

Effective Retention Strategies in Times of Demand for Talent



Management

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ABSTRACT

Retention of employee continues to be a exasperating for a large number of employers. A critical strategic issue for employers is the development of policies and programs that help retain high performers who are difficult to replace. Employee's expectations have shifted over the past few decades especially for those employees who possess rare expertise, which is at their advantage. Understanding the reasons for employee attrition is the initial step in developing employee retention strategies. Employee would like to work in a climate that supports a work life balance which is necessary ingredients of successful retention strategies.

Introduction

In today competitive business environment, the most challenging job in for any HR is to identify, recruit and retain quality workforce. According to Ritu Arora (2012), it is an established fact that retention is a strategic tool to ensure competitive and corporate performance. In the war for talent, to retain talented employee is getting tougher and employee retention continues to top the list of CEOs' priorities.

In the last decade, job-hopping has become a common phenomenon. Several factors are enticing the employees and particularly when they possess rare skills or expertise, which is at their advantage. More than the costs involved in recruiting, employers' loyalty is also an expectation from the employee. A demonstration of loyalty to current employees can prevent the employees from leaving the organization especially when the project demands.

A study by HR professionals found that 75 percent of those surveyed reported that retention of high performers was the top HR problem they confronted. A critical strategic issue for employers is the development of policies and programs that help retain high performers and /or those employees who are difficult to replace

As per Joykutty (2016), economy, retention of talent was viewed as a compensation package which is no longer relevant in knowledge based economy. Now organizations are realizing the fact that retaining and training the existing workforce is far better and beneficial than recruiting fresh talent. In order to retain the best talent, every employer has to make an effort to create an employee friendly and conducive work environment.

Reasons for employee's separating from Organizations:

A survey carried out by Watson Wyatt Worldwide identifies the following factors, which make employees remain loyal to organization.

Factors which makes Employees Remain Loyal to Employers	
Chances to use skills on the job	11%
Trust in senior leadership	14%
Competitiveness of rewards	14%
Job Security	11%
Quality of organization's products and services	10%
Absence of work-related stress	7%
Honesty and integrity of organization's business conduct	7%
All other factors	26%

The following are the driving force and key trend to retain the best and right talent:

- **Global Competition:** The organizations realizes that apart from global competition for customers they also need to compete for talent. It is truly a war for talent for those organizations which are constantly under siege from anyone and everyone who runs a business globally. Therefore, company's retention efforts must be strong enough to engage in a global skirmish for talent and to win.

- **Entrepreneurial Boom:** Top talent is being targeted by these small business enterprises. Offering fast track growth and high pay-off environment. Many small companies find themselves that few key employees are set to achieve skyrocketing growth and these employees may be from best organizations.
- **Free Agent World:** Today's best talented employees see themselves as free agents, willing and able to move quickly to another organization for the right opportunity. Knowing their market value, they welcome new challenges, new adventures and new experiences. The demanding nature of these employees are changing the course of retention strategies.
- **Employee's Options:** Talented employee have more options worldwide than ever before. These opportunity are extended to all levels of employees in the organization. Expecting promotion, high pay package and new position. If the employees not satisfied with their options, they moved to a better job. In such situations, a strategic retention plan is essential for the organization's future.
- **Work/Life Integration:** Work-life balance focuses on how to bind an employee's personal life around their work- keeping their work life as the central element. Work-life integration takes the opposite approach – how to bind the person's work life around their work –keeping personal life as the central element. Work-life integration is a far more powerful statement of organization's concern for the individual and moves toward a mass customized approach.
- **E-Commerce:** E-Business is stealing the best employee from blue chip organization. The greatest challenge before the organizations are to recognize those top talents most susceptible to leave the organization for e-commerce and create a retention strategy so powerful so that they won't leave the organization.
- **Loyalty Paradox:** Recent surveys indicate that:
 - o May employees now wish to stay longer with current employers, that is, extent their "loyalty" and decrease their job hopping, while;
 - o Applicants are making decisions to accept new offers in record time i.e within hours, nor weeks.
- **Poaching:** Poaching forces organizations to pay close attention to its top performers in order to stall competitors from whisking them away. Well-designed prevention and retention strategies are needed to protect talented and skilled employees from being lured away.

Key Elements in Retention Strategies

In the world of internet –speed is key word and organization should plan retention solutions at net speed. To succeed the organization adopt four key elements in the retention strategies which are - focused, speed, flexible and fun process and outcomes.

Most-preferred retention strategies

- A competitive remuneration package
- Opportunities for development in their area of expertise
- Incentives linked performance
- Challenging work assignments in their area of expertise
- Freedom to plan and execute work independently
- Colleagues that they feel they can learn from
- Growth potential of the industry
- Access to leading –edge technologies and products
- Progressive leadership, which allows them to do things differently
- Share in the profits of the business

Least - preferred retention strategies

- Healthcare benefit
- Utilization of education, skills and expertise directly to the job
- Clearly structured promotional progress
- Pension scheme
- Well-defined job descriptions with clear responsibilities
- Availability of jobs in the market
- Time for socializing and relaxation at work
- Need for a change
- Encouragement to associate with institutionalized professional bodies
- Contractual obligation due to educational assistance received from the company

The strategies might be least preferred but still need consideration from the organization

Market-driven Retention Strategies

In present day the competition for talent being so intense, mere tinkering with routine HR functions such as compensation packages, career paths, training efforts etc., cannot insulate organizations from having their competent employees leaving the organization. Peter Cappelli (2000) observes that it is not the organization, but the market that ultimately determines the movement of employees from organization to another and suggested that organizations must adopt market-driven retention strategies. This hard reality calls for a new paradigm in managing retention. The following are such retention strategies.

Job Design: Research indicates that by carefully and thoughtfully deciding which task must be assigned to which job, organizations can exert greater influence on the retention rates of employees. A good job design exercise can create a win-win situation to both for the employer and the employee.

Job Sculpting : Job Sculpting here means 'the art of matching people to jobs that allow their deepest embedded life interests to be expressed'. It involves creation of a customized career path. It is, essential for the organizations to identify those deeply embedded 'life-interests' of an employee and sculpt the job in such a way that it enables the employee to express him\self fully.

Job Location: Many big organizations known to establish their developmental centers across the country with a view to retain the talent within the organization by offering choicest locations to their employees.

Quality of Supervision: It is not enough that the supervisor is well-like or a nice person. But employees want their supervisors with set of clear performance expectations, deliver timely feedback on performance, live up to their word and promises, and provide an environment where the employee can grow and succeed. Failure by supervisors and management to provide this can cause an employee to start looking for greener pastures.

Compensation: Organizations try to hold back their most valuable employees by paying them more than the market-defined salaries. In the knowledge driven society, no compensation can guarantee retention of an employee for the period desired by the organization,

unless it is accompanied by other essential elements like job satisfaction and environment which are to the liking of the employees.

Rewards & Recognition: An efficient organization is one which takes the time and effort to recognize employee's activities, efforts and accomplishments. Display consistency in both applauding and rewarding talent. Look for the positives and don't let the smallest opportunity go by. Only when employees that their hard work will be noticed and appreciated, will they be motivated enough to retain in their jobs.

Recruitment Techniques: Organizations could focus on 'talent' who could perform the job under reference well, though they are not right now in high demand. By doing so, the organizations can, to a great extent, protect their employees from poachers. Such recruits, for obvious reasons, usually remain grateful to the organization and make every effort to grow along with it. These employees ultimately constitute the core of the organization for long time to come.

Training: It is always observed that the high turnover is always an issue of HR department and the cost of replacing an employee is forever forbidding to the organizations. It is therefore necessary for the organization to provide 'Training' for the employees to improve their skills and manage their career. Organizations recognize that they can link their career programs to specific business objectives while developing their employees to meet their goals. At the same time, the employees are kept abreast of changing technology, and are developing Career- Related Skills. In addition, these programs tell employees that the organization values and respects them by investing in their future career growth. Thus, successfully planning and implementing the employee training programs will help the organizations in retaining their qualified and competent employees.

Social Ties: Building up of teams at work level and formation of social groups outside the work place goes a long way in nurturing social bonds among the employees. Once such strong social linkage are built among the employees' families, there would always be a negative pull in action whenever an employee plan to leave the organization,

Knowledge Sharing: Organizations should provide an environment for the employees to share what they have learned at a recent conference or training workshop. This kind of sharing not only increase the amount of information they will retain in the organization but also lets the other employees know that the employee is a valuable person in the organization.

Conclusion

There is no single reason that can be pointed out to employee retention, for each employee is driven by his intrinsic motivation. Managing retention of talent has thus become a big challenge, though all is not lost. Attracting and retaining best employees remains a cornerstone of successful organizations. It is necessary for the organizations to provide various attractive benefit packages and flexible work options and establishing organizational culture that emphasizes knowledge sharing and employee feedback, by providing exposure to the employee to different positions in the same organization and so on.

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