee Retention

1. Monetary dissatisfaction is one of the major reasons for an employee to look for a change. Every organization

has a salary budget for every employee which can be raised to some extent but not beyond a certain limit. Retention becomes a problem when an employee quotes an exceptionally high figure beyond the budget of the organization and is just not willing to compromise.

The organization needs to take care of the interests of the other employees as well and can't afford to make them angry. The salaries of the individuals working at the same level should be more or less similar to avoid major disputes amongst employees.

A high potential employee is always the center of attention at every workplace but one should not take any undue advantage. One should understand the limitation of the management and quote something which matches the budget of the organization. An individual should not be adamant on a particular figure, otherwise it becomes difficult for the organization to retain him. Remember there is a room for negotiation everywhere.

2. In the current scenario, where there is no dearth of opportunities, stopping people to look for a change is a big challenge. Every organization tries its level best to hire employees from the competitors and thus provide lucrative opportunities to attract them. Employees become greedy for money and position and thus look forward to changing the present job and join the competitors. No amount of counseling helps in such cases and retaining employees becomes a nightmare.

Categories of employee engagement

1. **Engaged:** In this category the employee who always eager to know about the desired potential or his role, so the he can meet and exceed them. He performs consistently at high level.
2. **Non-Engaged:** The employee who concentrate only on their task rather than goals & outputs of the company. They focus only to finish their respective tasks. They feel that they are always overruled.
3. **Actively Dis-Engaged:** These employees are unhappy with their work. They create problems when they sit idle. (The mgt. must try to overload these employees, so that they should not have time to spoil other employees or environment of organization).

Factors of that affect employee retention

Most managers understand the importance of employee retention and its impact on the overall health and vitality of an organization. The importance of retaining top organizational talent will only increase over the coming years as the massive cohort of baby boomers begin to reach retirement age making it easy for younger employees to find work.

Balance work and personal life

– Family is incredibly important to team members. When work begins to put a significant strain on one's family no amount of money will keep an employee around. Stress the importance of balancing work and one's personal life. Small gestures such as allowing a team member to take an extended lunch once a week to watch his son's baseball game will likely be repaid with loyalty and extended employment with an organization.

Provide opportunities for growth and development

– Offer opportunities for team members to acquire new skills and knowledge useful to the organization. If an employee appears to be bored or burned out in a current position offer to train this individual in another facet of the organization where he or she would be a good fit. Nobody wants to feel stuck in their position will no possibility for advance mentor new opportunities.

The ability to provide input and be taken seriously

Everybody has opinions and ideas, some are better than others. However every team member wants to feel that their input is welcome and will be taken seriously without ridicule or condescension. Some of the greatest ideas can come from the most unlikely of places and people. Creating a culture where input is welcome from all level of the organizational chart will help your organization grow and encourage employee retention.

Employee retention strategies for reducing employee turnover costs

We understand that time is money to your organization. Every minute of every day that your employee retention problems persist your organization is losing valuable time, energy, and resources. With the use of the powerful tools at our disposal, our employee retention experts will get to know your team and organizational culture better than you ever could have imagined. By doing so we can get down to the real causes of employee turnover in your organization and develop an employee retention program that is right for your team. Our employee retention programs deliver results - we guarantee it! Our clients always see a sizable return on investment in the form of improved profitability, reduced employee turnover, and enhanced employee morale. Stop unwanted employee turnover dead in its tracks and get back to doing what you do best: growing and leading your organization

Methodology

To continue with our work on employee engagement and an endeavor to bring some clarity on the area of employee engagement, this paper is based on a systematic review of literature on employee engagement which seeks to synthesize the current thinking and evidence. Emphasis is drawn on specifically on three drivers of engagement namely communication, Work Life Balance, Leadership, which have an impact on performance of the employee. A model has been conceptualized based on these findings. Literature for this study was predominantly sourced from internet searches and use of management journal databases such as Ebsco, Emerald, Elsevier and Scopus.

Drivers of employee engagement

We briefly present our literature review on drivers of employee engagement: x A study on drivers of engagement by Mani (2011) predicted four drivers, namely employee welfare, empowerment, employee growth and interpersonal relationships (Mani, 2011) x Seijit (2006) identified the 10 Cs of Employee Engagement, namely Connect, Career, Clarity, Convey, Congratulate, Contribute, Control, Collaborate, Credibility & Confidence. x The three elements of employee engagement, viz contributions, connections, growth and advancement, were identified through a study by Wallace *et al.* (2006), as cited in Mani, 2011. x Britt *et al.*

(2001) predicted employee involvement and commitment as engagement drivers x Study by IES in 2004 identified the following as predictors: leadership, relationships at work, total reward, recognition, work life balance and work itself x Study by Hewitt (2004) identified three predictors of employee engagement, namely Say, Stay and Strive. x Study by IES (2005) identified the following drivers: job satisfaction, feeling valued and involved, equal opportunity, health and safety, length of service, communication and co-operation x A study by Towers Watson (2009) identified following three predictors of engagement x Rational – how well the employee understands roles/responsibilities x Emotional- how much passion employee can bring to work x Motivational- how willing is the employee to invest discretionary effort to perform their role. x Bhatla (2011), in a study of employee engagement and its effects on employee performance with respect to Indian banks has identified organisational culture and organisational communication as prominent driver. As shown in Exhibit 1, the top five global engagement drivers for 2010 were career opportunities, brand alignment, recognition, people/HR practices, and organization reputation. Through the economic downturn and into the recovery, employees are more concerned about what the company stands for and the consistency between the stated employer value proposition and the day-to-day reality of work. Brand alignment and recognition were also top global drivers in 2009, with pay and managing performance in 2009 being replaced with people/HR practices— and organizational reputation in 2010. Across the regions, the top two drivers—career opportunities and brand alignment—have remained consistent.

Benefits of Retention

Available research findings seem to indicate that there is an intimate connection between successful employee retention and greater continuity of productivity, efficiency in executing work processes, effective use of intellectual capital, speed to market, consistent customer service, and, perhaps most important, increased customer retention and loyalty. Most managers interviewed as part of a research aimed to identify the reasons of employee attrition lamented the loss of talented contributors. They were, however, not very sure about the specific reasons for an employee's departure (Ware, 2001).

To offer competitive benefits and salary packages. There are a lot of information-technology jobs out there and fewer workers.

To offer tech workers opportunities for advancement and to teach others.

To use tech staffing companies and industry referrals to weed out applicants who won't fit the job description or corporate culture.

To build relationships with local colleges, universities and trade schools. Internship programs give students experience and allow your company to sample the local talent for future employees.

Implication

Innovative staff attraction and retention strategies, using private sector's best practice models, could be designed and implemented to attract the right people to the organisation.

Once they are hired, the organisation's aim should be to retain their talents and uses its rewards and recognition

programmes, to strategically channel their efforts in a way that drives individual performance in alignment with organisational objectives. Management should keep in mind that there should be a balance between the amount of effort required and the size or significance of what is being offered as a reward to the employees to motivate them.

Future scope

The another one thing in future on the same study we can reay to find out if the work-life balance of the female employees have any effect on their motivational force as well as their tenure in job or not.

Conclusion

In the competitive, dynamic business environment, retaining employees has become a mandatory requirement. Thus, the course of this study being mainly to identify and analyze the factors affecting employee retention, four commonly identified factors; compensation, work-life-balance, working-environment and superior-subordinate relationship in past researches were considered in this context. Initially, compensation was proven as a retention strategy and meanwhile criticized by some. Yet, it was realized as a major factor affecting retention, as many supported the view, although the criticisms made it clear that, unlike in the past generations, today's employees do not accept money as everything, but just an influencing factor, which must be followed by other factors like work/life balance. The researcher also discovered that not only managerial-workers, but even operational-blue-collar-workers were not solely satisfied by their pay. Referring to work/life balance, it was noted as a major requirement of today's employees, if to stay loyal and committed at work, mainly followed by the fact that even countries like Japan, where people are usually said to be working-to-death with no concern about their personal lives, recently reported that they valued work/life balance. Thirdly, when it comes to working-environment, it was clearly identified that, a good work place should create a pleasant working experience for employees, with adequate resources and flexibility at work. However, it was also understood that the workplace environment should differ from one organization to another, based on the different requirements of the people, mainly based on the different industries that they were operating.

And ultimately, coming to superior-subordinate-relationship, it was widely identified according to the human-nature, that a strong superior-subordinate-relationship was more likely to engage workers, encourage two-way communication, motivate them to raise productivity, which finally led to the building-up of a strong relationship with trust and confidence, thus leading workers to stay committed and loyal to the business. However, this was also identified to be impossible to achieve, based on cultural-backgrounds of certain countries like China. Hence, in conclusion, rather than improving these factors individually, a positive change in all the factors together will assist organizations in achieving employee-retention, thus minimizing any cost-burdens and disruptions on operations. Thus, this research has been able to address the set-objectives, while giving the researcher, potential readers and companies an analysis of these factors which could be used as strategies in increasing future employee-retention-levels.

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