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# **A Review on Employee Retention Strategies in Organization**

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**ABSTRACT:** This study shows that employee retention is built on the foundation of earlier concepts like job satisfaction, employee commitment and Organizational citizenship behaviour. Employee engagement is stronger predictor of positive organizational performance clearly showing the two-way relationship between employer and employee compared to the three earlier constructs: job satisfaction, employee commitment and organizational citizenship behaviour. Engaged employees are emotionally attached to their organization and highly involved in their job with a great enthusiasm for the success of their employer, going extra mile beyond the employment contractual agreement.

**KEY WORDS:** Employee Retention, Strategy, Job Satisfaction, Employee turnover

## **I. INTRODUCTION**

Employee retention (ER) is a process in which the employees are encouraged to remain with the organization for the longer period of time or until the completion of the project. Even though Employee Retention has now become a tough task, it is beneficial for the organization as well as the employee growth.

A good employer should know how to attract and retain his employees. There might be many other strategies to keep the employees comfortable in the present job but motivation strategies boost the employees on day to day basis. Studies have found positive relationship between employee engagement and organizational performance outcomes: employee retention, productivity, profitability, customer loyalty and safety. Finally, this study suggests strategies the companies should take up to keep employees retained in their jobs.

## **II. OBJECTIVES**

- To Identify the need for employee retention strategies
- To highlight the various strategies which helps in employee's retention initiatives in an organization.
- To explore the relation between various strategies and job satisfaction.
- To explain the various levels of retention management.

## **III. EMPLOYEE RETENTION STRATEGIES**

Retention is not only important just to reduce the turnover costs or the cost incurred by a company to recruit and train. But the need of retaining employees is more important to retain talented employees from getting poached. Good retention starts from the time you hire employees to the time they leave your company. See how tweaking some of your employment practices can have a big impact on employee retention.

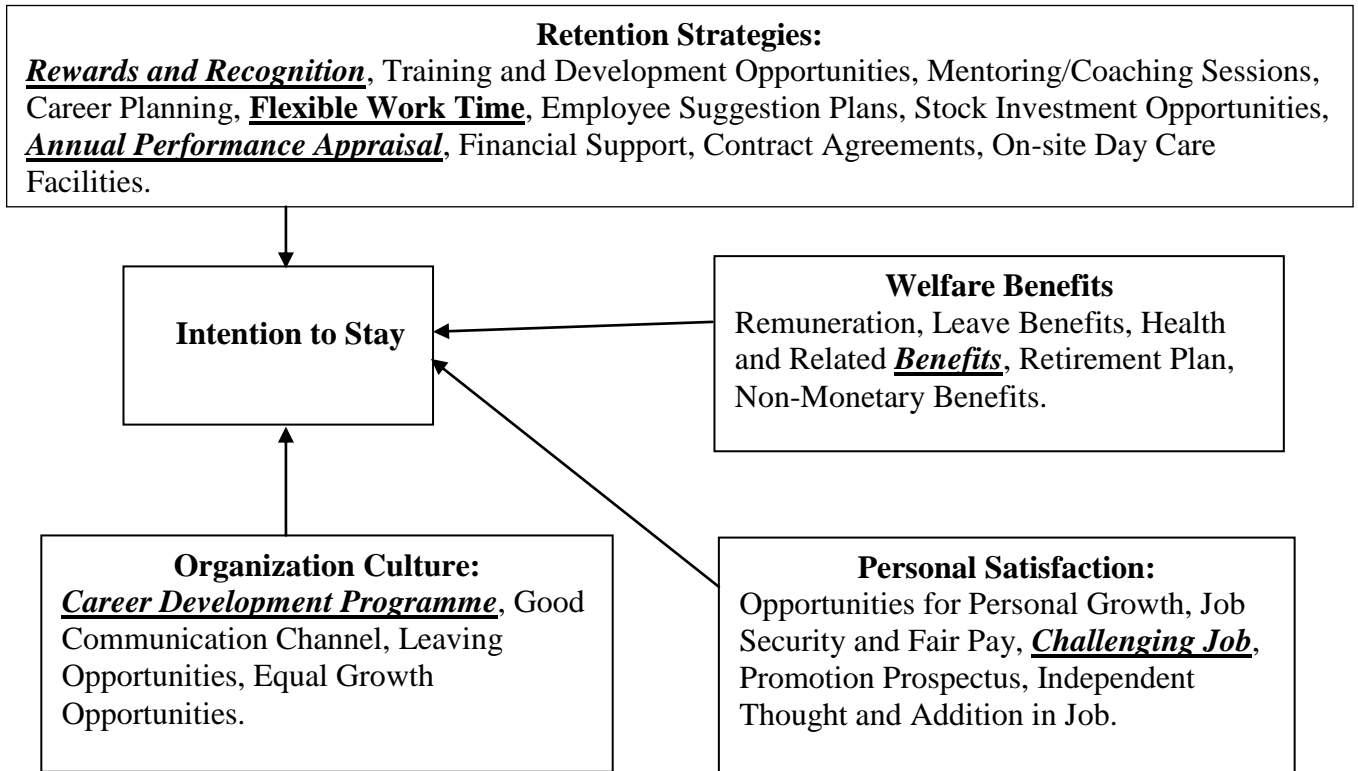


Figure 1: Conceptual Model of Retention Strategies

**IV. REWARDS & RECOGNITION**

When employees feel they don't have a clear grasp of their job duties, company policies, and the performance metrics by which they'll be evaluated, it can prove tremendously frustrating and damage morale to the point that employees may be tempted to look for employment elsewhere. Luckily, there's a simple solution: Communicate with employees to ensure they have a crystal-clear understanding of their job duties, company policies, and so on, and provide employees with regular feedback so they know how they're being evaluated.

While a simple "thank you" is a good first step, you can provide greater rewards in the form of bonuses, raises, promotions, paid time off, and gifts that provide actual value to employees' lives.

Key for the success of this working model is to know and trust the employees as well as to understand their working preferences and habits well enough to fine tune the flexible working conditions. Flexible working should not be seen as something useful only for certain categories of professionals like, for example, parents; organisations should look at it as an essential part of their employee retention strategy and a way to increase motivation and productivity. If well integrated with the other business operations, flexible working should create a more attractive workplace, dominated by a culture based on trust and collaboration while still respecting the needs and preferences of employees.

Even though it is clear that, overall, some sectors as well as bigger companies usually are in a better position to implement flexi-time initiatives; in the longer term, all organisations could benefit in some way from these initiatives, thanks to an increased employee satisfaction and lower overhead costs. As a result, businesses will manage to retain a wider pool of committed and more productive employees.



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## Annual Performance Appraisal

When employees know what they're doing well and where they need to improve, both they and your organization benefit. Performance Based Bonus ensures a provision of performance linked bonus wherein an employee is able to relate his performance with the company profits and hence will get motivated to work hard.

Performance appraisals also help employees and their managers create a plan for employee development through additional training and increased responsibilities, as well as to identify shortcomings the employee could work to resolve.

Ideally, the performance appraisal is not the only time during the year that managers and employees communicate about the employee's contributions. More frequent conversations help keep everyone on the same page, develop stronger relationships between employees and managers, and make annual reviews less stressful.

## Employee Benefits

While today many employees tend to rate factors such as career development higher than pay, good pay and benefits still count to be the deciding factors for employee retention

Internal Communication – Effective communication will help reduce the communication gap in an organization and curb employee attrition. Employees need to know and be reminded on a regular basis how the organization is doing and what they can do to help.

## Career Development Program

Career Development Program helps when an individual is worried about his/her career. An employee is always keen to know his/her career path in the company. Organizations can offer various technical certification courses which will help employees in enhancing their knowledge.

Career development also can help with retention because employees can develop a sense of loyalty for employers who are willing to invest in them. Likewise, when it is time to hire new employees, career development programs can be attractive to job-seekers. A company can develop its own unique career development programs to increase employee retention—and hopefully increase productivity and profits. Organization leaders can use the following strategies to guide the development of its program.

## Challenging Job

Today's employees—particularly millennials and other younger workers—care just as much about doing challenging work as they do about having a job that pays the bills. That's why it's so important to provide team members with varied tasks, stimulating assignments, and opportunities to make a real difference at the company or in their communities. Philanthropic programs, opportunities for community engagement, social programs to facilitate bonding between coworkers, and unification around a shared vision for the company can all help provide employees with a sense of challenge on the job.

**IV. RETENTION MANAGEMENT**

An Effective retention management requires ongoing diagnosis of the nature and causes of turnover, a strategic approach to determining in what human capital markets retention has the largest impact on organizational success, and the development of an appropriately targeted and organized bundle of retention initiatives.

Employee retention is beneficial for the organization as well as the employee. Employees today are different. When they get dissatisfied, they move to other organizations. It is the responsibility of the employer to retain their best employees, if not; the organization will lose the star performers (good employees).

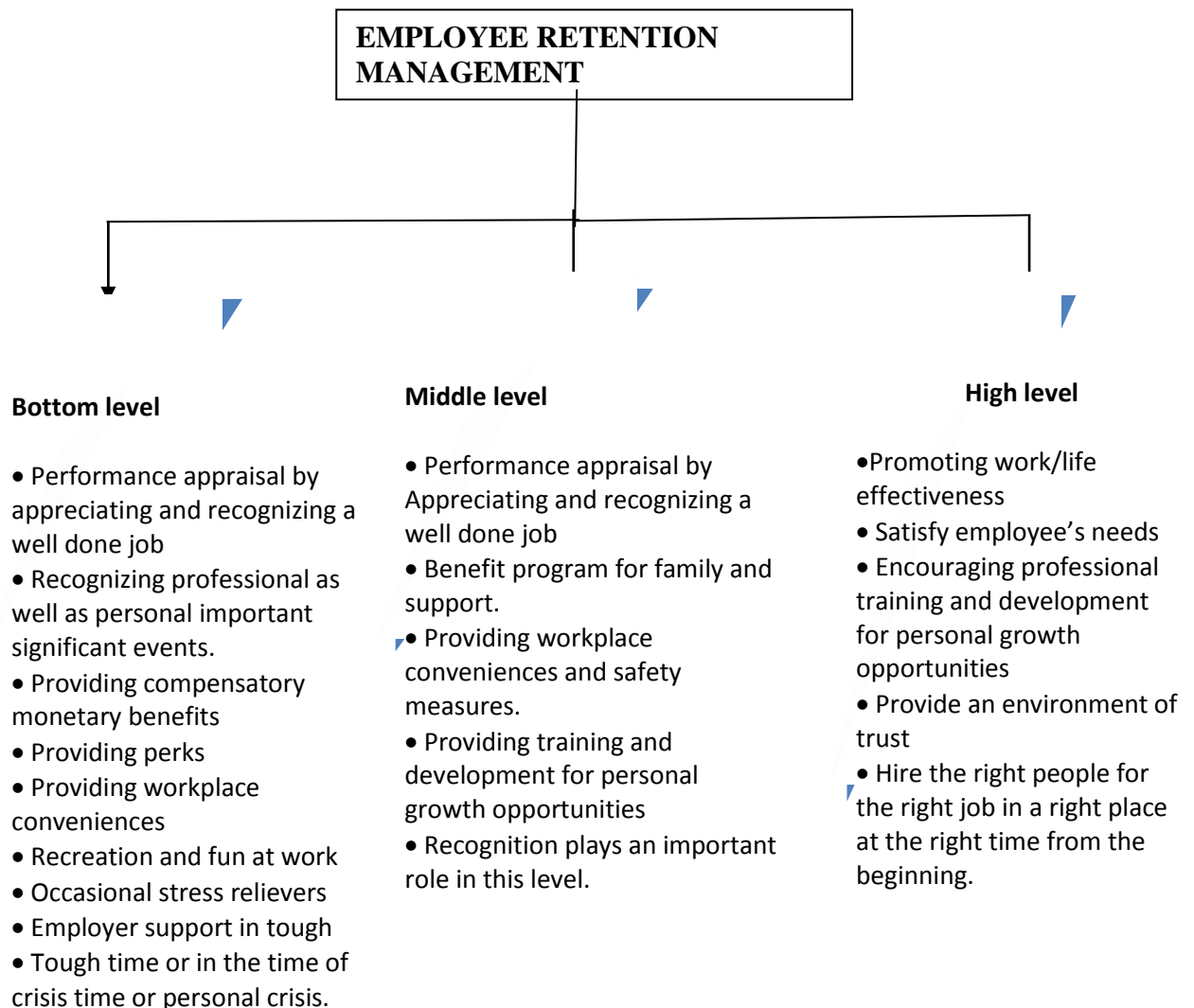


Fig.2 Retention strategies at different levels



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## VI.CONCLUSION

Employees are the assets of any organization. Best way to enhance employee retention is to understand what the employees require from organization and provide it to them. Each employee's needs would be different, but organizations should be able to reach the limits and act accordingly. It is not feasible to satisfy every employee's demands. But organization should make the employees feel that employees are most valuable for the organization. Thus, it is indicated that organizations should identify their critical employees; understand their needs with regards to career, family, education, and community; and be able to continuously meet the expectations and needs of these employees. It is through proactive efforts that the organization can reduce the likelihood of losing the critical employees.

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