

# A Study on Employee Retention: An Important Factor for Organisation Growth in Healthcare Sector

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## ABSTRACT

Employee retention in the healthcare sector is a key determinant of organizational growth and service delivery. The healthcare industry faces unique challenges in retaining skilled professionals, where demand for quality healthcare services is on the rise. This study investigates the factors influencing employee retention in healthcare organizations.

The study investigates how employee engagement, job security, company culture, work environment, and recognition affect retention rates. Additionally, it assesses how work-life balance efforts, mentorship, and training programs contribute to employee loyalty.

This study advances our knowledge of employee retention in the healthcare industry by providing insightful information that can inform policy and decision-making.

This research contributes to the broader understanding of employee retention in the healthcare sector, offering valuable insights that can guide policy and decision-making for healthcare institutions. Ultimately, the study highlights that a strategic focus on employee well-being and career growth not only helps in retaining talent but also enhances the overall quality of healthcare services.

**Keywords:** Employee, Retention Health care sector, strategies

## INTRODUCTION

Employee retention is simple to understand, but at the same time can be difficult to achieve. Knowing what employees want and need is a step in the right direction. Managers need to acknowledge and accept that they are responsible for managing the factors within their control to retain their most valuable employees. It is a fact that retaining key employees is critical to the long-term well-being and success of any organization. Employee performance is often directly related to the quality of work, customer satisfaction, increased product sales, and even a company's image. Indirectly, it is often related to satisfied colleagues and employees, effective

succession planning, and deeply embedded knowledge and learning within the company. (J. Pavithra and Thirukumaran)

Employee retention in healthcare is a critical issue that healthcare organizations must address urgently. In 2023, nearly 20% of healthcare workers left their roles, a trend that underscores the growing challenges the industry faces.

The nature of healthcare work — long hours, emotional toll, and physical demands — takes a significant toll on workers. On top of that, rising incidents of violence against healthcare providers and the increasing rates of stress and burnout add to the pressures. Staff shortages only compound these issues, leaving many workers feeling overwhelmed and undervalued.

However, despite these challenges, the need for healthcare professionals is at an all-time high. As the global population ages, healthcare demand continues to surge. Staff continuity is not only crucial for improving patient care but also for ensuring better health outcomes and overall patient satisfaction. Healthcare providers must take urgent steps to create supportive work environments, provide mental health support, offer competitive compensation, and develop retention strategies that keep employees engaged and motivated to stay in their roles. Employee retention in healthcare has been a persistent and complex issue, one that has been exacerbated by the COVID-19 pandemic. Before the pandemic, healthcare organizations already faced challenges in keeping staff, but the crisis intensified the problem. During the initial months of COVID-19, an estimated 1.5 million healthcare jobs were lost, highlighting the severe impact on the workforce.

Employee retention in healthcare refers to the strategies and efforts healthcare organizations implement to keep their workforce over the long term. These strategies aim to reduce turnover, ensure engagement, and maintain a dedicated and committed workforce.

Looking ahead, the U.S. healthcare industry is projected to face significant shortages by 2025, including:

- Over 400,000 home health aides
- More than 98,000 medical lab technicians/technologists
- Around 29,400 nurse practitioners
- Over 95,000 nursing assistants

The Bureau of Labor Statistics reported a turnover rate of 32% in healthcare, a number that worsened during 2020 when the rate skyrocketed to 45%. These alarming statistics underline the critical labor shortages in healthcare that not only persist today but are expected to grow in the future. (HCTL Team ,2023)

## OBJECTIVE

- To highlight the various factors which affect retention initiatives in an organization.
- To propose the various strategies for reducing employee retention

## NEED OF THE STUDY

Employee retention is crucial for the growth and success of healthcare organizations. Retaining qualified personnel is essential to maintaining stability and providing top-notch patient care in light of the growing demand for high-quality healthcare. This study will offer insightful information about practical tactics that healthcare organizations can use to enhance employee performance and retention.

The goal of the study is to pinpoint the main elements that affect employee retention, including work-life balance, career advancement, job satisfaction, and the workplace environment. Hospitals and other healthcare facilities can create stronger rules that maintain staff members' motivation, engagement, and commitment to their jobs by having a better understanding of these factors.

## SIGNIFICANCE OF THE STUDY IN HEALTHCARE

This study helps healthcare employers understand the key factors driving staff turnover. By identifying the reasons healthcare professionals move from one organization to another, employers can take proactive measures to address these issues and reduce employee mobility rates.

Additionally, the study provides valuable insights for policymakers, emphasizing the need to formulate effective policies for employee management in the healthcare sector. Ensuring a stable and satisfied workforce is crucial for maintaining high-quality patient care and overall economic development.

Furthermore, the findings of this research will serve as a foundation for future studies, particularly in academic settings, to explore the evolving dynamics of the healthcare job market. The information presented in this study can also be a valuable reference for other researchers examining workforce trends and retention strategies in the healthcare industry.

## LIMITATION

- This study is restricted only in healthcare organization.
- The further study can also be conducted in other sectors like Manufacturing, Banking and other sectors as well.
- Studies can be done by considering a larger area like state-wise survey.

## RESEARCH METHODOLOGY

This study is based on secondary data collected from various online websites, research papers, articles, etc. to provide a better understanding of the topic. Secondary data is information that comes from primary sources and is made available to academics for use in their own research.

## REVIEW OF LITERATURE

Meudell and Rodham, (1998) suggested that when organisations lack of some of the following factors; good relationships between managers and employees, when employees are not sure of job security, good working environment, competitive salary and other rewards packages might lead to high turnover.

Healthcare services are a crucial need for everyone today. Technological advancements and education have increased awareness of their importance, especially with the rise of new diseases. However, knowledge alone is not enough—skilled healthcare professionals are essential. Their retention is vital for ensuring quality care, hospital growth, and reputation. Hence, healthcare organizations must prioritize employee retention strategies for long-term productivity (Mohanty, 2009).

Employee working in the healthcare organizations have a very busy schedule. Healthcare professional spend most their time in their workplace so, it is the managements responsibility to create a conducive working culture for their employees. They should foster working environment in such a way that ensures that all employee needs are met which may have a significant impact on their retention (Cowden et al., 2011)

Employee retention is crucial in healthcare as hiring and training new staff require substantial time and costs (Sajjad, 2014). High turnover disrupts operations, making it essential to address attrition causes. Key factors influencing retention include workplace culture, compensation, career growth, and recognition. Strict policies due to declining productivity can further impact retention. A strong strategy focusing on job satisfaction, work environment, and career development is vital for workforce stability.

In a study Julia Martyn and Kamil Grabias(2019) highlighted that Shift work has negative consequences in the form of the impoverishment of personal life. That this may be affected by irritability and the difficulty of undertaking everyday household activities. The workplace of respondents is related to their relationship with family and friends. Underestimation of the nursing profession associated with modest salaries causes reluctance to maintain good relationships with family and friends.

Matthews, (2011) notes essentially, this practice allows employees to adjust their work hours slightly according to their personal needs, it is popular among employees with school-going children who are usually occupied with their families early morning and late evening. At the same time, because they are still putting in the required number of core hours at the office, their performance in the organisation is not compromised

The 2016 study on Employee Retention and Engagement Practices at Medica Super-specialty Hospital, Kolkata, found that employee participation **had** the highest impact on retention and engagement. This was followed by **fair** compensation and supervision relations. Job engagement correlated significantly with job attractiveness and participation, while fair compensation and supervision relations were also strongly linked to participation.

Chaudhry Shoaib Akhtar, Maqsood Haider, Alamzeb Aamir and Abu Bakar Abdul Hamid investigated the influence of work-life balance on job satisfaction leading to retention. Further, work volition was tested as a moderator between work-life balance and job satisfaction. The study results indicate significant influence of all

work volition as a moderator. The study found that job satisfaction had a partial mediation effect on the relationship of work-life balance and retention.

Muhammed Riyaz and Dr. Nisha Ashokan (2023) found that job happiness and employee recognition are key predictors of employee retention in private hospitals. While workplace environment, pay, perks, and work-life balance were also noted, they were less influential. Other crucial factors included training, fairness, leadership quality, and hospital facilities. The study highlights the importance of trust, credible leadership, and long-term employee relationships in private healthcare.

Andrew Sija (2009) examined the causes of high resignation rates in private healthcare and found that employee recognition ( $\beta = 0.359$ ) and job satisfaction ( $\beta = 0.295$ ) were the strongest predictors of employee retention. While factors like work environment, compensation, and work-life balance were noted as important, they were less influential. Additionally, training, fairness, leadership skills, and hospital facilities were highlighted as crucial for retaining talent.

## **FACTORS AFFECTING EMPLOYEES RETENTION**

Employee retention is crucial in healthcare to maintain the quality of care and the stability of the organization. High turnover increases costs, lowers morale and disrupts patient care. The key factors that influence employee retention must be understood in order to create a work environment that promotes long-term employee engagement and retention.

### **Distance from family**

Distance from family is an important factor influencing employee retention in healthcare. Many professionals relocate for work reasons and face emotional and psychological challenges that impact job satisfaction. The lack of family support can lead to loneliness, stress and burnout, especially in high-pressure environments, which increases the likelihood of job turnover.

### **Enormous work pressure**

The work pressure in the healthcare sector is one of the main reasons for the high staff turnover. The demanding tasks, long working hours, emotional strain and responsibility for critical decisions create an environment with a high stress factor for healthcare professionals.

Healthcare professionals, especially doctors, nurses and paramedics, often work long shifts, including nights, weekends and holidays. In many cases, these shifts extend beyond normal working hours due to emergencies, staff shortages or high patient volumes. Extended working hours without sufficient rest periods lead to physical and mental exhaustion, which reduces employees' performance and willingness to continue working in such stressful roles.

**Recognition and rewards**

In the healthcare industry, where employees often work under high stress and difficult conditions, recognition and rewards are critical to maintaining morale, fostering a positive work environment and improving employee retention. When healthcare employees feel that their hard work is appreciated, they are more likely to remain loyal to the organization, perform better and stay motivated in their role.

**Poor relationship between employee and manager**

The relationship between employees and their managers plays a crucial role in job satisfaction and employee retention in healthcare. A supportive and communicative management style can improve employee morale, productivity and retention. However, when this relationship is strained by ineffective leadership, lack of communication or a toxic work environment, employees can feel undervalued, stressed and unmotivated, ultimately leading to a high turnover rate.

**Job insecurity**

Job insecurity is an important factor influencing employee retention in the healthcare sector. When employees feel that their jobs are not secure due to layoffs, contract-based employment or organizational instability, they are more likely to seek alternative opportunities that offer more job security. This uncertainty not only leads to stress and anxiety, but also affects overall job performance, motivation and long-term retention.

**Compensation**

Compensation is one of the most important factors influencing employee retention in the healthcare sector. Competitive salaries, bonuses and benefits play a critical role in attracting and retaining qualified professionals. If employees feel that their compensation is not commensurate with their skills, experience or workload, they are more likely to look elsewhere for better paying opportunities. Fair and competitive compensation not only increases job satisfaction, but also motivation, productivity and long-term retention.

**Career development:**

Career development is critical to retaining healthcare professionals. Employees are more likely to stay with companies that offer mentorship, skills development and clear career paths. Without growth opportunities, professionals may feel stagnant and look elsewhere for better prospects. Because healthcare professionals invest years in their education and training, they expect roles that allow them to advance in their careers. Lack of development can lead to disinterest, job dissatisfaction and higher turnover.

**Training**

Ongoing training is critical to employee retention in the healthcare industry. It helps employees feel valued and supported while improving their expertise, job satisfaction and sense of fulfillment. As the healthcare industry continues to evolve, training ensures that professionals remain competent and up-to-date with new practices and technologies. Employees who feel their skills are being developed are more likely to stay with the organization because they know their development is a priority.



**Job Flexibility:**

In industries like healthcare, where workers frequently deal with rigorous schedules and high-stress situations, job flexibility is becoming more and more acknowledged as a crucial component for enhancing employee satisfaction and retention. Providing employees with flexible work options, such as remote work, shift preferences, and work-life balance programs, can boost morale, lower burnout, and encourage enduring loyalty to the company.

**Difficulties in Balancing Work and Life**

Unpredictable scheduling, long shifts, and night work are common in the healthcare industry. It could be challenging for workers to manage their personal and professional life while they are separated from their families. Missing significant family occasions like birthdays, anniversaries, and holidays might cause discontent and a desire to move closer to home.

**EFFEECTIVE EMPLOYEE RETENTION STRATEGIES FOR HEALTH CARE PROVIDERS**

Employee retention is crucial in healthcare, as high turnover affects patient care, staff morale, and organizational performance. To address this, providers must implement targeted strategies to retain skilled professionals.

- Offer Flexible Work Schedules
- Encourage Employee Feedback and Act on It
- Celebrate and Appreciate Employee Contributions
- Support Continuous Employee Growth
- Leverage Technology for Better Communication
- Foster an Inclusive and Transparent Work Environment

**Offer Flexible Work Schedules**

Flexible scheduling is a key strategy for improving employee satisfaction and retention in healthcare. Offering options like shift swapping, part-time positions, or remote work (where applicable) allows healthcare workers to better balance work and personal life.

This flexibility reduces burnout and increases job satisfaction, helping employees feel more in control of their schedules. By accommodating individual needs, healthcare organizations can create a more supportive work environment, ultimately leading to improved retention and productivity.

**Encourage Employee Feedback and Act on It**

Empowering employees by giving them a voice is essential for fostering a positive work environment in healthcare. Regularly soliciting feedback through surveys, meetings, or suggestion boxes allows employees to share their concerns, ideas, and insights.

Acting on this feedback shows that the organization values employee input and is committed to making improvements. By addressing issues raised by staff, healthcare organizations can enhance job satisfaction, build trust, and create a more engaged workforce, leading to better retention and overall performance.

### **Celebrate and Appreciate Employee Contributions**

Recognizing and rewarding employee efforts is crucial for maintaining motivation and reducing turnover in healthcare organizations. Acknowledging hard work through both formal and informal recognition, such as employee of the month programs, public praise, or small incentives, fosters a positive and supportive work environment.

Offering rewards like bonuses, gift cards, or additional time off can further boost morale. When employees feel appreciated for their contributions, they are more likely to stay engaged, motivated, and committed to delivering high-quality care.

### **Support Continuous Employee Growth**

Employee development is crucial for retaining healthcare professionals and ensuring high-quality care. Offering ongoing training programs, career growth opportunities, and access to new technologies helps employees stay updated and motivated.

Providing mentorship, tuition reimbursement, and support for research or leadership training can further encourage long-term commitment. By investing in development, healthcare organizations can improve retention, enhance skills, and deliver better patient outcomes.

### **Leverage Technology for Better Communication**

Effective communication among healthcare workers is essential for patient care and operational efficiency. Implementing technology such as messaging platforms, video conferencing tools, and electronic health records (EHR) systems can streamline communication, reduce errors, and foster collaboration.

Tools like secure messaging apps enable real-time communication, while EHR systems provide easy access to patient information, ensuring staff stays informed. By utilizing technology, healthcare organizations can enhance teamwork, reduce miscommunication, and improve overall workflow.

### **Foster an Inclusive and Transparent Work Environment**

An open and inclusive culture is essential for employee retention and overall workplace satisfaction in healthcare. Encouraging diversity, transparency, and open dialogue helps employees feel valued and respected.

Promoting inclusivity through diverse hiring practices, team-building activities, and offering platforms for employees to voice concerns fosters a positive work environment. When employees feel heard and supported, it leads to improved morale, stronger teamwork, and reduced turnover. Creating an inclusive culture enhances job satisfaction and strengthens the organization's ability to deliver quality patient care.



## CONCLUSION

It is clear that one of the most important factors influencing organizational success and growth in the healthcare industry is employee retention. Healthcare firms must prioritize retention tactics due to the demanding nature of healthcare professions and the emotional, physical, and mental obstacles that personnel experience. In addition to raising operating expenses, high turnover rates have an impact on staff morale and patient care quality. Healthcare companies may lower staff turnover, retain skilled workers, and enhance patient outcomes and employee satisfaction by putting these principles into practice. In the end, concentrating on staff retention will improve the general performance and expansion of healthcare providers, guaranteeing that they can satisfy the changing needs of the healthcare sector while providing patients with high-quality care.

## SUGGESTION

- To improve employee retention in the healthcare sector, organizations should offer competitive compensation, promote work-life balance, and provide opportunities for career development. Fostering a positive organizational culture, addressing burnout, and investing in leadership development are also key.
- Recognizing and rewarding employee contributions, offering job enrichment, and ensuring job security can boost morale and loyalty.
- Additionally, regularly gathering and acting on employee feedback helps refine retention strategies. By implementing these approaches, healthcare organizations can reduce turnover, enhance employee satisfaction, and support long-term growth.

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