

EMPLOYEE RETENTION AND ITS IMPACT ON ORGANISATIONAL PRODUCTIVITY

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INTRODUCTION

Employee retention is a process in which the employees are encouraged to remain with the organization for life time or maximum period of time. It is a strategic tool for the success of the firm. Employee retention is a process in which the employees are encouraged to remain with the organization for life time or maximum period of time. It is a strategic tool for the success of the firm. Employee retention is a technique adopted by businesses to maintain an effective workforce and at the same time meet operational requirements. Employees are the greatest asset for an organization. Therefore, every organization must treat their employees as ends and not means to ends because they add value to the organization. The objective of the study was to measure the perception of employees for employee retention. For this purpose the investigator selected 70 employees working in government and private sector from Delhi region. Employee retention scale given by Walker (2001) was used. The collected data were processed by applying 't' test. The result of the study reveals that there was no significant difference among male and female employees for employee retention also there was no significant difference between the perception of government and private sector employees.

Employee retention is a strategic tool for the success of the firm. Having the best and the most talented employees is not the only answer but it is equally important to retain them for long term benefits to both the organization and employees. Encouraging employees to remain in the organization for a long period is known as employee retention. It is a process in which the employees are encouraged to remain with the organization for life time or maximum period of time. To manage top talent it involves a constant balance between the human desires and the strategic and financial needs of the business. Employee retention is a technique adopted by businesses to maintain an effective workforce and at the same time meet operational requirements. Employees are the greatest asset for an organization. Therefore, every organization must treat their employees as ends and not means to ends because they add value to the organization. Long-term health

and success of any organization depends upon the retention of key employees. To a great extent customer satisfaction, organizational performance in terms of increased sales, satisfied colleagues and reporting staff, effective succession planning etc., is dependent upon the ability to retain the best employees in any organization. This paper is an attempt to find out difference in the perception of employees.

LITERATURE REVIEW ON EMPLOYEE RETENTION:

This study explores several research papers which explain various factors influencing retention and provides suggestions on employee retention and is discussed as follows:

Employee Retention:

Hom and Griffeth (1995) described in a study that the process of encouraging employees to stay for a long period or till employee leaves the organization unwillingly. It could be due to low performance, conflict or due to employment-at-will. When a low performer leaves the organization, it is referred as functional turnover. When a high performer leaves, it is referred as dysfunctional turnover which incurs cost to an organization. Terence et al., (2001) stated that there are so many reasons for an employee to leave voluntarily. Some may be personal and some may be influenced by organizational factors. The project completion is termed as retention.

Wysocki, B (1997) pointed out the view of "The Society of Human Resource Management" that retention of employee is the hottest topic in the current scenario. Drucker (1999) explained that employees voluntarily quits their job is a potential retention issue. Trip, R, while discussing turnover stated that for many organizations, voluntary turnover is a big challenge. Turnover may be i. voluntary or involuntary and ii. Functional or dysfunctional. Voluntary turnovers refer to leaving of an employee in an organization voluntarily i.e. the employee himself decides to leave/resign from the organization. In involuntary turnover, the employer expels the employee i.e. the Personal reasons such as family situation, career growth and attractive job offers etc. Organization factors between personal values and organizational values etc., Overall turnover is a great problem for both organization and individual. Further it includes lack of promotional opportunities, unfair treatment among employees and mismatch clearly discussed that occurrence of shock which is expected or unexpected leads to serious thoughts (i.e. intention) to leave. Shocks may be positive, negative or neutral. Positive such as alternative job offers, pregnancy etc., Negative such as leaving of friends, poor performance appraisal etc. and neutral such as relocation of spouse, changes in administration and retain talents is tougher all the time and discussed that employees effective human resource practices show a positive and direct relationship in retaining employees. Further, it is analyzed

that culture and compensation have a positive impact; training & development has a negative impact over employee retention.

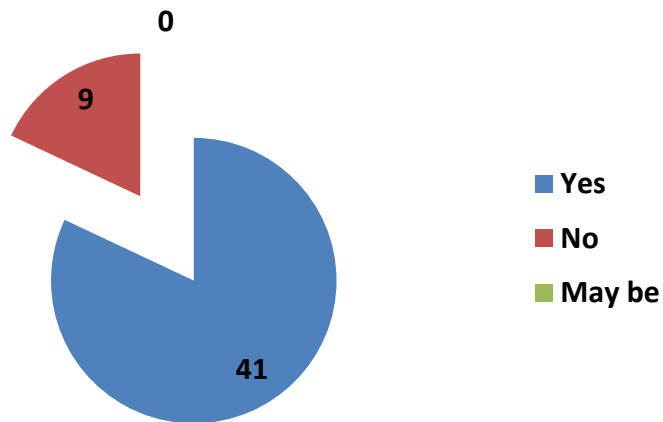
Abeysekera (2007) in a study evaluated the HR practices like realistic information about job, job analysis, work life leave which resulted that compensation and job analysis have positive impact on employee turnover. Holtom et al. (2008) discussed in this study that the factors that makes the employee for staying and leaving were different. Hay Group (2009) stated that employee engagement includes components such as commitment and discretionary effort. Commitment refers while explaining turnover stated that pull and push factors are to be considered. Positive attraction towards alternative job opportunity is pull factors, in which employees are searching for alternative job opportunities even if they are happy and satisfied. In this circumstance, it is highly essential that employer/management must understand the real value of their employees and identify the reasons for searching or what they are expecting in the current job and this would help to retain the talents. The next important factor is push factors, in which some dissatisfied circumstances are prevailing in the current organization which makes the employee to leave for refining work life.

OBJECTIVES OF THE STUDY:

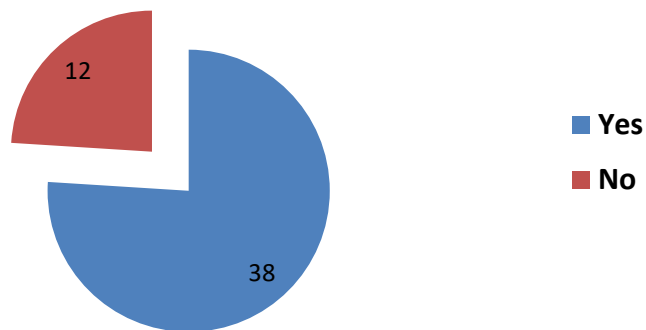
- To study the nature and behavior of the organization and employee.
- To understand the strategies to retain the employees.
- To know the employee's expectation and requirements.

RESEARCH METHODOLOGY: The research was conducted through online platform, Google forms. The reviews were collected from the 1st Year Post Graduate students. The form shared to them through whatsapp and on the basis of their perception we came into a conclusion regarding the topic- Employee Retention.

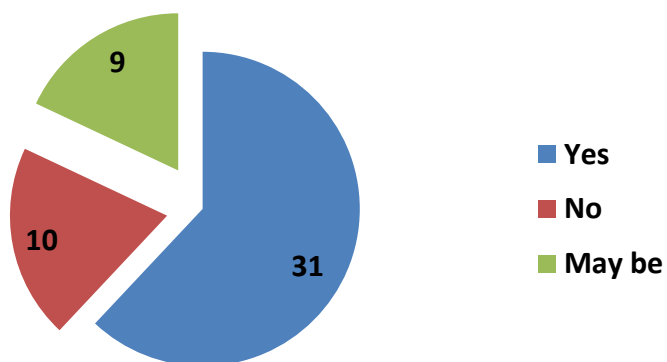
1. Is employee retention important for the development of organization? (50 respondents)



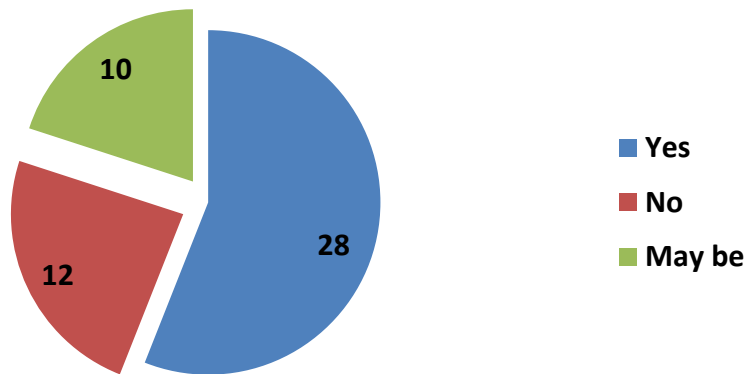
2. Is it necessary to consider the treatment meant by the organization towards the employee?



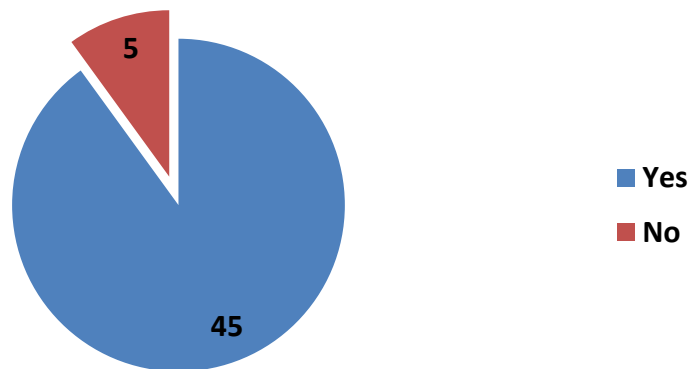
3. Is interpersonal relationships are encouraging in an organisation?



4. Did you feel friendly environment is important for the retention of employees?



5. Is periodical rewards important for the retention of employees?



ADVANTAGES

- Cost Reduction: Cost includes advertising, interviewing and screening.
- Moral Improvement: Organizations with successful employee retention programs can lift employee morale, enable greater connectedness and engagement
- Experienced Employees: The organization also loses the potential value the employee could have delivered, also known as the opportunity cost.

DISADVANTAGES

- Less Pay: This has been the major reason why employees leave the organization.
- Lucrative Offers From Competitors: There are times when employees within an organization are tempted by the competitors to leave their jobs and join them.
- Recruitment Errors: This could work both ways. Sometimes organizations are not clear of their expectations and work profile which makes employees feel that they are a mismatch and they tend to leave the organization realizing that their full potential is not utilized here.

CONCLUSION: Employee retention is a major concern for many employers, management teams of successful organizations have to realize the importance of retaining their most productive workforce. High turnover leads to loss of valuable workers whose replacement is costly. It is important to note that a high employee turnover is normally unhealthy to an organization's performance as well as the productivity of other presumably loyal employees. Moreover, turnover affects productivity of remaining employees since they may be compelled to perform duties of more than one person or allocated duties that do not match with their training.
