

---

**Perspective Analysis of Key Retention Strategies adopted by the Organizations**

---

**Akanksha Gautam**  
Research Scholar  
Singhania University

**Prof. (Dr.) Parul Khanna**  
Professor & Dean (R&D)  
Research Supervisor

---

**ABSTRACT**

---

*Organizations try to survive in highly capricious environment which is surrounded with radical trends, accelerating products and technological changes, global competition, deregulation, demographic changes and many other such regulations while dealing with such problems they must endeavor for building an information age society*

*Due to this challenging environment the organizations and companies are constantly looking to prospect and maintain a workforce of top quality employees. Though attracting and retaining great talent can seem like a never-ending quest. The success of every organization reckons on numerous reasons but the most crucial which affects the organization's performance is its employee. Human resources play a fundamental role in achieving an innovative and high-quality product/service. If the employees of an organization are satisfied with their jobs, the organization can achieve its goals very candidly. The HRM practices aims at optimal utilization and management of their human resource effectively in order to achieve maximum output.*

*There have been lots of research work on retaining the key employees in different sector; however my research would aim to bring forth the challenges faced by employers to retain key or key employees in the Health Insurance sector. I would try to analyze the Human Resource practices employed or undertaken by the companies to retain the employees.*

*The purpose of this research project is to gather information that would assist in the retaining work force in organization. This research paper utilizes an evaluative research methodology. The paper will explain retention strategies with retention factor & relation of factor and retention.*

**KEY WORDS**

---

*Employee retention, work life balance, job satisfaction, retention strategies, employee engagement.*

---

**INTRODUCTION**

---

A basic concept of management states that manager works in organizations. Organization has three basic components, People, Purpose, and Structure. HRM is the study of activates regarding people working in an organization. It is a managerial function that tries to match an organization's needs to the skills and abilities of its employees.

Organizational practices implemented to elicit positive reaction from employees. Thus HRM practices are initiatives organizations put in place to achieve specific objectives such as motivation, and retention of employees. It may also be considered as the primary responsibilities of the human resource function within an organization (e.g., training, development, selection, compensation). It refers to the process of choosing the best workforce plan an organization can adopt to attain a goals/objective.

Employee retention refers to the ability of an organization to retain its employees. Employee retention is important in almost all the cases. It is senseless to allow good people to leave your organization because when they leave, they take away with them the intellectual property, relationships, investments (in both time and money), an occasional employee, or two, and a chunk of the organization's future. Employee Retention Strategies helps organizations provide effective employee communication to improve commitment and enhance workforce support for key corporate initiatives.

Human resource builds and drives the knowledge assets of an organization, the value of which has been established to be many times more than the tangibles. In the present scenario, it is becoming important for organizations to

focus on finding, developing, and retaining talented employees. This paper aims to enhance understanding of the phenomenon of high employee turnover in the insurance industry and factors that lead to job satisfaction of employees. Researchers have also made an attempt to integrate Maslow's Needs Hierarchy to the underlying influencers for the key employees of life insurance companies to join or leave the organization. The findings may be helpful for the companies to improve retention levels.

#### OBJECTIVE

To analyze the varied retention strategies adopted by the organizations for increased employee retention & success of the organization.

#### RETENTION

Employee retention refers to the ability of an organization to retain its employees. It can be symbolized by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period). The word retention means: keeping, maintain. Employee retention also refers to, how organizations should work to restore their employees. Retention is a complex concept and there is no single recipe for keeping employees with a company (Chandrashu & Sinha, 2012). Employee retention can also refer to the outcome of how many is retained per year. However, we see employee retention as a strategy, an effort by a business which supports current employees in remaining with the company (Employee retention, n.d.). Efforts by which employers attempt to hold on to employees in their organization. It is a move by an organization to create an environment which keeps and engages employees for a longer time. Employee turnover Refers to the ratio of employees a company loses and have to be replaced to the average number of total employees.

#### RETENTION FACTORS

There are various factors which enables an employer to motivate its employee to stay in the organization. Out of which are the following:-

1. Skill recognition
2. Learning & Working Climate
3. Job Flexibility
4. Cost Effectiveness
5. Training
6. Benefits
7. Career Development
8. Superior-Subordinate Relationship
9. Compensation
10. Organizational Commitment
11. Communication
12. Employee Motivation

#### HOW KEY FACTORS EFFECT RETENTION OF EMPLOYEES

Organizations make enormous efforts to attract handfuls of employees and sustain them in the organization. In today's business scenario only high salary and designation is not significant for employees to retain them in the organization, but others factors also play important role in their retention. The intent of this research is to how the organizations retain the talented employees in the organization focusing on the factors i.e. career development, leave policy, leadership style, work environment, remuneration & rewards, Organization Justice, and performance appraisal. So here we are discussing effect of some key factors on retention.

#### Compensation

Compensation might not be the most important factor in determining whether an employee will stay with you, but it can tip the balance. In addition to salary and wages, benefits make up your compensation package, and it's possible to improve what you can offer your employees without spending more money. The better your compensation package, the more likely you will retain key employees.

Creating a compensation structure that supports an employee development program is a distinct challenge for companies. Many organizations claim to base pay raises on performance, but that is not actually the case. Some companies try to emphasize a team environment, but continue to reward people for individual achievement (Feldman, 2000). These inconsistencies can cause frustration and cynicism by employees. It is especially difficult when employees are not seeing significant pay raises, yet company leaders are richly rewarded (Feldman, 2000). The entire organization must buy into the culture of employee development. Sears created a new compensation system when they got into the business of employee development. Whereas they used to only offer pay increases to employees who were promoted, they have moved to a system where people may see a pay increase for lateral moves that are appropriate for their own development (O'Herron and Simonsen, 1995).

Working Climate: work environment includes a friendly, well-designed, safe physical space, good equipment and effective communication, which will improve productivity. Well-designed and organized offices and work areas make significant differences to how people feel about their work. Working environment can give some depressing messages about how much the organization value employees and the standards it expects from them (Armstrong & Murlis, 2007). An independent study conducted by the Society for Human Resource Management, demonstrated that physical work environment contributes a major factor affecting the decision of employee's whether to stay or leave the job (Sutherland, 2004). Access to friendly and natural environment helps to reduce job stress, depression and apprehension which are beneficial for health environment as well (Steel & Griffeth 2002). The focus of organizations must be on how to provide better jobs with great work environment to retain employees (Sutherland, 2004). The key to retaining employees is to create an environment employees choose to work in and will stay given the availability of other job opportunities (Winterton, 2011). Organizations can create the necessary environment by meeting the needs of current and future employees. Communication and recognition to employees are essential factors in retaining employees. Organizations must be able to communicate their past, present, and future plans to employees so they are secure with the strength and stability of the organization

#### Job Satisfaction

---

Job satisfaction is the degree to which people like (satisfaction) or dislike (dissatisfaction) their job. Satisfaction (or lack of it) arising out of the employees positive and negative feelings toward his or her work (Spector, 1997). It is how employees perceive their jobs thus a set of favorable or unfavorable feelings with which employee's view their work and it is affected by both the internal and external environment of the organization. Thus it is an attitudinal reaction to a position of employment.

Employees usually join the organization bringing with them their work values. As they interface with the work and the organizational environment, they find themselves challenged (or not) and 'turned on' (or alienated) by their job and organizational factors. Based on their experiences, individuals then make some deliberate choices as to the extent to which they want to get involved in their jobs and invest themselves in work. That is, based on how employees perceive their job and work environment, they could get minimally to highly involve in their jobs. There is thus, a time gap between their interfaces with the work environment and their ego-involvement in their jobs. No one completely identifies with the job or invests the self in the work before assessing what the job entails and how conducive the work environment is. When people get involved in their jobs, they spend greater amounts of time and energy at the work place. That is, the more the employees engage in work behavior because of job involvement, the greater will be their interactions with and explorations in the work environment. As employees explore their work environment, have success experiences, and gain mastery at work, they develop a sense of competence or confidence in their own competence. Because of this psychological success feeling, they are likely to get even more involved in their work in anticipation of experiencing greater successes and more mastery

#### Work Life Balance

---

Retaining the best and brightest employees has been called a crisis, a talent war, a shortage and a talent drain. Whatever the definition, it's not going away anytime soon.

Alternative work arrangements (any scheduling pattern that deviates from the traditional Monday-through-Friday, nine-to-five workweek) are an approach employee's care about deeply.

Flexibility is the basic idea behind alternative work arrangements. You give employees some measure of control over their work schedules, thereby making it easier for them to manage non-job-related responsibilities and maintain work-life balance. The business rationale behind the concept is that, by making it easier for employees to deal with pressures on the home front, they'll be more productive when they're on the job – and less likely to jump ship if one of your competitors offers them a little more money.

Retention and attraction strategies are an important means for attracting and retaining skilled employees - particularly in areas where there is a high staff turnover, difficulties in recruiting and retaining skilled staff, a competitive job market, and labor and skill shortages. One of the first strategies to consider is current work arrangements and management practices that may be contributing to the difficulty in attracting and retaining staff. This may require the assistance of an external person to the work area who may be able to see work and management practices more objectively and therefore obtain more detailed comments and views from both management and staff.

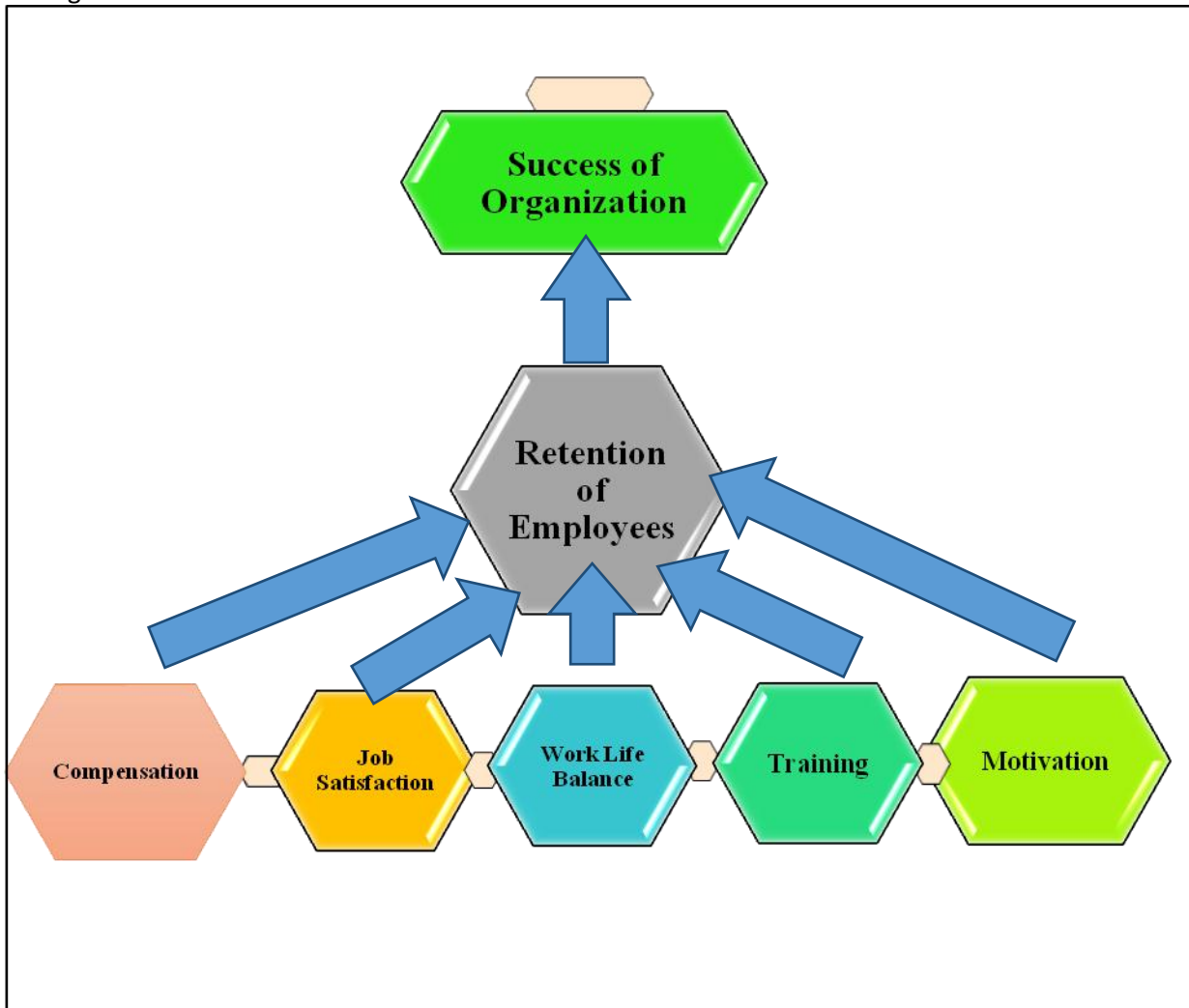


Diagram 1.1: Key Factors

---

**IDENTIFY THE EMPLOYEES COMPANY WANTS TO RETAIN**


---

Who are these employees which we want to retain? - They are those who have talent and are Contributors.

They make difference to our:

1. Customer
2. Other employees
3. Shareholder/Boards/Constituent

These employees demonstrate:

1. Breadth as well as depth of technical/ functional knowledge
2. Customer service
3. Creativity
4. Continuous learning
5. Flexibility
6. Self direction
7. Commitment to organization's success

These employees are not concentrated at the top of organization but spread through, at frontline, in back room and in leadership position etc.

---

**HOW TO MANAGE EMPLOYEE RETENTION**


---

It is a three stage process:

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

And follow this below mentioned process:

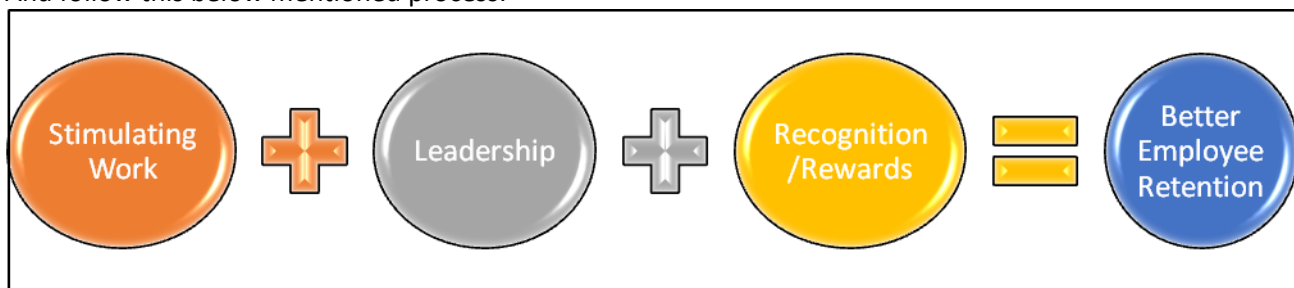


Diagram 1.2: Formula for Employee Retention

---

**RETENTION STRATEGIES**


---

Hiring an employee is just the start in creating a strong work force. Next, you have to keep them. High employee turnover costs business owners in time and productivity. Try these tactics to retain your employees:

- ✓ **Offer them competitive benefits package that fits your employees' needs.** Providing health insurance, life insurance and a retirement-savings plan is essential in retaining employees. But other perks, such as flextime and the option of telecommuting, go a long way to show employees you are willing to accommodate their outside lives.
- ✓ **Provide some small perks.** Free bagels on Fridays and dry-cleaning pickup and delivery may seem insignificant to you, but if they help employees better manage their lives, they'll appreciate it and may be more likely to stick around.
- ✓ **Use contests and incentives to help keep workers motivated and feeling rewarded.** Done right, these kinds of programs can keep employees focused and excited about their jobs.
- ✓ **Conduct "stay" interviews.** In addition to performing exit interviews to learn why employees are leaving, consider asking longer-tenured employees why they stay. Ask questions such as: Why did you come to work here? Why have you stayed? What would make you leave? And what are your nonnegotiable issues? What

about your managers? What would you change or improve? Then use that information to strengthen your employee-retention strategies.

- ✓ **Promote from within whenever possible.** And give employees a clear path of advancement. Employees will become frustrated and may stop trying if they see no clear future for themselves at your company.
- ✓ **Foster employee development.** This could be training to learn a new job skill or tuition reimbursement to help further your employee's education.
- ✓ **Create open communication between employees and management.** Hold regular meetings in which employees can offer ideas and ask questions. Have an open-door policy that encourages employees to speak frankly with their managers without fear of repercussion.
- ✓ **Get managers involved.** Require your managers to spend time coaching employees, helping good performers move to new positions and minimizing poor performance.
- ✓ **Communicate your business's mission.** Feeling connected to the organization's goals is one way to keep employees mentally and emotionally tied to your company.
- ✓ **Offer financial rewards.** Consider offering stock options or other financial awards for employees who meet performance goals and stay for a predetermined time period, say, three or five years. Also, provide meaningful annual raises. Nothing dashes employee enthusiasm more than a paltry raise. If you can afford it, give more to your top performers. Or, if you don't want to be stuck with large permanent increases, create a bonus structure where employees can earn an annual bonus if they meet pre-specified performance goals.
- ✓ **Make sure employees know what you expect of them.** It may seem basic, but often in small companies, employees have a wide breadth of responsibilities. If they don't know exactly what their jobs entail and what you need from them, they can't perform up to standard, and morale can begin to dip.
- ✓ **Hire a human-resources professional.** If your company is nearing 100 employees, consider hiring a human-resources director to oversee and streamline your employee structure and processes. Putting one person in charge of managing employee benefits, perks, reviews and related tasks takes a huge load off of you and makes sure employees are treated fairly. HR managers are also more up to date on employment laws and trends. They can set up various programs and perks you may not have known existed.

#### WHAT COMPANIES ARE DOING TO RETAIN EMPLOYEES

Strategies	Who's Doing it
<b>WORKPLACE INNOVATION</b> <ul style="list-style-type: none"> <li>• No time and location constraint to work</li> <li>• Provide top notch technology</li> <li>• Not tracking attendance</li> </ul>	PHILIPS, MARICO
<b>Work Life Balance</b> <ul style="list-style-type: none"> <li>• Encouraging people to explore newer opportunities</li> <li>• Nurturing Passions</li> </ul>	IBM
<b>Opening Up Opportunities</b> <ul style="list-style-type: none"> <li>• Work that challenge ,satisfy curiosity for more exposure</li> <li>• Community projects</li> <li>• Cutting edge research</li> <li>• Global assignment</li> </ul>	IBM
<b>Social Change</b> <ul style="list-style-type: none"> <li>• Engaging employees in social-impact Projects</li> <li>• Placing high performance employee from across the world in non profit organization in emerging countries for a month</li> </ul>	IBM, FORD
<b>Career path</b>	



<ul style="list-style-type: none"> <li>• Giving the employees a clear line of sight on their career</li> <li>• Mentoring by senior leader to learn about organization culture</li> </ul>	IBM, MARICO
<b>Reverse Mentoring</b> <ul style="list-style-type: none"> <li>• Younger employees mentor the senior Leaders in area such as technology and social media</li> </ul>	PHILIPS
<b>Educational Enhancement</b> Unlimited tuition reimbursement for job related education learning	ACUITY
<b>Pay Exception</b> Allowing manager to give pay increases beyond normal policies	FED EX
<b>Impetus to Women</b> New global women's theme	ACCENTURE
<b>Social Security System</b> Social Security System for all its employees	NTPC
<b>Dining with employees</b> The CEO has lunch with its employees most days	GODREJ
<b>Customized career options</b> Customized career options for employees based on their career stages	DELOITTE
<b>Different Role/Function</b> Every employee to be moved to a different role/function/geography every 2-3 years  <b>Zero attrition among maternity-leave women;</b> <ul style="list-style-type: none"> <li>• P&amp;G retains 'returning' mothers with unique solutions</li> <li>• The solutions P&amp;G came up with, were built around flexible timing, working from home, reduced work schedules, parental leave, six months' paid maternity leave and location-free roles</li> </ul>	P&G
<b>Rotating Officer Program</b> Where every bank sits on board meetings	ENTERPRISE BANK
<b>Idea Exposition</b> In order to foster the exchange of ideas within departments, they sponsor an <b>annual Idea Exposition</b> . During the exposition, scientists and engineers display projects and ideas they are working on. Open only to Sony's employees, this process creates a healthy climate of innovation and engages all those who participate.	SONY CORPORATION
<b>Wall of Fame</b> TX has a unique way of making its employees feel valued and involved. One wall within the company contains the photographs of all employees who have worked there more than five years. <b>"Equality Program"</b> Their "equality" program goes beyond the typical slogans, posters, and HR policies. There are no reserved parking spaces or other perks just for executives -- everyone is an equal.	TD Industries in Dallas, TX

## CONCLUSION

The study focuses on employee retention strategies. It tells about factors and also describes relation between factor and retention. It's clear that appropriate retention strategies extensively support an Organization in order to retain the employees. In order to foster a comfortable environment that encourages and inspires employees, managers need to incorporate motivation-building practices as a DNA to organization culture. These practices include listening to employees and respecting their opinions in a positive manner, which can include rewards on performance, and

---

being accessible to them for everything from listening to their ideas and concerns to assisting them with their career progression. Study lighten the importance of different retention strategies .The collective effect of all these results in increased motivation, which in turn increase performance and retention of employees in an Organization.

---

#### BIBLIOGRAPHY

---

- Abbasi, S., & Hollman, K. (2000). Turnover: The Real Bottom-line. *Public Personnel Management*, 29(3), 333-342.
- Alera, J. (1990). The job characteristics model of work motivation revisited.
- Fitz-enz, J. (1997). It's costly to lose good employees. *Workforce*, 50, 50.
- Gomez-Mmejia, L. R., Balkin, D.B. and Cardy, R.L. (1995). *Managing human resources*. Englewood cliffs, NJ: Prentice-Hall, Inc.
- Graddick, M.N. (1988), *Corporate Philosophies of Employee Development*, Career
- Hackman, J. R., & Oldham, G. R. (1980). *Work redesign*. Mass: Addison Wesley.
- Haid, M. & Sims, J. (2009). *Employee Engagement: Maximising Organisational Performance*. Right Management. Retrieved 15 June 2011, from <http://www.right.com/thought-leadership/research>
- Hale, J. (1998). Strategic Rewards: Keeping your best talent from walking out the door. *Compensation & Benefits Management*, 14(3), 39-50.
- Harris, J. (2000). Finding and keeping great employees. *Training*, 36(4), 118-123.
- M. & Mone, E.M. (Eds.), *Growth and Human Resource Strategies: The Role of the Human Resource Professional in Employee Development*, London, Quorum Books, Westport, CT.
- Pfeiffer, J. (1994). *Competitive advantage through people*. Boston: Harvard Business School Press.
- Schaufeli, W.B. and Bakker, A.B. (2004). Job demands, job resources, and their relationship with burnout and engagement: a multi-sample study. *Journal of Organizational Behavior*, 25, 293-315.
- Towers Perrin (2003). *Working Today: Understanding What Drives Employee Engagement*. The 2003 Towers Perrin Talent Report. Retrieved 15 June 2011, from [http://www.towersperrin.com/tp/getwebcachedoc?webc=hrs/usa/2003/200309/talent\\_2003.pdf](http://www.towersperrin.com/tp/getwebcachedoc?webc=hrs/usa/2003/200309/talent_2003.pdf)
- Williams, C., & Livingstone, L. (1994). Another look at the relationship between performance and voluntary turnover. *Academy of Management Journal*.