

An Analysis on Employee Performance and their Retention

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Abstract:

Employee retention is very serious issue that is facing by Indian Industries due to Economic growth, shortage of skillful labors and employee's turnover. The challenging concern of the organization is Employee Retention. It is not only important to have the best and the most talented employees but it is also necessary to be able to retain them for long period of time. This study stressed on strategies of Employee Retention, as we all know that employees are big asset of the any organization or company. There are too many factors that affect the retention of employees. To retain committed and skilled employees in the organization or company, management should definitely take care of their employees. Organization should find out the reason of employee turnover and overcome this.

Today global explosion in business creates more opportunities and people are highly mobile not restricting to particular job. Human resources are the life-blood of any organization. Even though most of the organizations are now a days, found to be technology driven, yet human resources are required to run the technology. They are the most vital and dynamic resources of any organization. The purpose of this paper is to review the findings of research papers of various authors to derive the factors that affect the employee retention and different employee retention strategies that are adopted by organizations to retain its employees.

Keywords: *Employee retention, Retention Strategies, Retention Factors.*

I. Introduction:

The ability of a company to keep its employees is known as employee retention. It may also be referred to as a procedure whereby resources are encouraged and motivated to remain with an organization for an extended length of time in order to ensure the organization's sustainability.

Making all parties happy—employer and employees, is the ultimate goal of employee retention. It encourages devoted staff members to remain with the business for an extended period of time, which benefits all parties involved.

Retention of employees is a problem that requires more than just paperwork and reports. It all depends on how well employers are able to comprehend the many concerns of their staff members and, in times of need, assist them in finding solutions to their problems. All businesses have to invest financial resources and effort to train new hires and prepare them for corporate work. If such personnel leave the company after receiving their full training, the firm will suffer an incomplete loss.

When workers begin doing their jobs after receiving all necessary training, the organization is at a total loss. Employee retention considers the several steps that are done to ensure that a worker stays with a company for as long as possible.

According to research, the majority of workers quit their jobs due to dissatisfaction and ongoing conflict with coworkers or superiors. Sometimes a person's low pay, lack of opportunity for advancement, and lack of drive force them to search for a new job. The management needs to make every effort to hold onto the workers who are highly valuable to the system and who have a track record of productive contributions.

Theoretical Background:

The process of employee retention will benefit an organization in the following ways:

1. The Cost of Turnover: A company's costs might increase by hundreds of thousands of dollars due to personnel turnover. Although it is challenging to accurately assess the cost of turnover (which includes recruiting expenses, training costs, and lost productivity), industry experts frequently provide a conservative estimate of 25% of the average employee wage.

2. Loss of Company Knowledge: Important information about the business, clients, ongoing projects, and previous experiences are taken with an employee when they depart (often to competitors). It's common to

invest a lot of time and money on employees with the hope of receiving a return in the future. The investment is not realized until the employee departs.

3. Interruption of Customer Service: People are one of the reasons why customers and clients conduct business with a company. Relationships are cultivated to support the business's ongoing sponsorship. The relationships that an employee developed for the company are broken when they depart, which may result in a loss of customers.

4. Turnover leads to more turnovers: The impact of an employee's termination is felt by the entire company. It is frequently necessary for coworkers to take up the slack. The implicit animosity frequently gets worse for the remaining employees. Company benevolence: When a corporation has low attrition rates, its goodwill is preserved. Increased retention rates encourage prospective workers to apply to the company.

5. Regaining efficiency: When an employee leaves, a significant amount of time is lost in finding and onboarding a replacement, which directly contributes to the company's loss and is sometimes overlooked. You are unable to guarantee that the new hire will operate with the same efficiency even after this. What Causes an Employee to Quit? Workers do not quit a company for no good cause at all.

There are certain circumstances that lead to their leaving the organization. The most common reasons can be:

a) Job is not what the employee expected to be: There are instances when work duties differ from what candidates had anticipated. Job unhappiness is a result of unexpected job responsibilities.

b) Job and person mismatch: A candidate's personality may make him suitable for a particular kind of work. If he is assigned a job that doesn't fit his personality, he won't be able to do it well and will look for excuses to quit.

c) No growth opportunities: No or less learning and growth opportunities in the current job will make candidate's job and career stagnant.

d) Lack of appreciation: If the work is not appreciated by the supervisor, the employee feels demotivated and loses interest in job.

e) Lack of trust and support in co workers, seniors and management: The most crucial element needed for someone to remain in their position is trust. Unsupportive supervisors, managers, and coworkers can create a hostile and challenging work environment

Managing staff members can be viewed as a three-step process:

1. Determine the expense of staff mobility.
2. Recognize the reasons behind employee departures.
3. Put retention tactics into action.

The first step for the organizations should be to determine the staff turnover rates over a specific time frame and compare them to those of their rival companies. This will assist in determining whether the company's employee retention rates are healthy. Secondly, it is possible to quantify the expense of staff attrition. A survey found that attrition costs businesses, on average, 18 months' income for every manager or professional who quits and 6 months' pay for every hourly employee. Considering that one in three workers intends to quit in the next two years, this represents significant organizational and financial strain.

According to **Hytter (2007)**, some workplace elements like rewards, leadership style, career opportunities, skill development and training opportunities, physical working conditions, and the harmony between work and personal life have an indirect impact on employee retention, while other factors like personal premises of loyalty, trust, commitment, and identification and attachment with the organization have a direct influence.

Feedback is crucial for organizations in today's competitive market, as stated by **Garg & Rastogi (2006)**.

Retention Involves Five Basic Things:

Environment: A driven worker aspires to make contributions to areas of the workplace outside of his designated duties.

According to Ramlall (2003), an employee in an organization needs a proper work environment because it will promote dedication.

According to Nelson's (2006) research, job satisfaction is an extremely valued, incomparable, and irreplaceable commodity. Negatively impacting the desired degree of work are hopeless personnel. A small percentage of contented workers not only improve performance but also the workplace culture, which in turn influences employee and organizational performance.

Growth: Every person's career involves growth in one way or another. There's a good probability an employee will jump at the chance to leave his current company if he can't see himself developing professionally there.

Work growth is a function of employee performance within the organization as well as the organizational provenance that the organization provides to its employees, according to Grossman, J. (2002). The ultimate outcome of employee behavior, including performance, retention, and employee happiness, is growth and productivity.

Compensation: The majority of the retention process is devoted to compensation. Workers always hold themselves to a high standard when it comes to benefits. Salary and wages, bonuses, health insurance, and post-retirement benefits are all included in compensation.

Savery, Davies, and Taylor (2001) while every organization pays top staff, relatively few make strategic use of this compensation. According to them, "the organization is not strategically using salary and benefits policies to improve morale, reduce turnover, and achieve targets within an establishment." According to a study, while remuneration did not rank among the most important elements affecting no management turnover, it can play a significant role in lowering managerial turnover and raising commitment.

Relationship: An employee's departure from an organization can occasionally be attributed to their relationships with peers and management. An employee frequently cannot find a supporting work culture and environment from management in terms of people and professional interactions. A positive work environment increases employee satisfaction and fosters professional growth. An employee may occasionally begin to harbor resentment towards peers or management, which lowers job satisfaction and finally causes turnover.

Armstrong; 2003 Within the field of human resource management, employee relations include all areas that deal directly or indirectly with employees, including collective bargaining agreements in cases where trade unions are recognized. The wellbeing and decent working conditions of the employees are the focus of union practices. The management of the working relationship between an employer and employees, which may involve formal agreements such as a contract of employment or procedural agreement, is the focus of human relations.

Support: Today's workers want their workplaces to assist them in striking a balance between their obligations to their families and their jobs, not to priorities one over the other. programs like: Training, medical benefits, scholarships, special programs for their kids, etc.

William Kahn (1993) "The shackling of individuals within an organization to their job roles; during role performances, people employ and express themselves physically, cognitively, and emotionally."

"An employee's involvement with, commitment to, and satisfaction with work" is the definition of employee engagement. A component of staff retention is employee engagement.

Three R's of Retention:

- Respect
- Recognition
- Rewards

Employee Retention Strategies:

The fundamental procedures that ought to be considered in employee retention plans are:

- Start by selecting the appropriate candidates.
- Give the staff more authority. Delegate authority to the staff so they can complete tasks.
- Help staff members understand that they represent the company's greatest asset.
- Respect, trust, and believe in them.
- Share with them your knowledge and facts.
- Don't stop giving them performance criticism.
- Give them credit for their accomplishments.
- Preserve their optimism.
- Establish a setting that encourages both work and pleasure for the staff.

Make work entertaining and enjoyable because people want to like what they do. Recognize that workers must manage their personal and professional lives, thus provide flexible start and end times. To encourage honest communication, distribute questionnaires such as 360-degree feedback forms. Think about enabling anonymous surveys from time to time to encourage staff to be more forthright and honest in their feedback. Give employees the chance to advance their careers and receive cross-training within the organization. Provide appealing and competitive benefits.

II. Literature Review:

(Zineldin, 2000) There is no magic bullet when it comes to keeping personnel with a company; retention is a complicated subject. Retention has been defined in literature as "the duty to carry on doing business or exchange with a specific company on a continuous basis".

(Stauss et al., 2001) "Customer liking, identification, commitment, trust, readiness to recommend, and repurchase intentions, with the first four being emotional-cognitive retention constructs, and the last two being behavioral intentions" is a more recent and comprehensive definition of retention.

(Logan, 2000) Research has also shown that a number of important factors—such as organizational culture, communication, strategy, salary and benefits, flexible work schedules, and career development programs—that influence retention should be addressed consistently.

A growing number of mergers and acquisitions within organizations have left workers feeling dissatisfied with their employers and plagued by worries about their overall job security. Employees are now using calculated career decisions to ensure employment that satisfies their desire for security as a result. However, employers also need to prevent their staff from quitting or joining other organizations.

Objectives of the study:

1. To study about the employee retention in the organization.
2. To determine the issues that the organization's personnel are facing
3. To determine how turnover in staff is decreased by retention tactics.

III. Research Methodology:

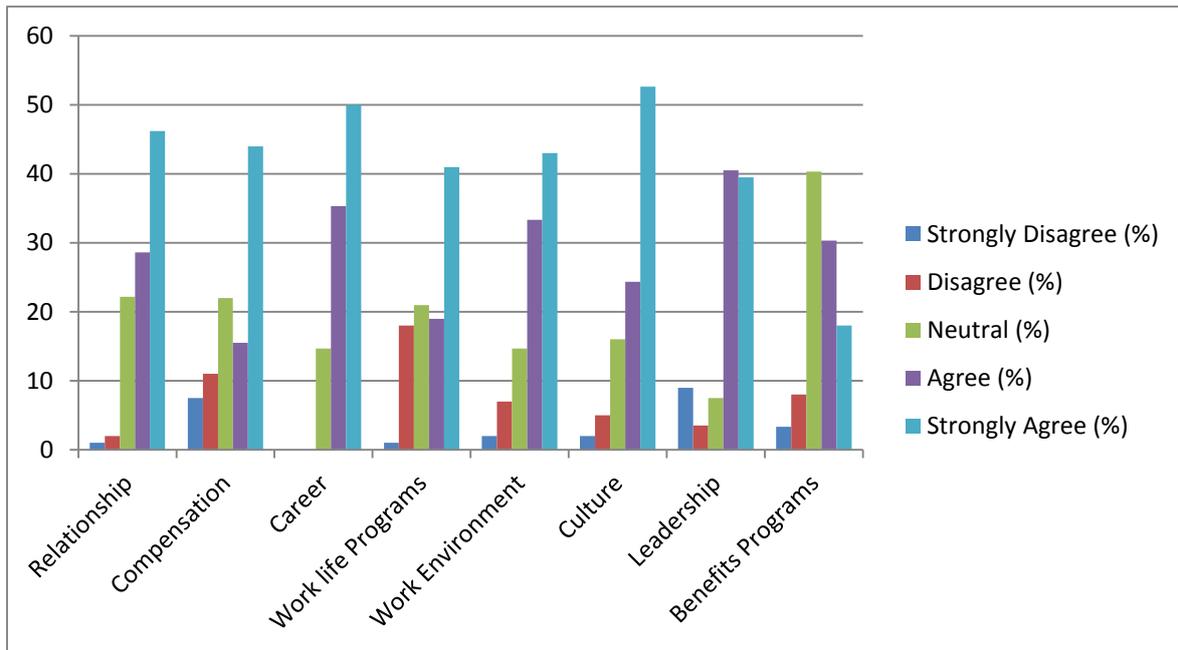
This study is based on Descriptive Research Design and involved in administering questionnaire as a tool for research work. In order to fulfill the objectives of the study, the data have been collected from both the primary and secondary sources. Data have been collected from the employees of the medium scale industries. For the present study Judgment Sampling Method was used. Six medium scale industries were selected; from each industry 5 employees were selected as a sample. So the desired sample size was 30 employees. The questionnaire used in this study was constructed on 5 point scale, strongly disagree to strongly agree. To analyze the data percentage method was used.

IV. Data Analysis and Interpretation:

Summarized data analysis table for eight components are given below. For the each attributes different questions were framed and collected the opinion of respondents.

In this data analysis I use average and in percentage form.

Opinion/ Attributes	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Total (%)
Relationship	1	2	22.2	28.6	46.2	100
Compensation	7.5	11	22	15.5	44	100
Career	0	0	14.67	35.33	50	100
Work life Programs	1	18	21	19	41	100
Work Environment	2	7	14.67	33.33	43	100
Culture	2	5	16	24.34	52.66	100
Leadership	9	3.5	7.5	40.5	39.5	100
Benefits Programs	3.33	8	40.33	30.34	18	100



V. Findings:

- The relationship between management and employees is the most crucial factor in boosting staff retention within an organization, as the above table demonstrates.
- Salary, pay, or other financial benefits are always factors in motivating employees to stay with the company. If not, competent workers will be drawn to competitors' well compensated positions.
- Based on the comprehensive analysis, the majority of employees firmly believe that the organization's culture plays a crucial role in retaining talent. They find the corporate culture to be satisfactory. Thus, they are not considering changing careers.
- It was discovered that the majority of respondents believed that employee job satisfaction and, ultimately, employee retention were impacted by the work environment (campus, workplace, and facility).
- It was noted that the majority of workers place a high value on direction, supervision, and guidance within the company.
- The majority of respondents believe that benefit programs, such as paid time off, retirement benefits, and health and welfare, help them maintain a work-life balance.
- According to respondents, work-life programs that offer family and personal support help individuals balance their personal and professional lives.
- It was discovered that career opportunities make employees happier. Motivating others requires effective leadership.

VI. Significance of the study:

- Managing retention is not what employee retention is all about. It has to do with handling personnel. Employee retention will take care of itself if a company manages its personnel well. Individuals desire to work for companies that offer them opportunity for growth, recognition for their contributions, In a cordial and helpful setting, a sentiment that an employee's workplace serves as a second home. One of the organization's main objectives now is to retain employees.

VII. Conclusion:

The significance of staff retention inside the organization is growing, as indicated by this study. It draws attention to the causes of the high turnover rate as well as the expenses this behavior incurs for the business.

The work environment, work culture, wage negotiation, pay management, incentives and recognition, leadership, and the interaction between employees and management are some of the areas that are briefly covered in this study when it comes to the implementation of employee retention techniques. As a result, the company can instill some behaviors that encourage employees to work well and keep them around by putting in place retention tactics and offering a variety of welfare benefits.

In summary, "You will never lose employees if you genuinely respect, appreciate, and treat them wonderfully"!

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Employee Satisfaction Survey;

Relationship

1. I have a positive working relationship with my colleagues.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree

Compensation

2. I am satisfied with my current salary.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree
3. My compensation is fair compared to industry standards.
 - Strongly Agree

- Agree
- Neutral
- Disagree
- Strongly Disagree

Career

- 4. I have clear opportunities for career advancement.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree
- 5. The company provides adequate training and development programs.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree

Work-Life Programs

- 6. The company promotes a good work-life balance.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree
- 7. I have access to flexible working hours if needed.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree

Work Environment

- 8. I feel safe and secure in my workplace.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree
- 9. The company provides the necessary tools and resources to do my job well.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree

Culture

- 10. The organizational culture is inclusive and respectful.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree

- Strongly Disagree
- 11. I feel valued and appreciated for my contributions.
- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

Leadership

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree
- 12. I trust the decisions made by the company's leadership.
- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree
- 13. Management supports and encourages employee growth and development.
- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

Benefit Programs

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree
- 14. The company offers a comprehensive benefits package.
- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree
- 15. The retirement and savings plans provided by the company are satisfactory.
- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree