

An Analytical Study of Employee Retention

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Abstract

The organisation has a severe problem with regard to the retention of its workforce. This study placed a strong emphasis on methods for retaining employees. The organization's most valuable resources are its workforce. The management of the organisation should prioritise the happiness of the staff members in order to keep talented and dedicated workers in the organisation. Determine the causes of employee turnover and find solutions to the problem. This study's objective is to demonstrate why retaining employees is so important in the modern day, and if organisations fail to see the gravity of the situation and fail to take prompt action to address the issue, what kind of ramifications are likely to follow, as well as how those repercussions will impact both the organisation and the sector as a whole.

Keywords: Analytical, Employee, Retention

Introduction:

The term "employee retention" refers to an organization's capacity to keep hold of its current workforce. It is also possible to describe it a process in which the resources of an organisation are motivated and encouraged to remain employed by the organisation for an extended length of time for the purpose of ensuring the organization's continued viability. The ultimate goal of employee retention is to increase happiness among all stakeholders, which includes both the company and the employees. It makes it easier for dedicated personnel to remain with the firm for a greater period of time, which in turn will benefit both the shareholders and the employees. The retention of employees is not only a problem that can be solved by keeping records and producing reports. It is entirely dependent on the manner in which the employers comprehend the numerous problems of the workers and the manner in which they assist the workers in resolving their issues when they are in need. Every company devotes resources, including time and money, to the process of training new workers and preparing them for work in the business world. If such workers depart the company after they have completed all of their training, it will be a total loss for the business. When people quit their jobs after having received their full training, it is a complete and total loss for the organisation. The process of retaining employees takes into consideration the many different steps that are performed to ensure that a worker remains with an organisation for the longest possible amount of time. According to research, the majority of employees quit an organisation because they are dissatisfied with their work and have a difficult time getting along with their superiors or other members of the team. A poor income, an absence of opportunities for advancement, and a lack of enthusiasm might often force an employee to hunt for other employment. The management team has a duty to make every effort to keep those workers on board who are extremely valuable to the overall operation and have a track record of making valuable contributions.

EMPLOYEE RETENTION

Retaining workers is a strategy that entails providing incentives for staff members to continue working for an organisation either until the conclusion of a project or until they reach retirement age. It is to everyone's advantage, including the employee as well as the organisation. Another term used in the context of organisations is "attrition," which refers to the amount of workers who leave the organisation before completing the project or reaching retirement age. The 'flip side' of employee retention and attrition is employee recruitment. It is the length of time during which an employee is able to do independently the tasks that have been given to them and begin contributing value to the organisation. Many businesses, including the information technology industry, are making investments in the retention phase of employee employment since the employee is a matter of major importance for the organization(s). In a similar fashion, in order to bring down the rate of employee turnover, it is necessary to implement and follow best practises for employee retention. Attrition is one of the most significant difficulties facing the information technology sector not just

in India but also throughout the world. Attrition is the second most critical issue relating to the Human Resources department, according to the results of a recent poll that was carried out by the All India Management association (AIMA) on the CEOs and HR managers of various IT organisations. According to Dennis Costelle's research (2006), the employee life cycle may be broken down into five distinct phases: the selection and hiring phase, the induction and orientation phase, the retention phase, the continuous performance management phase, and the career development phase.

Source Dennis Costelle, Leveraging the Employee Life Cycle, 2006

Why Retention is necessary

In the process of retaining knowledge workers, personnel are urged to remain with the organisation until the end of the project or until the time of their retirement, whichever comes first. This can be done until either the employee retires or the project is finished. A high turnover rate not only lowers productivity and satisfaction levels among customers, but it also drives up costs. When a person leaves an organisation, they take with them a wealth of information, skills, and relationships, which results in a significant loss for the business. In this kind of situation, the organisation that is competing with you will have an edge over you. According to Abassi and Hollman (2000), when employees leave a company, not only do they take their previous employer's skills and expertise with them, but they also take whatever confidential business information they may have been privy to. Because of this, it is absolutely necessary to determine the cause of the extremely high rate of turnover.

Because of the high attrition rate that businesses are experiencing, they are losing their best and brightest employees. It is critical to have effective talent management in place in order to keep top personnel. According to Peter Cappelli (2008), "Talent Management is the process through which employers anticipate and meet their needs for human capital." The process of "getting the right people with the right skill into the right job" is an example of talent management. It is of the utmost importance to keep top talent in an organisation in order to foster innovation and creativity, both of which will enable an organisation differentiate itself from its rivals.

When it comes to retaining employees, it's crucial to take into account both the amount of time you've worked together and how much you care about each individual. On the one hand, some companies exclusively seek out long-term partnerships with information technology specialists because they operate on the presumption that company-specific expertise and dedication are significant assets in the pursuit of productive contributions. On the other hand, firms do not care about their employees, which results in relationships that are just temporary. A high attrition rate is the result of having short-term relationships. This includes independent contractors who operate on the presumption that their most urgent demand is general information technology capabilities. Organisations are increasing the amount of money they spend on career development and job security as part of an attempt to retain employees for longer periods of time. In addition, they are positioning their recruitment efforts to emphasise the long-term advantages of employment. According to Agarwal and Ferratt (2001), those who are looking for short term partnerships are the ones most inclined to spend more resources on remuneration and perks.

Why Motivation is important to retain Employees

It is essential to do a needs assessment before incurring any costs in order to keep employees from leaving your company if you want to provide them with training. The first step in increasing employee motivation is to determine the elements that workers may consider when deciding whether or not to remain with an organisation. Once elements contributing to the attrition rate have been discovered, it is simple to put those factors into action in order to lower the rate. Maslow's Hierarchy of Needs, the Human Resource Model, and Herzberg's Two-Factor Theory are the three widely accepted theories that explain how needs may motivate employees.

According to Maslow's Hierarchy of Needs (1943), human requirements may be broken down into five categories: physiological, safety, social, esteem, and self-actualization. Among the many

factors that have an impact on the attrition rate are the following:

Physiological Needs include things like Band change, Salary structure, Location Preference, and Increment.

Safety and security requirements include personnel bonds, an ombudsman process, and growth that is performance-linked.

Team building, participation in cultural events, and membership in professional organisations are examples of social needs.

Reward and Recognition and Promotion all contribute to one's sense of self-worth.

Changes in roles and responsibilities, as well as job rotation, are essential components of self-actualization.

The Human Resource Model is the name of a second theory of employee motivation that focuses on the requirements of workers. This groundbreaking piece of research questions the conventional 'command and control' style of management in order to liberate the creative potential and independent decision-making of the entire organisation. McGregor (1960) is one of the first leadership gurus to proclaim a trust in the leadership qualities and efficacy of common employees. He did this in his book "The Leadership Challenge." One of his ideas was to use the well-known concept of Theory X and Theory Y to urge workers to assist in evaluating him and his ideas. According to Theory X, workers have little ambition, treats are necessary to motivate employees, and employees avoid work because they hate it and avoid all responsibility. On the other hand, according to Theory Y, employees crave responsibility, dislike threats, and want to satisfy their need for esteem and self-actualization through work. Work is as natural as rest, and workers want to satisfy their need to satisfy their need for esteem and self-actualization. According to Pfeiffer and Ballew (1991), managers who subscribe to the Theory X perspective believe that their workers are unmotivated and disobedient, and as a result, they must be managed through a system of sanctions and incentives in order for them to be productive. On the other side, managers who adhere to the Theory Y perspective (Pfeiffer and Ballew, 1991) view their staff members as being enthusiastic, hard-working, innovative, and eager to take on responsibilities. It is notable that Theory X focuses on the two bottom levels of Maslow's Hierarchy of Needs, namely security and physiological needs. Management according to Theory X is authoritarian, whereas management according to Theory Y is democratic. Managers that subscribe to Theory Y will be more successful in motivating their workforce. However, the Human Resource Model does have certain drawbacks, one of which is that it does not offer a significant amount of actual foundation for action.

The two-factor theory developed by Herzberg in 1959 is used as a foundation for the creation of the questionnaires that aim to explain the elements that influence retention. In the framework of the two-factor theory, categories such as "motivators" and "hygiene" are examples of what will please an employee enough for them to be maintained. The sole aspect of hygiene that should be concerned with the working environment and the factors that motivate employees should be hygiene. As shown in Figure 3, having a sense of accomplishment, recognition, progress, and responsibility, as well as chances for personnel growth, are all important components of employee motivation. According to Jordan (2003), some of the aspects that contribute to hygiene include organisational policies, working environment, supervision, interpersonal interactions, money, status, and safety.

EMPLOYEE RETENTION DEVELOPMENT

The majority of businesses operating in the corporate sector are frequently concerned about retention. According to the opinions of several experts, it is not difficult to get new employees, but it is quite challenging to hold on to the ones you already have. The cost of keeping personnel is one of the three fundamental factors of economics that are involved in retention. The supply chain and workforce are the other two elements.

IMPROVE EMPLOYEE'S RETENTION:

Employees take pride in knowing that their perspectives are taken into consideration by their employers. Because of this, one of the primary ways in which businesses may boost employee

happiness is by having people participate in an open and dynamic discourse. Employees are going to be happy with their employment, which will result in them being less likely to quit the company when they are provided an outlet to voice their own thoughts, worries, and suggestions; when they believe their efforts will be considered and perhaps implemented; and when they are given the impression that their efforts will be considered and potentially implemented.

SERVICES OFFERED TO IMPROVE EMPLOYEE RETENTION FEEDBACK SYSTEM:

When these connections are added to an already established website, intranet, or employee terminal, they make it feasible for workers to communicate their worries, opinions, or recommendations directly to top management authorities. These officials get the updates in real time, which enables them to address problems as promptly as possible.

Objectives of the study:

1. To conduct research on the factors that contribute to the organization's high staff retention rate.
2. to have a better understanding of the issues that the workers in the organisation are facing.
3. To determine how a retention plan can lower the amount of employees that leave their jobs.

Significance of the study:

Retaining employees is not the same thing as managing retention. It is about being able to manage other people. If an organisation does a good job of managing its people, retaining those employees will take care of itself. People want to work for an organisation that recognises and appreciates their efforts, gives many possibilities, and treats them with respect. An environment that is welcoming and cooperative, as well as giving workers the impression that the company is a second home for them. The organisation has made the maintenance of its workforce a primary focus of its efforts.

Retention Involves Five Basic Things

Environment: A motivated worker has the desire to contribute to aspects of the job that are not specifically included in his job description. According to Ramlall (2003), a proper work environment is a must for an employee in an organisation since it will foster dedication. He emphasised this point. According to the findings of Nelson's (2006) research, having a work that you enjoy is unbeatable, irreplaceable, and invaluable. Negatively impacting the desired level of work are employees who have given up hope. A relatively low percentage of employees who are happy in their jobs has a significant impact not only on the performance of the organisation, but also on the work environment, which in turn has an impact on the performance of employees and the organisation.

Growth: Personal development is an essential component of everyone's professional life. There is a good likelihood that an employee will leave his present organisation as soon as he has the chance to do so if the organisation does not provide him with a clear route for professional advancement in his current role.

Grossman, J.(2002) emphasised that Work growth is not just the outcome of organisational provenance being offered to employees by the organisation, but also the influence of employee performance inside the organisation itself. The end effect of employee behaviour, such as performance, retention, and satisfaction, is growth and productivity in an organisation.

Compensation: The biggest factor in determining whether or not an employee stays put is their pay. The employees always have quite high expectations with relation to the remuneration packages that they get. The compensation consists of a salary and wages, as well as bonuses, health insurance, and benefits upon retirement. 2001 publication by Davies, Taylor, and Savery Every organisation does some form of compensation for its best employees, but relatively few of those organisations utilise compensation as a strategic tool. In their report, it was said that "Salary and benefits policies are not being used strategically within the organisation to improve morale, reduce turnover, and achieve targets within an establishment." According to the findings of a study, salary is not among the most important elements that influence employee turnover among non-management positions; nevertheless, it can be an important factor in lowering employee turnover among management positions and enhancing employee commitment.

Relationship: Sometimes an employee's connection with both their superiors and their peers ends up being the impetus behind their decision to quit an organisation. In many cases, the management is unable to offer employees with a supportive work culture and environment, both in terms of the personnel and the professional connections that exist inside the workplace. A supportive culture at work helps people grow professionally and enhances the pleasure of both employers and employees. There are occasions when an employee will begin to feel resentment towards the management or their colleagues, which can eventually lead to decreased job satisfaction and ultimately attrition.

Armstrong (2003) The term "employee relations" refers to any aspects of human resource management that include dealing with workers either directly or indirectly, such as through collective bargaining agreements in which labour unions are acknowledged. The union advocates for the health and safety of its members as well as for improved working conditions. Employee relations are concerned with the general management of the connection between an employer and their employees in the workplace. This relationship might be formal, such as in the case of a contract of employment or a procedural agreement.

Support: Workers in today's society are demanding the right to work in environments that support them in maintaining a healthy work-life balance rather than those that require them to prioritise their careers above their families. Schemes like: Special programmes, such as scholarships, medical benefits, and training opportunities, for their children. William Kahn(1993) "The harnessing of organisation members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally while they are performing their role performances." An employee's participation in, devotion to, and contentment with their work, as defined by the definition: "an employee's engagement." Employee retention may be improved by increasing employee engagement.

Three R's of Retention:

A person is shown respect when they are regarded with esteem, special regard, or especial consideration. Respect is the cornerstone of an effective employee retention strategy, as seen by the pyramid. If you do not appreciate your staff, then recognition and prizes will not have much of an impact.

"Special notice or attention" is one definition of recognition, as is "the act of perceiving clearly." Because management is not paying attention to the requirements and responses of the workforce, there are many issues with employee retention and morale.

People are more likely to work hard, care about their work, and go above and beyond the call of duty if they know they will be rewarded for their efforts in addition to the fundamental benefits of respect and recognition. Even though incentives are the least significant part of the equation for determining retention, they are nonetheless an essential component.

Agarwal (1998) provided an explanation of what the term "reward" means by stating that it is something that an organisation delivers to the workers as a reaction to the job as well as performance and something that the employees desire.

Employee Retention Strategies:

The basic practices which should be kept in mind in the employee retention strategies are:

1. Make sure you start out by hiring qualified individuals.
2. Give the staff more responsibility. You should delegate responsibility for getting things done to your staff.
3. Drive home the point to employees that they are the organization's most important and valued resource.
4. Have complete trust and regard for them, as well as faith in them.
5. Offer them information and education on the subject.
6. Continue to provide them with comments on how well they are performing.
7. Acknowledge and respect the accomplishments that they have made.
8. Ensure that their morale remains strong.

9. Foster an atmosphere in which the staff members not only desire to work but also have a good time.

People want to like what they do, therefore you should make sure their jobs are pleasurable. Recognise that your employees need to find a balance between their personal and professional lives, and make beginning times and core hours as flexible as possible. In order to encourage open communication, you should provide 360-degree feedback surveys and other questionnaires. Think about enabling anonymous surveys on occasion so that staff would feel more comfortable being open and forthright with their responses. Make sure that there are possibilities for employees to further their careers and receive cross-training inside the organisation. Provide perks that are enticing and competitive.

Research Methodology:

The Descriptive Research Design was chosen for this investigation, and a questionnaire served as a research instrument that was sent to participants. The data for the study have been gathered from a variety of sources, including primary and secondary sources, so that the objectives of the study may be met. The personnel of the medium-scale industries have provided their input for the data collection. The Judgement Sampling Method was utilised in this particular research project. Six industries operating on a medium size were chosen, and ten employees from each of those industries were chosen as a sample. Therefore, the optimal number of employees to sample was sixty. The questionnaire that was utilised in this investigation had a 5-point scale that ranged from strongly disagreeing to highly agreeing. The percentage approach was utilised to analyse the collected data.

Data Analysis and Interpretation:

The following table provides a summarised examination of the data for eight different components. The opinion of respondents was acquired through the use of a variety of different questions that were worded for each quality.

Opinion/Attributes	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Total (%)
Relationship	0	2	22.2	28.6	47.2	100
Compensation	7.5	11	20	17.5	44	100
Career	0	0	14.67	35.33	50	100
Work life Programs	1	8	21	19	51	100
Work Environment	2	7	14.67	33.33	43	100
Culture	2	5	16	24.34	52.66	100
Leadership	0	3.5	7.5	49.5	39.5	100
Benefits Programs	3.33	6	42.33	30.34	18	100

Graphical presentation of Data Analysis

Findings:

1. The data shown in the table above demonstrates that the relationship between employees and management is the most critical factor in increasing staff retention rates within the organisation.

2. Compensation, whether in the form of pay or another monetary advantage, is almost always an effective motivator to stay with an organisation. In any other case, high-paying positions offered by competitors will entice qualified applicants.
3. According to the findings of the comprehensive study, the vast majority of workers have demonstrated a solid acceptance of the significance of the culture of the organisation in maintaining staff retention.
4. They are pleased with the way the company operates as a whole. So they are not considering looking for work elsewhere at this time.
5. It was discovered that the majority of respondents believe that the work environment (including the facility, workplace, and campus) has an effect on employee job satisfaction and, ultimately, employee retention.
6. It has been shown that the majority of workers place a significant amount of value on the supervision, direction, and advice provided by the organisation.
7. The majority of respondents believe that benefit programmes such as health and welfare, retirement benefit, and paid time off facility are helping people achieve a better balance between their professional and personal lives.
8. Respondents had the impression that work life programmes (family support and personal assistance) are meeting their needs to maintain a healthy balance between their personal and professional lives.
9. It was shown that providing workers with career possibilities leads to increased levels of job satisfaction. The right kind of leadership is necessary in order to motivate people.

CONCLUSION

The findings of this study highlight the growing significance of retaining valuable employees inside the organisation. It sheds light on the factors that contribute to the high turnover rate as well as the costs that this action imposes on the business. This research provides a concise overview of the many different domains in which employee retention tactics are executed. These domains include the following: work environment, work culture, pay negotiation, compensation management, incentives and recognition, leadership, and the interaction between employees and management. As a result, the company is able to instill specific practises that motivate employees to provide strong performance and keep them employed by the company through the provision of a variety of welfare measures and the implementation of retention initiatives. The key to achieving maximum results from intangible assets and keeping them for the long term is their effective management and continued development. According to Child and Rodrigues (2005), the new employment paradigm makes it less likely that knowledge workers, along with many other workers, would remain loyal to their employers over the long run. According to the findings of this study, factors that are connected to pay concerns have the greatest impact on employee turnover. That employers ought to exercise caution when formulating compensation-related rules and non-financial perks is the implication of this. In order to keep a large number of workers, the remuneration of those employees should be competitive with the market. Additionally, the organisation should place a strong emphasis on the motivation and contentment of its workforce. The average number of positions that information technology professionals held throughout the course of their working lives was two ten years ago, but that number has increased to more than five now, according to research published in 2005 by Cieri and Kramar. The goal of the Retention Strategy, which is utilised in Human Resource Management, is to retain a company's best employees working for that company.

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