



## RESEARCH ARTICLE

### A REVIEW ON THE FACTORS AFFECTING EMPLOYEE RETENTION AT WORKPLACE

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#### ABSTRACT

Employee retention is a critical responsibility for any organisation in today's scenario due to immense competition which has aroused from globalization, urbanization and digitalization. It is not only necessary to attract the best talent but also to motivate and retain the right resources in an organisation. This research paper aims to review the findings of research papers of various authors to chalk out the factors that affect employee retention at workplace. This study examines ten critical factors that affect employee retention. Overall it has been noticed that there are no single fixed practices which portray the significance of the influence of all these ten factors since different organisations have various business objectives and the stage at which the organisation is currently operating. This paper is completely based on the secondary data specifically research papers from various authors.

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## INTRODUCTION

Globalization has made the world flat due to which the distance between the organization and prospective employees have reduced. There was a time when people were restricted within a defined boundary to go for searching their jobs but in today's scenario of urbanization, this limitation has become extinct. With the evolution digitalization, employers have an access to their prospective employees to a greater extent due to which people from different states migrate to other states. Globalization has made the global employers to cater different parts of the country. Hence there are three aspects which play an important role which are urbanization, digitalization and globalization. First the number of prospective employees are available at a large number due to urbanization, second the number of employers have increased due to globalization and third the means to reach the prospective employees have increased due to digitalization. Due to all these three factors employees have got an easy access to better prospects, more choices to enhance their career which has lead to increase in competition as well as rise in the number of employees leaving their organisations within a short period of time. This situation has forced the HR professionals to think outside the box and come out with means to stop the employees switching from one company to other.

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## Objective of the study

The objective of this research paper is to recognize the key HR practices that lead to employee retention at workplace.

## MATERIALS AND METHODS

This research paper is descriptive in nature which attempts to understand the key HR practices to retain employees. Only secondary sources have been adopted to gather various data trying to decipher the objectives of the study. The method of data collection is through purely research papers on employee retention.

## Findings and Analysis

Top ten HR practices to retain employees have been identified during reviewing various research papers which are discussed as follows.

## Recruitment

It is said garbage in – garbage out. The first step of retaining employees is to recruit and select the right fit. Most often it has been seen that job fit has been more priorities than cultural fit. This result in getting high potential employees who do not stay for a longer time due to wrong cultural fit (Oracle white paper 2012). Organization's talent management, recruitment and retention policy and practices can significantly reduce attrition

rates (Frankeiss 2008). Scientific methods of recruitment followed by right type of training and development opportunities improves improve employee satisfaction with work (Deery 2008). It has been seen that a lot of BPO/ITES industry employees quit the organisation within first three months which results in complete waste of recruitment and training costs. Hence, it is imperative to recruit the right employee and engage the employee which will result high employee retention (Jyotsna Bhavnagar 2008).

### **On boarding and orientation**

As mentioned earlier that many employees leave the organisation with the first three months. This is evident that the new employees were not inducted in the family as a family member. Rather they were welcomed as guests with half hearted manner. (Simon North 2011). Induction plays a major role in employee retention and increases loyalty towards the organization. First impression is the last impression. The first impression is created during the induction period which has a major impact on the employee throughout the life cycle in the organisation. The employees mind set get framed during the induction period which makes the employee decide on whether to continue for a longer period or leave with a short span of time interval. Traditional methods of lecture series while orientation of the Gen Y employees may not set the right tone to begin with. Therefore innovative ways induction to the Gen Y employee is essential which binds them from the day one towards the organisation (Gaurav Bagga 2013).

### **Investment in Training & Development**

Talent transformation is one the important ways to motivate, engage and retain employees. Transfer of skills in training is an easier part but the difficult part is to identify the right type of training for the right employees. Forcefully assigning some training does not motivate the employees to access the knowledge points during the training program. In such cases, content is provided but intent is missing from employee's end. Therefore identification of the right type of training is essential (Ian M. Taplin, Winston-Salem and Jonathan Winterton 2007). The creditability from the employees with regards to the relevance of the training have to be won in-order to facilitate the learning process to the employees. At times in IT industry, employees are taken in out bound training which they consider as a opportunity of fun and leisure rather than a serious agenda of talent transformation. Hence such practices not necessarily retain employees in an organization Patrick M. Wright, Timothy M. Gardner and Lisa M. Moynihan 2011).

Methods of training delivery are also essential to hold on to the interest of the trainees. The trainer's background, review about the trainers from earlier clients helps to select the right trainer. The trainer's delivery methods and the trainees learning process needs to be matched or else it will be lead to the complete waste of the man hours as well as the training costs. Ultimately it results in poor retention of employees (Marjorie Armstrong-Stassen and Andrew Templer 2004). Creating an access to the learning materials to the employees ensures continuous reinforcement among the trainees which results in better performance of employees which encourages them to continue in the organisation where the learning curve is towards growth. (Ian M. Taplin, Winston-Salem and Jonathan Winterton 2007).

### **Career development opportunities**

There are various opportunities of employee's career development. It might be through the investment in training of employees, giving other opportunities at work based on the aspiration of the employees, fair justifiable and transparent appraisal system. Identification of high potential employees and thereby giving them right opportunities to grow, involvement in decision making, proving a platform to access their ideas with an independence to implement help employees to develop their career within an organisation (Hay 2001). A transparent career path helps an employee to stay longer in an organisation (Gaurav Bagga 2013). Most of the retention initiatives are aimed at providing financial benefits rather than career opportunities. Career opportunities have the strongest impact on employee commitment while the impact of financial rewards is less. The loyalty of the employee enhances when right career development opportunities are rendered to the employees which results in employee retention (Meganck, 2007). A transparent career path and a career development plan will allow the employees to have a better long-term vision of their evolving role inside the company. It will also allow the company to show its commitment to developing its talent, which benefits both the company and the employee. If employees have gaps in their skills or experiences, a career development plan (created by the manager, the employee, and HR working together) lets the employee realize that the company wants to close that gap and prepare the employee for the next step. Thus, employees don't feel "stuck" and without growth potential in the company, problems that are major drivers of turnover and low morale (Sarah Leidner 2013).

### **Reward and Recognition**

Having a recognition program that celebrates employees with excellent performance is key to retain employee. It's not just the high achievers who deserve recognition, but anyone who goes above and beyond the call of duty. Reward good examples, and a culture can be created where everyone wants to be a good example. This is also a culture that retains people. In addition, managers should seek out opportunities to recognize or appreciate employees informally, perhaps over lunch or during water-cooler conversations. These are moments employees remember (Tiwari, Saxena, 2012). Employees who feel valued generally reciprocate by offering their loyalty to the company. A system of continuous reward and recognition culture should be built whether monetary or non monetary. A feeling to appreciation motivates the employees to perform better and in a happier manner. The happier the employees, the happier the customers. This result into employee growth which makes the employee to continue in the organisation. The system of a fair reward system builds a sense of equity among the employees which motivates them to stay longer in an organisation (Devi 2009).

### **Customization of Compensation and Benefits**

The old days are gone where employees from a single region use to work in a particular organisation located at a particular place. Today the demographic of an organization is more diverse. Employees from various regions, culture, religion, age and customs work in a particular region with a same branch. Each employee's needs are different due to generalization of same compensation and benefits no more works. Hence it is required to customize the monetary and non monetary benefits. The total reward system demands a customization (Brigitte

Kroon, Charissa Freese. (2013). Customize benefits and work expectations for individual employees as much as possible. This will take a lot of time and effort because it requires companies to better understand the particular needs of their employees. Different employees want different things, so offering the same benefits package and working conditions to all will inevitably create dissatisfaction. This is a turnover risk. While it may be inconvenient to offer more flexible working hours or a customizable menu of benefits, such practices boost employee satisfaction and loyalty (David Pollitt 2007)

### Work Life Balance

Due to globalization, urbanization has occurred. A healthy work-life balance is required to engage employees. Employees cannot be expected to function like robots. Competition is high. The moment an employee feels stressed out, they tend to look out for other company which provides a better balance between work and family life (Ghosh, Satyawadi, 2013) Only a happy employee will prove to be a productive employee, and in spite of offering high salary, if the employee is not able to spend leisure time with his family, he will not be satisfied with the work. So designing policies which can offer work life balance to employees, which can include compulsory paid leaves, fixing the time of work, weekends off etc (Karatepe, 2013)

### Fair Appraisal Process

Creating equitable pay and performance processes motivates employees to work peacefully. A sense of unfairness build unhealthy political environment with a workplace. Employers should use a variety of hard (monetary) and soft (non-monetary) employee compensation strategies to make it difficult for other companies to steal their people away. These include discussing total employee compensation (salary, benefits, bonuses, training, etc.) Designing reward systems to stimulate employee involvement (Armstrong, Stassen, Templer 2004)

### Communication

Creating a open communication between employees and management is highly essential. Holding regular meetings in which employees can offer ideas and ask questions. Having an open-door policy that encourages employees to speak frankly with their managers without fear of repercussion (Deery, 2008)

### Building employee commitment

An employee can termed as committed when he or she gets involved completely towards her assigned work which would lead to attain the business objective. A committed employee is passionate about his/her work and committed towards his responsibility. (Clayton Glen, 2006) Keeping an employee engaged builds a committed workforce is not a rocket science. It is a mere understanding of the expectations of the current employees and closing the gaps wherever required which results into employee retention (Kyndt, Dochy, Baert (2010)

### Conclusion

Through this research we saw various trends over the years and practices used across industries for improving employee retention and commitment. For any organizations to survive in today's ever increasing competition where employee poaching

is on the rise, it is very important to retain their best employees and keep them committed towards the organization.

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