What Really Makes Employees Retain in Organizations

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ABSTRACT

High level of employee turnover has become a burning issue for many organizations in the light of wrenching changes which market undergoes constantly. The outcome of high Employee turnover is indeed striking and leaves the organization with its back against the wall. Therefore this research has been conducted with a purpose to identify the underlying issues that hinder employee retention while focusing on the factors which attract and retain them in the organization for a longer period. Thereby it could assist organization to understand the importance of retention of top talent and its benefit in the long run. In order to dig into the issue of high labor turnover, the research was designed targeting the existing employees and the data analyzed using qualitative methods. As findings, it was realized that employees have a common set of criteria which they would seek to satisfy during their employment. The extent to which employer is successful at understanding and satisfying these would determine the level of employee retention. Finally as the conclusion of the research, it essentially underpins the fact that employee turnover could be triggered due to poor labour-management relationship.

KEY WORDS: Employee Retention, Employee Turnover, Labour – Management Relationship

INTRODUCTION

The old adage "People are your most important asset" still ring true, even when the development of technology has taken a dramatic turn. The industry has a plethora of examples that prove the above statement beyond a reasonable doubt. Therefore, human resource is regarded as one of the most important elements that could help organizations to make the cut and stand out from the rest in this competitive environment.

Research Objective

The main objective of the research is to comprehend the factors that would encourage employees to retain (Retention refers to the retaining the top talent) with the

organization for a longer period thus improves the performance of the organization.

LITERATURE REVIEW

The people of an organization must be the right people as having a misfit would be a sting in the tail that could disrupt the momentum. Further, it is pretty evident that employees are not interested anymore in old fashioned carrots and surprisingly following aspects may create some impacts on their retention in an organization.

Employee Motivation

Herzberg calls the hygiene factors as kick in the pants – to give what might be called KITA which trigger movements in employees rather than the motivation.

Negative Physical KITA: Is a taboo that is not visible at all nowadays. This could arise due to a physical assault or by symptomatic expressions of ego sores.

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Negative Psychological KITA: could be worse than the physical KITA, since the damage is being done internally, and it is invisible. Furthermore, this leaves no room for employees to complain, as they could be accused of being paranoid.

Positive KITA: As per Herzberg "negative KITA is rape and positive KITA is seduction". Being seduced is more painful than being raped since in the latter case the employee is being hoodwinked in such a way to make him fall into the trap due to his own weaknesses.

Abraham Maslow shares a different view on Motivation with his model of Hierarchy of Needs where he has identified five tier needs of employees who will try to accomplish their needs in the given order.

- Employee Engagement: Truss and Soane (2010) have identified that there are five basic principles that contributes to increase employee engagement.
- Grand Prix Drivers: Are highly committed and engaged most of the times, albeit they are at the risk of burning out.
- Pole Vaulters: Are as strongly engaged as Grand Prix Drivers but will not for so long. Certain aspects of work will keep them engaged and committed.
- Long Distance Runners: They are reliable as well as consistent but not as much as first two groups.
- Flat-Liners: They hardly engage with work, likely to disengage, i.e. negative and hostile.

Culture and Values of the Organization

The culture is about messages sent, which demonstrate what is important, what people do around here to fit in, to be accepted, and to be rewarded (Taylor 2005, p7). As per Taylor culture is built around three key pillars, namely, behaviors, symbols and systems.

Recruitment & Selection

Recruitment is a process of attracting, screening and selecting qualified people for a job at an organization or firm, Wikipedia-On line encyclopedia.

Fit to the job

As per Jones (2010) "The Holland Codes" identify that "the choice of a vocation is an expression of personality" and are;

R - Realistic
I - Investigative
A -Artistic
S - Social
E - Enterprising
C - Conventional

Furthermore he has described that, an employee who has chosen the career which is similar to his personal traits discovers the satisfaction at work.
Furnham (2006) argues that selectors often fall into three common traps.

- Selecting for a particular job rather than for a series of jobs
- They do a current job analysis rather than a future job analysis
- Inability to understand the person's capacity towards change

Probationary Period

According to Furnham (2006), the probationary period must be followed by 360- degree feedback as the most effective method of predicting the job success.

Retention

Retention refers to the ability of maintaining actively involved employees for a substantial period of time while delighting them in order to earn a higher productivity.

Loyalty

Abrashoff (2001) underpins the importance of making your employees heard and makes them grow through giving ownership thus making a friendly environment, which will eventually flourish innovation and motivation.

METHODOLOGY

Being a combination of basic and applied research, gathering a vast amount of data was required prior to embark on the research. Since the analysis of the research was mainly based on primary data it has been collected in two phases as follows.

The survey method has been adopted and a questionnaire was distributed among a target group to collect data with regard to their behaviors, occurrences, attitudes, etc. Table 1 shows the characteristics of the sample that was selected for the above mentioned purpose.

Table 1: Sample for Quantitative Research

	Marketing	Production	Commerci	Procureme nt	Total
Employees	5	5	3	2	15
Ex-Employees	3	2	3	2	10
Total	8	7	6	4	25

Then one on one interview (In depth interview) method has been adopted to gather data in order to further strengthen in achieving the research objective. Table 2 shows the characteristics of the sample that was selected to gather data through in-depth interviews.

Table 2: Sample for Qualitative Research

	Marketing	Production	Commercial	Procurement	Total
Employees	30	20	20	10	80
Ex-Employees	5	5	5	5	20
Total	35	25	25	15	100

RESULTS AND DISCUSSION

An extensive analysis on the collected data has lead to cover below results as to the employee retention in both good times and hard times of the organization.

Employees are hardly motivated by monetary incentives:

Money does talk, however it does not seem to be true in the long run as far as the careers are concerned. The respondents never highlighted the money factor as their major concern. However, even though they may feel unhappy with the monetary benefits, it was quite evident that monetary benefits alone can retain an employee in an organization.

Career Advancement Plans:

Respondents never had the view of lifelong employment and it was evident that they will not hesitate to take the decision to quit due to many reasons, among them, the number one being the career advancement plans.

Organizational Culture:

The culture plays a vital role as to the employee retention, and culture does have the power to keep the employees stick to the organization. It is one of the preliminary factors, as no one will bother retain unless they feel that they fit in to the environment or the tribe.

Retention activities should be targeted at the proper audience:

The 'one size fits all' approach will not put the wedge to the employee turnover issue. The needs of each employee vary from one another and therefore it would be very helpful to have a proper profiling of the employees. Implementing retention strategies is overlooking the audience that may send both money and time down the drain.

The Relationship Matters:

People always prefer to stay as a part of a community rather than being alone. As such, people who are supposed to work closely with each other must maintain a good relationship among each other. Therefore supervisor - subordinate relationship is most important relationship since if it disputes,

then can ruin the performance of the subordinate to a greater extent.

Communication:
Lack of communication always trigger a doubt in employees and make them feel distant. Therefore two-way communication is very essential as it strengthens the relationship on one hand and on the other hand, it clearly gives a purpose and sense of direction to work.

Work-Life Balance:
Employees would find it difficult when the work demands extra time from their personal life. This will wear them off and eventually make them lose the interest towards the job. Hence the work-life imbalance affects the productivity of the employee and thus enhances the job dissatisfaction.

CONCLUSION

In fact, the success of retaining people is lies at the heart of emotional attachment that organization has built up overtime with their employees and the relationship that keeps both parties stick together. The organization should not view the relationship as a one-off transaction; instead, it should take the approach of long-term labour – management relationship.

However, en-route to unravel the causes, it does open the door for many unseen issues, which deserve as future research opportunities and some of such are;

Do both employees and customers behave in a similar manner in terms of loyalty?

It would be interesting to know whether the management would be able to make their employees behave in a similar manner and target retention activities based on their level of loyalty.

How does the culture affect the employee retention?

The enormous amount of research has been done on culture and it is the most sought after element as to the competiveness of an organization. Hence, the retention could heavily depend on the culture of the organization.

How does employee plan to leave the organization?

A research has to be carried out to understand the employee behavior and that would be useful to monitor even the slightest changes in the behavior of employees. This would help management to understand the employees better and take remedial actions when the need arises.

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