



Research Paper

A Study of Employee Retention

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Abstract: Employee retention is organisational goal of keeping talented employees and reducing turnover by forecasting a positive work atmosphere to promote engagement, showing appreciation to employees and providing competitive pay and healthy work life balance. As it said that employees are most important asset to organisation it is important to take care of their satisfaction and retain skillful and committed employees. The purpose of this study is to prove the importance of employee retentions and the repercussions of not managing it in due course of time.

Key: Employee retention, turnover, strategies, organisation

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I. Introduction:

Employee retention refers to the efforts and part of employers and organisations aimed at creating an environment that supports the needs of current employees so that they can continue to be a part of the organisation.

The ultimate goal of employee retention is to make both employees and employer happier. Employee retention depends on how the employers understand various concerns of employees and how to help them to resolve the problem. The organisation would be in complete loss if the employees quit the job on whom so much time and money was invested for training. Employee retention take into account that an individual stays in organisation for maximum period of time.

Some of the reasons for high employee turnover are low salary, lack of growth prospects, frustration and regular friction with their superior and other team members. Organization must try their level best to retain such employees who are really important for the system and are known to be effective contributors.

Objectives of study :

- 1) To study about employee retention in organisation
- 2) To overlook the problems of employees and identify employee retention strategies to reduce turnover rate.

Significance of study :

Employee retention is not only about managing retention but also managing people. If people at organisations are managed properly, retention rate will be less. Employees look appreciation, rewards, opportunities, friendly and cooperative background, satisfaction, trust and respect. Employee retention has become a major goal of organisation.

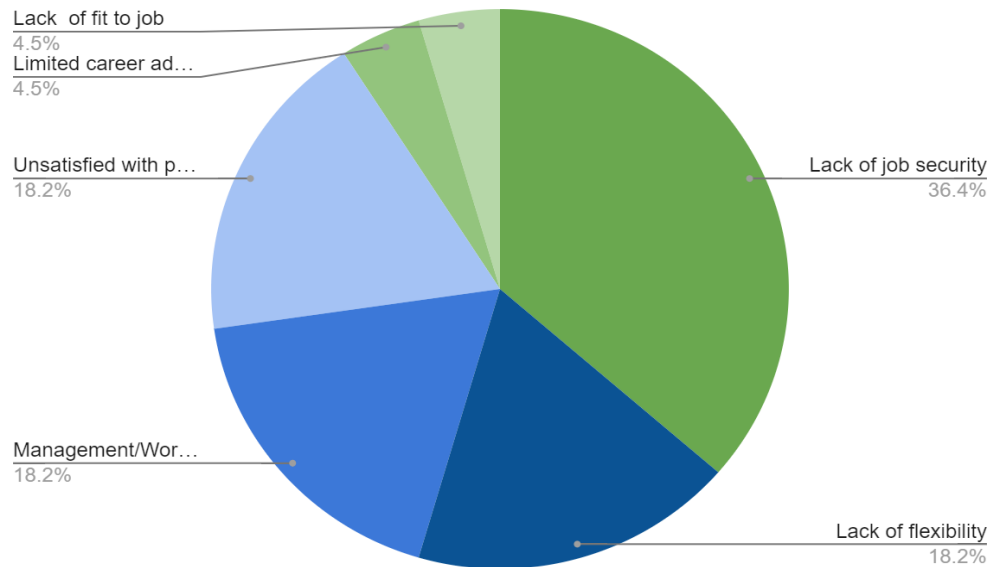
Theoretical credentials :

The process of employee retention will benefit an organisation in many ways. Some of them are listed below:

- 1) Loss of turnover : The turnover cost of an employee time, money, efforts, resources company spends on replacement of that employee who left the organisation.
- 2) Loss of company knowledge: When an employee leaves he takes with him valuable knowledge about the company, customer, current projects, company history and some knowledge that is not in the public domain.
- 3) Regaining efficiency : If an employee leaves then a good amount of time is lost in hiring a new employee then training the new employee, time for them to understand work culture, environment, process takes time and somewhere it becomes inefficient.
- 4) Interruption of customer service: Customers and clients do business with the company in part because of the people in the company. Relationships are developed and encourage to continue sponsorship. When an

employee leaves the company the relationship that employee served which leads in building customer relationships would be a loss.

The organisation should identify employee turnover rates within a particular time period and it with competitor.



Retention must involve five basic things :

Environment :There are three basic components which come together and create a positive work environment. The first one is physical workspace, second one is ambiance and third component is workplace culture.

Growth : helping employees develop their skills is one of the important attributes of job satisfaction. When you give your employees a room for developing their skills, it boosts their job satisfaction and hence reduces employee turnover rate.

Compensation : Compensation constitutes the largest part of the employee retention process. Employees always have high expectations regarding their compensation packages. Compensation includes : salary and wages, bonus, health insurance, retirement benefits etc.

Relationship : Sometimes the relationship with management and peers becomes reasons for employees to leave organisations. The management is often not able to provide an employee a supportive work culture and environment in terms of personal and professional relationships.

Support: Employees expect that they will get support from organisations in the tough times and also to get work life balance.

Three R's of Retention :

Respect : It is esteem, special regard or particular consideration given to people. Respect is the foundation of keeping your employees satisfied. Recognition and reward will have little effect if you don't respect employees.

Recognition : It is defined as special notice or attention and act perceiving clearly. Many retention and management occurs because management is not concerned about people's needs and reactions.

Rewards : Rewards are extra perks that are offered beyond respect and recognition. Rewards can be monetary and non-monetary.

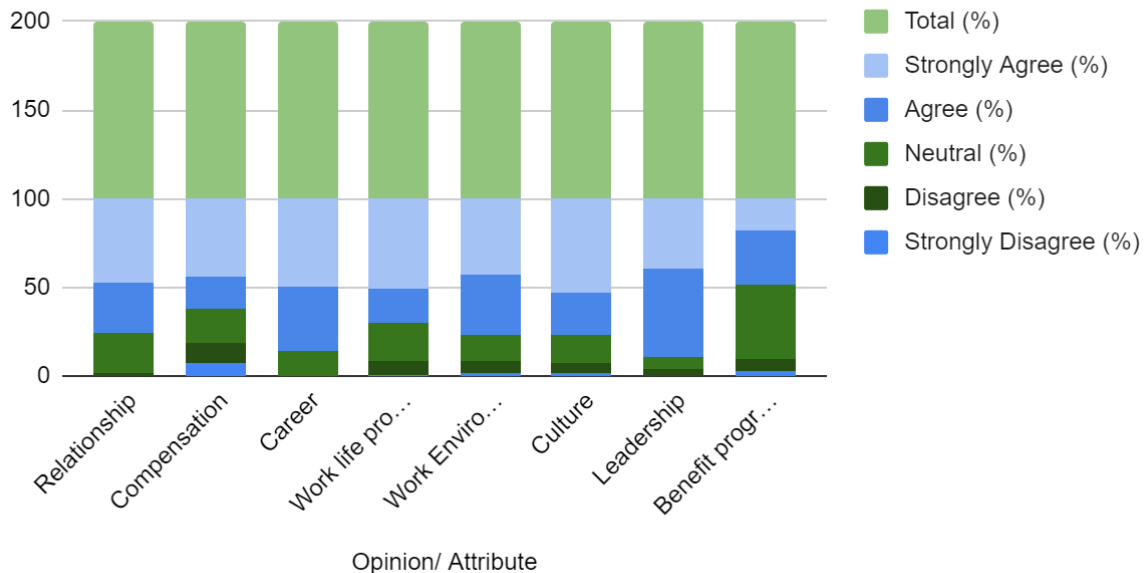
II. Research Methodology :

The study is based on descriptive research design and is involved in administering questionnaire as tool for research work. In order to fulfil the objective of study, the data has been collected from both primary and secondary sources. Data has been collected from employees of six different medium scale industries. The questionnaire was constructed on 5 point scale ; strongly disagree to strongly agree.

Data Analysis and Interpretation:

Opinion/ Attribute	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Total (%)
Relationship	0	2	22.2	28.6	47.2	100
Compensation	7.5	11	20	17.5	44	100
Career	0	0	14.6	35.33	50	100
Work life programs	1	8	21	19	51	100
Work Environment	2	7	14.67	33.33	43	100
Culture	2	5	16	24.34	52.66	100
Leadership	0	3.5	7.5	49.5	39.5	100
Benefit programs	3.33	6	42.33	30.34	18	100

Strongly Disagree (%), Disagree (%), Neutral (%), Agree (%), Strongly Agree (%)...



III. Findings :

- 1) Relationship between employees and management is important component to increase retention of employee in and organisation
- 2) Compensation, monetary benefits always behave like motivation to retention in an organisation.
- 3) Most of the employees have strongly accepted the importance of culture in an organisation. Also many of respondents feel that the work environment affects employee job satisfaction and hence increases retention rate.
- 4) Most of the employees feel that benefit programs like health and welfare, retirement benefits, paid time off facilities are helping them for work-life balance.

5) It is found that career opportunities give satisfaction to the employees. Proper leadership is required for motivation.

IV. Conclusion :

This study signifies the increasing importance of employee retention in the organisation. It highlights reasons for high turnover and cost that adds up to the company. This study briefly covers various areas where employee retention strategies are implemented namely work, environment, work culture, salary negotiation, compensation management, reward and recognition, leadership and relationship between employee and management.

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