REALIZING EMPLOYEE RETENTION IN THE ERA OF TECHNOLOGICAL REVOLUTION: AN OVERVIEW

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ABSTRACT

Employee Retention can be explained as the ability of the organizations to pioneer techniques and strategies to keep employees for a longer period of time. Employee retention strategies will be helpful in motivating employees and engaging them for maximum period of time so that they can contribute effectively. In order to ensure growth and learning for the employees in their current assignments and for them to enjoy their work genuine efforts need to be taken by the management. In the current scenario employee retention has become a major concern for corporate houses. There is a tendency among employees to move to other organizations for better prospects. An employee looks for a change because of lucrative salary, comfortable timings, better ambience and growth prospects. It is the responsibility of the management and the human resource team to intervene immediately and find out the exact reasons whenever a talented employee expresses his willingness to move on. For an organization's success it is vital to retain positive and motivated staff. There is a negative effect on company's morale because of high labor turnover as it increases expenses. Implementation of employee retention program is the only way of making sure that the key workers remain employed at the same time maintaining job performance and productivity. This paper aims to focus particularly on a review of extant literature on employee retention. Conclusions and implications for further research have been drawn from the literature reviewed.

Keywords: Employee Retention, Corporate, Motivation, Job Performance & Productivity

1. INTRODUCTION

Previous generations have completely different workplace in comparison to today's workplace. 50 years ago the majority of the workers falls into one category and characterized by mostly male, doing nine to five job and blue collar workers. Few people are lucky enough to find a place in a large company and quite happy with the consistency and balanced growth. The term employee retention was first used in the business environment during 1970s and early 1980s Mckeown (2002). Before that period almost all employees throughout their career worked for the same organization. In US during 1970s there was a huge requirement of jobs which leads to high job mobility. Employees started changing their jobs voluntarily and a new issue has emerged for organizations i.e. employee retention and the idea of working in one company throughout their career was no longer prevalent. Retention is a strategic approach to reduce the number of people who wants to leave the organization. Organizational sustainability depends on its ability to retain employees with high skills and experience. Organizations can achieve their goals smoothly if they invest their efforts on employee retention (McVey & McVey, 2005). Employees want to continue their service when their efforts are appreciated and valued for which they feel happy and their performance increased. Effective retention plan identify the need and motivations of employees, keep them engaged and makes them productive. Today organizations are more dependent on their zenith performers in order to cater competition with their competitors by providing innovative and productive services (McVey & McVey, 2005). If organizations want to sustain in the market they have to trust their human resources or employees. Successful retention programmes brings profit to the company, satisfaction to the customers and productivity and happiness to the employees. Once talented employees are recruited, organizations should close their back doors to prevent their exit. The study on employee retention and the factors affecting it are studied by career systems international in 2002. Employees want to remain in the organization when they get exciting and challenging work, growth opportunities towards their career and facilities for training and development. It is clear that when organizations invest on employee motivation they are successful in employee retention. In addition to that a study conducted by Dresang confirmed that quality of the product, loyalty of the customer and greater profitability can be achieved by an organization with reducing turnover cost which is only possible through employee retention (Frank, 2004). In the article of third study from the Society for Human Resource Management (2007) it was mentioned that those organizations include flexible environment can expect positive results in terms of employee engagement, loyalty, customer satisfaction, better working environment and improved financial performance. Organizations capability to maintain employee base is very important for retaining and engaging top talents in an organization (Frank, 2004).

SIGNIFICANCE

The current paper is written to throw light upon employee retention and its applications in various organizations.

OBJECTIVES

- To understand the concept of Employee Retention
- To study application of Employee Retention in various organizations

2. METHODOLOGY

The present study is particularly based upon secondary data research. For this purpose, various journals were referred and information was collected from a number of websites. In this regard, various libraries were visited in and around the capital city of Odisha – Bhubaneswar.

3. LITERATURE REVIEW

3.1. CONCEPT OF RETENTION

The ability of the organization to attract and retain personnel certifies organizational escalation (Dennison, 1990). There will be emptiness for skilled, qualified, and committed employees to fill vacancies with the imminent migration of the baby boomers through retirement. For jobs that are more attractive this will assist a speedy movement between organizations. Employees who are displeased with the organization and its management approaches have the choice of leaving one organization and joining another one (Porter, 1980).

There is a fascination amongst management in determining the success in efforts to improve employee retention because of high employee turnover rates and its effects to the organization. In the overall sustainability and productivity of any organization employee retention is a vital factor (Newstrom & Davis, 1989). There is a sharp shortage of qualified and committed employees because of economic challenges inclined by globalization. The formation of a human resource management programmed within most organization is evidenced because of this shortage. Management required directing their attention to the significant factors that will attract and retain employees because Bowery (1982) indicated that monetary reward is no longer considered the main criteria in attracting and keeping employees. Opportunity/challenge and management focus on their employees which includes employee goals, recognition, empowerment, and participation in the decision making process are the two main factors influencing employee turnover as per various researches (Hunt & Liebscher, 1973). Once this criteria has been met employees will focus more on job satisfaction as their major reason for staying with one organization in spite of the financial rewards of labor (which will influence certain categories of workers (Bass & Avolio, 1994).

What would cause an employee to leave an organization is the original issue in the workplace and organizations begin to describe what retention was as it related to them. It is obvious to see that the explanation of and handling of retention is something that is explicit to each organization and for some organizations, retention means maintaining the most talented employees, or preventing people from leaving the organization, or the way employees are remunerated or even the extra benefits an employee receives such as stock options and flexible work hours. For preventable reasons, retention is about rising strategies that reduce the number of people who leave the organization. In order to ensure that the business can be maintained organizations need to retain employees with the required balance of skills and experience. In an attempt to keep them with the organization and productive within the organization this is all a result of efficient retention plans that assess the needs and motivations of employees.

Employee retention leads to profitable companies, productive and happier employees and above all more satisfied customers (Kaye & Jorda, 2000; McVey & McVey, 2005). The return-on-investment requires closing the back door to prevent employees from walking out once an organization has recruited talented employees. Organizations that understand employee motivation will have greater levels of employee retention. Mainly with the increased number of Baby Boomers retiring as well as larger numbers of generation Y

employees entering the workplace side by side with generation X, today's workplace is not the workplace of a generation ago. The labor shortage, the aging workforce, the changing demographics of the workforce, downsizing and flattening of organizations, the leadership gap, the changing nature of work, the impact of the differing generations, the psychological contract between employees and their employer, and the scarcity of talent are nine factors that have an impact on retention (Rhule, 2004). A number of studies reveal various factors that affect retention and it is summarized in this table.

Table 1 Prominent Studies on Retention

Authors	Context of the Study	Variables Studied	Results
John E. Sheridan (2010)	Organizational Culture affects employee retention-A study held on college graduates hired in 6 accounting firms	Organizational Culture and Employee Retention	There is positive relationship between organizational culture and employee retention.
Julia Christensen Hughes and Evelina Rog (2008)	Talent management leads to employee retention-A study in hospitality industry	Talent Management and Employee retention	There is positive impact of Talent management on employee retention.
Maqsood Haider et al. (2015)	Impact of HR practices on employee retention in the telecom sector	HR practices and Employee retention	HR practices significantly correlates with employee retention.
Dong Pil Yoon and Michael Kelly (2008)	Organizational excellence and employee retention in social work-A study on moderately sized human service organization	Organizational excellence and Employee retention	Organizational excellence and employee retention correlates with each other.
George Mucai Mbugha et al.(2015)	Relationship between Strategic recruitment and employee retention in commercial banks	Strategic Recruitment and employee Retention	Strategic recruitment significantly influences employee retention.
Khalid Farooq (2015)	Organizational Citizenship behavior key for employee retention-A study on institutional industry	Organizational Citizenship behavior and employee Retention	There is highly significant relationship between OCB and Retention.
Nwokocha Izidor & Iheriohanma E.B.J (2015)	Nexus between Leadership styles and employee retention in organizations-A literary work	Leadership styles and employee retention	Leadership style has a significant relationship with retention.
Majid Ali (2014)	Impact of Safety and Health on employee's retention-A study on universities	Health and safety and employee retention	Health and safety significantly influences employee retention.
Stephen Taylor(2000)	Occupational Pensions and employee retention from UK context	Occupational Pensions and employee retention	The impact of Occupational Pensions on employee retention is limited.

Asiamah Samuel Snr(2011)	Exploring the effects of Motivation on employee retention-A case study of internal revenue service	Motivation and Retention	There is significant effect of motivation on retention.
Fitzroy Daniels (2010)	Top down vs. bottom up approach-The effect on employee motivation and retention	Top down , bottom up approach, employee motivation and retention	Both the approaches influences participation and increases morale among employees in different work settings.
Dewain L. Lee (2007)	Recruitment and retention of generation X accountants –An analysis of motivational factors and their influence	Recruitment, retention, and motivational factors	Factors other than generation have greater impact on the accountants' motivation

4. IMPORTANCE OF EMPLOYEE RETENTION

Today organizations are facing huge challenge in retaining brilliant employees. Average performing employees in an organization may be retained by good salary package and other benefits but this is not sufficient for star performers as they need lot more. Just now organizations have started to take decision on involvement of employees, their development and advancement including performance based pay to retain their top talent. Employees have always wanted such things that have an impact on their day to day lives at work like encouraging and challenging work, all kind of resources for doing the job in a better way, just pay, credit for their work and involvement in decision making (Grensing, 2000). Organizational growth is perceived by its ability to attract and retain employees (Dennison, 1990). Baby boomers are on the verge of retirement therefore there will be deficiency of skillful, competent and dedicated employees and filling those vacancies is a difficult task. This will enhance the competition between organizations to make the job more attractive. Employees can leave one organization and join another one if they are dissatisfied with the organization and its management approaches (Porter, 1980). High employee turnover and its consequences towards the organization is a big concern for organizations. In general, organizational sustainability and profitability is dependent on employee retention (Newstrom & Davis, 1989). Bowery (1982) highlighted that one of the major criteria i.e. monetary rewards are no longer sufficient in attracting and retaining employees therefore management should turn their attention to other factors. Research suggests (Hunt & Liebscher, 1973) that employee retention is influenced by two major factors which are opportunity or challenges faced by employees in the workplace and focus of management towards their employees. Management's focus is reflected in employees' goal attainment, getting recognized, feeling of empowerment and involvement in the decision making process. Bass & Avolio (1994) highlighted that initially employees are inclined towards financial rewards but once these needs are satisfied the focus of employees will be diverted towards job satisfaction. Job satisfaction is one of the strong reasons behind employees' stay in an organization.

5. CONCLUSION

Organizations and managers are not proactive in implementing retention program even though they understand its importance. Retention programs can also be outsourced if organizations don't have time or have limited resources. Third party specialists can also be hired to find out the root cause of workforce challenges. After finding the root cause customized action plans can be taken which fits into organization's need. Organizations need to have sincere efforts to make people realize they are valued as an asset to the organization by considering their needs

and implementing retention strategies which are employee friendly. These retention methods can significantly reduce employee's turnover rate. According to Mike Foster, founder and CEO of the Foster Institute, managers need to incorporate motivation-building practices into their corporate culture in order of priority to foster an environment that motivates and stimulates employees. Listening to employees and respecting their opinions, reward based performance, being available to them for everything starting from listening to their ideas and concerns to assisting them with their career advancement are some of the common approaches which can be addressed.

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