Employee Retention Strategies for Organizational Success

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ABSTRACT

Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their jobs. How to retain valuable employees is one of the biggest problem that plague companies in the competitive marketplace. In order to create a successful company, employers should consider as many options as possible when it comes to retaining employees, while at the same time securing their trust and loyalty so they have less of a desire to leave in the future. Employee retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. For every company, workforce is an intellectual capital which is the source of its competitive advantage and helps achieve the bottom line. Hence, retaining a well trained, skilled and contented workforce can lead a company to dizzy heights while the lack of it can hamper its growth badly. So, every resignation saved is every dollar earned. In today's environment it becomes very important for organizations to retain their employees.

Keywords: Meaning of Employee Retention, Reasons for leaving organizations, Importance of Employee Retention., Effective tools for Organizational Success.

INTRODUCTION

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. Also of concern are the costs of employee turnover (including hiring costs, training costs, productivity loss). Replacement costs usually are 2.5 times the salary of the individual.

The costs associated with turnover may include lost customers, business and damaged morale. In addition there are the hard costs of time spent in screening, verifying credentials, references, interviewing, hiring, and training the new employee just to get back to where you started.

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Organizational policies and practices designed to meet the diverse needs of employees and create an environment that encourages employees to remain employed. The top organizations are on the top because they value their employees and they know how to keep them glued to the organization. Employees stay and leave organizations for some reasons:

The reason may be personal or professional. These reasons should be understood by the employer and should be taken care of. The organizations are becoming aware of these reasons and adopting many strategies for employee retention.

Importance of employee retention

Why is retention so important? Is it just to reduce the turnover costs? It's not only the cost incurred by a company that emphasizes the need of retaining employees but also the need to retain talented employees from getting poached.

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

1. The Cost of Turnover: The cost of employee turnover adds hundreds of thousands of money to a company's expenses. While it is difficult to fully calculate the cost of turnover (including hiring costs, training costs and productivity loss), industry experts often quote 25% of the average employee salary as a conservative estimate.

2. 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.

3. Interruption of Customer Service: Customers and clients do business with a company in part because of the people. Relationships are developed that encourage continued sponsorship of the business. When an employee leaves, the relationships that employee built for the company are severed, which could lead to potential customer loss.

4. 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.

5. 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.

6. Regaining efficiency: If an employee resigns, then good amount of time is lost in hiring a new employee and then training him/her and this goes to the loss of the company directly which many a times goes unnoticed. And even after this you cannot assure us of the same efficiency from the new employee

Employee retention tools

Hiring individuals who are truly fit to succeed in the position for hire will dramatically increase the chances of that employee being satisfied with his or her work and remaining with the company

for extended period of time. By far, we have found this to be the biggest predictor of future employee retention.

1. Communication: Communication has become so heavily stressed in the workplace that it almost seems cliché. However communication couldn't be more important in the effort to retain employees. Be sure that team members know their rules, job description, and responsibilities within the organization. Communicate any new company policies or initiatives to all employees to be sure that everyone is on the same page. Nobody wants to feel that they are being left out of the loop.

2. Include employees in decision making: It is incredibly important to include team members in the decision making process, especially when decision will effect an individual's department or work team. This can help to create of employee involvement and will generate new ideas and perspectives that top management might never have thought of.

3. Allow team members to share their knowledge with others: The highest percentage of information retention occurs when on shares that information with others. Having team members share when they have learned at a recent conference or training workshop will not only increase the amount is information they will retain, but also lets a team member know that he is a valuable member of the organization. Facilitating knowledge sharing through an employee mentoring program can be equally beneficial for the team member being mentored as well as mentor.

4. Shorten the feedback loop:Do not wait for an annual performance evaluation to come due to give feedback on how an employee is performing. Most team members enjoy frequent feedback about hoe they performing. Shortening the feedback loop will help to keep performance level high and will reinforce positive behavior. Feedback does not necessarily need to be scheduled or highly structured; simply stopping by a team member's desk and letting them know

they are doing a good job a current project can do wonders for morale and help to increase retention.

5. 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.

6. 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 advancement or new opportunities.

7. Recognize team members for their hard work and let them know they are appreciated: This can be one of the single greatest factors affecting employee retention. Everybody, in the all levels of an organization, wants to know that their efforts are appreciated and recognized. This can be as simple or as extravagant as a supervisor may desire. Often time a short e-mail or quickly stopping by a team member's desk and saying "thanks" can do wonder for morale. Other options might include a mention in the company newsletter for outstanding performance or gift certificates to a restaurant o movie theatre – the possibilities are endless.

8. Clearly define what is expected of team members: Nothing can be more frustrating or discouraging for an employee than the lack of a clear understanding of what is expected of him on the job. In a performance driven workplace a lack of clarity regarding job duties and expectations can cause fear and anxiety among employees who are unclear of what is expected of them. Even worse outright anger can occur when a team member receives a negative performance evaluation based on expectations and job duties that he or she was unaware of or unclear about.

9. The quality of supervision and mentorship:It has been said so often that it is almost cliché, but people leave, not their jobs. Supervisors play the largest role in a team member's development and ultimate success within an organization. All employees want to have supervisors who are respectful, courteous, and friendly – that is a given. But more importantly team member want supervisors who se clear performance expectations, deliver timely feedback on performance, live up to their word and promises, and provide an environment where the employee can grow and succeed. Failure by supervisors and management to provide this can cause an employee to start looking for greener pastures.

10. Fair and equitable treatment of all employees: One of the surest ways to create animosity and resentment in an organization is to allow favoritism and preferential treatment of individual team members. The so-called "good ole' boys club" cancreate a noxious organization culture and foster resentment among team members. This culture will only get worse and can create a devastating exodus of valued team members.

11. Best employee reward programs:If these rewards are in terms of money, by dividing it into two parts and giving the first half parts with the initial month's salary and the remaining after six months helps in retaining the employee for six months.

12. Career development program:Conditional assistance for certain courses should be provided within the company in which the company will bear the expenses only if he/she scores a certain aggregate of marks.

13. Performance based bonus:To get more work out of the employees, remuneration in the form of bonus helps to retain individuals who are highly productive. It doesn't add extra – pressure on the company's budget. It can be arranged by cutting a part of the salary hikes.

14. Employee referral plan:Introducing employee referral plans and giving referral bonus after six to nine months of continuous working of the new employee as well as existing employee reduces the hiring cost of new employee as well as helps retention of the existing ones for a longer period of time.

15. Loyalty bonus:After successful completion of a specified period of time in an organization rewarding employees with money or position gives recognition and satisfaction to them. It also gives encouragement to the fellow employees.

16. Giving voice to the knowledge banks: The important intellectual assets of the company is the workforce. The company should retain it through involving I in some of the important decisions

17. Employee recreation:Involvement of top management along with the lower and middle level management in some recreational activities makes the employees feel that they are very close to the management and are treated equality.

18. Gifts on some occasions:Giving some gifts on festivals and special occasions to the employees makes them feel good and realize that the management is concerned about them.

19. Accountability:Creation of an environment that demands accountability and transparency helps employees to feel that they are as superiors. This helps in emotional bonding of the employees.

20. Surveys:Conducting regular surveys, feedbacks from superiors as well as other issues like morale, development plans, etc. This make them feel important and understand that the company really cares for them

21. Fun and laughter at workplace:Fun and laugher in a workplace lend a competitive advantage to an organization through its human recourses. The presence of humor in a workplace enables the employees to work with interest and enthusiasm that reduce the work pressure and attrition levels. It instills a sense of joy among the employees that can go a long way in creating a bond between the employees and the employer and thereby deceasing the rate of employee attrition.

22. Employment Agreement: Legal agreements are necessary evil to ensure that there is a meeting of the minds as to exactly what the parties agree to when they enter into a relationship such as that of employer and employee.

23. Training: Pre-work training should include a review of your policies and procedures, with special emphasis on the most important subjects.

24. Support: Employees need someone readily available to help when they have questions or encounter problems.

25. Corporate Culture: Leaders of World -class businesses recognize that their companies exist to satisfy a social need. Profits are not the goal, but are a byproduct of meeting the needs of customers and employees.

26. Leadership: A leader should possess ten basic keys:
A) Integrity ,   B) Trust,   C)Respect,
D)Fairness ,   E)Vision ,   F) Optimism,
G) Decisive ,   H)Example, I) Teamwork,
J)Authority

In a nutshell, creating a fun and laughter –filled wok environment in an organization will pave the way for its success in the marketplace. such a company is sure to emerge as an 'employer of choice'. For every company, workforce is an intellectual capital which is the source of its competitive advantage and helps achieve the bottom line. Hence, retaining a well trained, skilled and contented workforce can lead a company to dizzy heights while the lack of it can hamper its growth badly. So, every resignation saved is every dollar earned.

CONCLUSION

No doubt, soaring retention levels are proving to be a serious problem for organizations.

Concerted efforts to keep retention on tight leash will definitely help. How retention level will lead to fewer operational problems, greater productivity and soaring morale and huge cost saving to the organization.

In this context, attrition management has become the strategic focus and compelling necessity of businesses today. Thus, ignoring the problem of mounting attrition level can have devastating consequences for the business. Organization can afford to ignore the problem at own peril.

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Happy are those who are concerned for the poor; the Lord will help them when they are in trouble. PS. 41:1

IMMANUEL ASSEMBLY FOUNDATION CHARITABLE TRUST (Regd.4891)

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IMMANUEL ASSEMBLY FOUNDATION TRUST is a Delhi based non-governmental organization (NGO). It is a National Level REGISTERED Charitable Trust certified under Section 12AA and 80G of the income Tax Act 1961.

Vision

The vision of the trust is to help. With a base in the city and an establishment in a village we intend to bridge a gap. The situation is ideal. We have watched many paraplegics. It wrenches one's heart to see intelligent human beings moving around with so less dignity. Because many of them are unaware or unable to change. Dignity will encourage them to stand up and prove themselves. There is so much to be done. To turn this vision into reality we need support.

We carry out project work in the following villages
Village Madanpur Khader Centtre, New Delhi-76

This is a resettlement colony formed by the Juggi's relocated from seven areas. Totally 50,000 people reside in the village.

Village Jasola Centre, New Delhi-25

This village has been inhabited by the SC/ST from Jharkhand, Bihar, Uttar Pradesh and Haryana.

A total of 25,000 peopal live in this village

The gole of the Trust is to be a channel of blessing for the weaker section of the society through projects focusing on areas such as Balwadi, Cutting and Tailoring, Computer Operator Courses. Health Care, Day Care and Musician Course. Soon, we will starting the mobile repairing course.

Sponsor a Child Today!

We invite you to participate in your own special way to work with us to serve severely impoverished or at-risk children in developing nations throughout the world.

God has called IMMANUEL ASSEMBLY FOUNDATION TRUST in partnership with people like you to meet the physical, educational, emotional and spiritual needs of orphaned and neglected children. This holistic approach not only ensures that each child receives food for life here on earth, but eternal food for life in heaven. Jesus said in Luke 4:4 that, "Man does not live on bread alone."

To accomplish our objective, the following three needs are met on a regular basis from the time a child enters our program until High School graduation:

Spiritual Discipleship: Each child will be loved and be taught God's Word.

Educational Development: Each child will enroll in school and receive tutoring.

Health Advancement: Each child will receive adequate nutrition, potable water and medical care.

Monthly sponsorship is just Rs.400/$30 and every rupee/dollar you give goes to the Child Sponsorship Program to provide things like education, food, medical care, and spiritual nurturing for your sponsored child. Our general administrative and fund raising costs are covered through other donations.

All your donation from Indian are tax exempted under Section 80G