



## **“A Study of Employee retention strategies across all industries, including the IT Sector”**

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### **Abstract:**

The organization's difficult challenge is employee retention. This study placed a strong emphasis on employee retention tactics. The organization's greatest asset is its workforce. Management should focus on ensuring employee satisfaction if it wants to keep talented and devoted workers in the company. Learn the causes of employee turnover so you can stop it. The goal of this study is to demonstrate how important staff retention is in the modern workplace, as well as the potential consequences for the organisation and the sector if leaders do not recognise the issue and take prompt action.

### **Key Words:**

Employee Retention, Reasons of Employee Turnover, Strategies of Employee Retention. Introduction:

The capacity of an organisation to retain its staff is known as employee retention. It is also known as a procedure that encourages and motivates resources to remain in a company for a longer period of time in order to ensure the organization's survival.

Making all the stakeholders—employees and employers—happy is the ultimate goal of employee retention. It makes it easier for devoted personnel to stay with the business for a longer period of time, which will benefit both parties.

Employee retention is not just a matter that can be dealt with records and reports.

It only depends on how well-informed the employers are about the different issues that worry their workers, and how they assist them in finding solutions when necessary.

Every organisation invests time and resources to train new hires and get them ready for the corporate world. If such personnel leave the company after receiving all necessary training, the organisation will suffer a complete loss.

**Objectives of the study:**

1. To study about the employee retention in the organization.
2. To find the problems of the employees in the organization.
3. To know how retention strategy reduces employee turnover.

**Significance of the study:**

Managing retention is not the goal of employee retention. It involves controlling others. Employee retention will be taken care of itself if an organisation manages its personnel well. People want to work for a company that offers: Recognition for the work done, numerous opportunities, An atmosphere that is welcoming and cooperative, giving employees the impression that they are working in a second home. The organisation now places a high priority on employee retention.

**Theoretical Background:**

The process of employee retention will benefit an organization in the following ways:

1. **The Cost of Turnover:** Employee turnover costs a corporation hundreds of thousands of dollars in additional expenses. Although it is challenging to completely evaluate the cost of turnover (including hiring costs, training costs, and productivity loss), industry experts frequently use a conservative estimate of 25% of the average employee wage.  
**Loss of Company Knowledge:** When an employee leaves, he takes with him valuable knowledge about the company, customers, current projects and past history (sometimes to competitors). Often much time and money has been spent on the employee in expectation of a future return. When the employee leaves, the investment is not realized.
2. **Interruption of Customer Service:** Customers and clients choose a company in part due to its employees. Relationships are built that support the business's continued

- sponsorship. When an employee leaves, the connections they developed for the business are broken, which may result in a potential loss of customers.
3. Turnover leads to more turnovers: When an employee terminates, the effect is felt throughout the organization. Co-workers are often required to pick up the slack. The unspoken negativity often intensifies for the remaining staff. Goodwill of the company: The goodwill of a company is maintained when the attrition rates are low. Higher retention rates motivate potential employees to join the organization.
- a) Stress from overwork and work life imbalance: Job stress can lead to work life imbalance which ultimately many times lead to employee leaving the organization.
- b) Compensation: Better compensation packages being offered by other companies may attract employees towards themselves.
- c) New job offer: An attractive job offer which an employee thinks is good for him with respect to job responsibility, compensation, growth and learning etc. can lead an employee to leave the organization.

The task of managing employees can be understood as a three stage process:

1. Identify cost of employee turnover
2. Understand why employees leave
3. Implement retention strategies

## **Review of Literature**

The first step for organisations should be to determine the staff turnover rates over a specific time period and compare them to those of rival companies. This will make it easier to determine whether the company's employee retention rates are healthy. Second, it is possible to estimate the price of staff turnover. According to a poll, attrition costs businesses, on average, six months' compensation for each hourly employee who leaves and 18 months' salary for each management or professional who leaves. Hytter (2007) explained that there are some factors such as personal premises of loyalty, trust, commitment, and identification and attachment with the organization have a direct influence on employee retention and workplace factors such as rewards, leadership style, career opportunities, the training and development of skills, physical working conditions,

and the balance between professional and personal life have an indirect influence.

Garg & Rastogi (2006) explained that in today’s competitive environment feedback is very essential for organization.

### **Retention Involves Five Basic Things**

**Environment:** A motivated employee wants to contribute to work areas outside of his specific job description.

Ramlall (2003) stressed that a suitable work environment is the need of an employee in an organization as it will encourage commitment.

Nelson(2006), explained in his study that job satisfaction is priceless, incomparable and invaluable. Hopeless employees negatively upsetting the desire level of work. A little amount of employees which are satisfied with their work not only affect the performance but also the work environment affects the performance of employees and performance of organization.

**Growth:** Growth is an integral part of every individual’s career. If an employee cannot foresee his path of career development in his current organization, there are chances that he’ll leave the organization as soon as he gets an opportunity.

Grossman, J.(2002) stressed that Work growth is the effect of employee performance in the organization as well as the result of organizational provenance provided to employees by organization. The Growth and productivity is the ultimate result of employee behavior such as performance, retention, satisfaction of employees.

**Compensation:** Compensation constitutes the largest part of the retention process. The employees always have high expectations regarding their compensation packages. Compensation includes: Salary and Wages, Bonus, Health Insurance, after retirement benefits.

**Relationship:** Sometimes the relationship with the management and the peers become the reason for an employee to leave the organization. The management is often not able to provide an employee a supportive work culture and environment in terms of personnel and professional relationships. A supportive work culture helps grow employees

professionally and boosts employee’s satisfaction. There are times when an employee starts feeling bitterness towards the management or peers, which leads to less satisfaction and eventually attrition.

**Support:** Employees today are asking for a work place that helps them balance the demands of their work and family lives, rather than forcing them to one over the other. Schemes like: Special schemes for their children, Scholarship, Medical benefits, Training etc

### **Three R’s of Retention:**

**Respect** is esteem, special regard, or particular consideration given to people. As the pyramid shows, respect is the foundation of keeping your employees. Recognition and rewards will have little effect if you don’t respect employees.

**Recognition** is defined as “special notice or attention” and “the act of perceiving clearly.” Many problems with retention and morale occur because management is not paying attention to people’s needs and reactions.

**Rewards** are the extra perks you offer beyond the basics of respect and recognition that make it worth people’s while to work hard, to care, to go beyond the call of duty. While rewards represent the smallest portion of the retention equation, they are still an important one.

Agarwal (1998) gave an explanation to the term reward as something that the organization offers to the employees in response of the work as well as performance and something which is desired by the employees.

### **Employee Retention Strategies:**

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

1. Hire the right people in the first place.
2. Empower the employees. Give the employees the authority to get things done.
3. Make employees realize that they are the most valuable asset of the organization.
4. Have faith in them, trust and respect them.

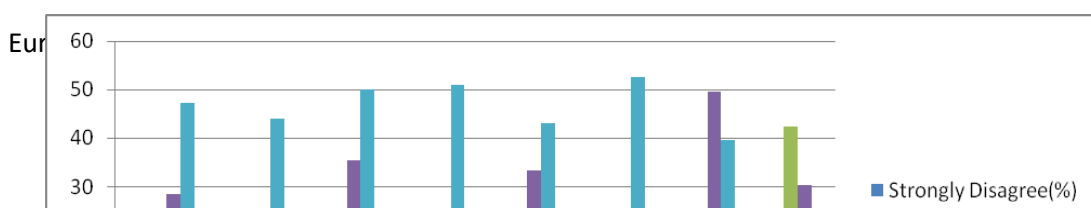
**Research Methodology:**

This study uses a questionnaire as a tool for doing research and is based on a descriptive research design. Data from both primary and secondary sources have been gathered in order to meet the study's goals. Data were gathered from the workers in the medium-sized industries. The judgement sampling method was employed for the current investigation. Ten employees from each of the six medium-sized industries were chosen as a sample. Therefore, a sample size of 60 workers was desired. The five-point scale utilised in the questionnaire for this study ranged from strongly disagree to strongly agree. The percentage approach was applied to the data analysis.

**Data Analysis and Interpretation:**

Summarized data analysis table for eight components are given below. For the each attributes different questions were framed and collected the opinion of respondents.

<b>Opinion/ Attributes</b>	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:**

- • The above table demonstrates that the most crucial factor in boosting employee retention in an organisation is the interaction between staff and management.
- • Financial benefits, such as pay or salary, are always incentives to stay employed by an organisation. Otherwise, skilled workers will be drawn to the well compensated jobs of rivals..
- • The majority of employees, according to the overall analysis, have a strong understanding of the role that organisational culture plays in retaining personnel. They are content with the corporate culture. Therefore, they are not considering changing jobs.
- • The majority of those surveyed believed that the workplace (facility, workplace, and campus) had an impact on employee job satisfaction and, ultimately, employee retention.
- • It was noted that the majority of employees in the organisation place a high value on supervision, direction, and guidance.
- • According to the majority of respondents, benefit programmes like those for health and welfare, retirement benefits, and paid time off help people balance their work and personal lives.
- • The respondents felt that the work-life programmes (family support and personal assistance) help them balance their personal and professional lives. It was found out that, Career opportunities gives satisfaction to the employees.

Proper Leadership is required for motivation.

**Conclusion:**

This study demonstrates the growing significance of employee retention in the workplace. It draws attention to the causes of the high turnover rate and the costs this behaviour incurs for the business.

This study briefly discusses the various contexts in which employee retention strategies are put into practise, such as the work environment, work culture, salary negotiation, compensation management, rewards and recognition, leadership, and the interaction between staff members and management. Therefore, by giving various welfare measures and executing retention tactics, the organisation can impart specific practises that encourage employee performance and keep them in the organisation.

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