



## Employee Retention Practices of Automobile Industries in INDIA

\* Dr.K.Balanaga Gurunathan \*\* Ms. V.Vijayalakshmi

\* Prof/ Department of Management, Studies.,K.S.R.College of Technology, Trichengode, Tamil Nadu

\*\* Research Scholar, Anna University of Technology, Coimbatore, Tamil Nadu

### ABSTRACT

*This study focuses on employee retention and its impact in automobile industry. Talent management is a systematic effort taken by employers to create and develop an environment that encourages present employees to remain in the organization. A strong retention policy becomes a powerful recruitment tool. Organizations has got varied functions like finance support, management etc. Its prime growth depends on the retention of its employees. Any organization is said to be successful if the employee retention rate is to be 80%. During the past decade the automobile industry has been facing a drastic problem in retaining the top talents. It is bounded duty for any organization to look out seriously on employee attrition. The key to success relies on Talent Management, Organization development, and building potential team with, knowledge, skills, attitudes and training. Although every organization formulate and designs multifarious strategies, still innovative ideas are generated to curtail this attrition problem.*

**Keywords : Employee Retention, Talent Management, Training**

### Employee Retention

Employee retention is a systematic effort taken by employers to create and develop an environment that encourages present employees to remain in the organization. A strong retention policy becomes a powerful recruitment tool. Retention of key employees is critical to the long-term health and success of any organization. It is a known fact that retaining your best employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning.

### Reasons for Retaining Talent

There may be varied reasons pertaining to this. The true cost of employee turnover is often underestimated. The prime mindset of any employer is cost reduction, in terms of recruitment, training etc when employees are not stable it directly impacts on the turnover of the company. Hence it becomes very essential for the employers to follow the organization behavior concepts which can improve employee retention rates in automobile industry. In order to retain employees, the heads of the particular department will have to maintain a balance between the expectations of the employees and the organizational goals.

### Why employees quit

There may be varied reasons like the Working environment, lack of Training, Under Paid, and lack of proper compensation and Rewards. Obviously everyone will look out for their steady growth and advancement in their opportunities. Henceforth if an employee is not promoted to next level for a long period of time, consequently his enthusiasm will be lessened which will talk upon the productivity of the concern. Being unnoticed for a long period of time creates immense stress in their mind. Lack of trustworthiness in their leaders will lead to undesired results. The target set for any work should be reasonable and achievable moreover the employee should be paid accordingly based on the work assigned. Lack of administrative help and enforcing other works which are not related to them is also one of the vital reasons for employee dissatisfaction. Fa-

voritism is a dangerous weed which has to be removed.

### Employee retention strategies

#### Talent Management

Talent management is the key strategy in maintaining a competitive advantage. It is very much needed for success, efficiency & consistency's management system in automobile industry approaches is implemented starting with attracting talent & ending with removing talent. A successful system first identifies the critical jobs in the system & it formulates different ways to ensure current & back up incumbents are top performers. Sometimes people who are in the critical jobs are not the best performers. The best performers are not in critical jobs. The talent management system should identify & develop high potentials. Every company will have to segment out this group & provide preferential development. Consequently they should plan for organizational transitions. In order to avoid disruption in business, they should plan for prompt back up. If an employee is found to be more creative in his thoughts & work, they can be transferred to a different sector where his efficiency can be utilized to the fullest. It is necessary to plan for these gaps & create a culture in which the talent belongs to the organization, not to a specific group.

#### Training

Any employee would look out for his personal growth. As the organization grows he also seeks for his individual growth. Many automobile industries have got a separate wing for training called learning & development wing. These people will assess the skills of the candidate by conducting a pretest assessment both in technical & interpersonal skills. The industries prime focus is on technical side but interpersonal training like leadership training, time management will also elicit their potentials. The training will create an positive approach in the employee mind. Varied advantages of training are,

1. Expand the job to new & higher level responsibilities.
2. Reassigning work which motivates the employees and they will be interested to do new things.
3. Leadership training will improve their confidence & they become more authoritative to take decisions.

4. Invite the employees to give more suggestions for the welfare of the company.
5. Opportunities are being created to share goals, priorities & measurements.
6. It also provides an opportunity for an employee to cross-train in other roles & responsibilities.

It's good to remember that the concept behind training is to improve the employee retention rate. So that the key factor is that keeping employees interested, attending & engaged.

### Rewards and Recognitions

Poor payouts are one of the most important reasons for employee quitting. In general everyone wants to perform a good job but none will do it without proper rewards. Employees have to be recognized for their work with a pay-for-performance plan. Employees are not happy with good pay alone they are in look out for other fringe benefits. These comprise of perks, incentives, allowances etc. in a nutshell it is the compensation made to an employee beyond the regular salary. These fringe benefits may be an additional cost to the company but on the other hand it has a direct impact in the reduction of employee attrition rate.

### Appreciation matters....

It's a general statement "Appreciation stimulates & catalyzes" in automobile industry. But the question is how we go about. It is good & wise to avoid gimmicks such as best employee award, prizes etc. Appreciation means sharing, understanding and encouraging the upcoming initiatives. Theory never plays a part in employee retention & everything has to be action oriented. Many companies commit a bad mistake of losing their valued employees for hard dollar cost. They are under the wrong perception of appointing a fresher by which they can achieve a remarkable change in cost reduction. On the other hand, the organization is incurring huge losses, unseen productivity rates reduction, reputation and the most notable thing, the customer satisfaction. Replacement costs for an employee are estimated as one third of her/his salary. Every organization's greatest asset is its employees. When it loses its valued employee, it loses its innovation, initiative and implementations.

### Get the right people on the bus

The difference mainly relies on the importance of having the right talent on the organizational bus. Hiring the correct individual for the apt position will fetch mutual benefits for the employee and the employer. The startup horse race is a relay race in where the company will have to change horses several times before the finish line. If we choose the right person who can be with us in the long run then the employee retention problem would never arise in automobile industry.

### Communication a boon

Communication is almost everything in this world. The best managers listen and then take any decision. Straight-from-the-shoulder communication is what an employee expects. Transparency in all dealings will increase the loyalty of the employees. There are various communication mediums to improvise the employee relationship

1. Open door policy: Organizations should support open door policies.
2. Frequent meeting and social gatherings.
3. Sharing of information through emails, newsletters and many more.

Communications can alone lead to unimaginable heights of employee retention.

### Leadership

An effective organization's strength and weakness mainly de-

pends on its superiors. Hence every leader has to possess specific leadership skills to retain their valued employees. "Gladiator virtues" like bravery, honor and vision are the key skills of an extraordinary leader. It is quite natural that everyone looks out for a difference. The difference originates from the heroic style of leadership in automobile industry. Good leaders always have a mission in their life. Foreseeing the future in the well planned manner is the key trait of a good leader. They can foresee the unstable employees and formulate a new strategy to retain them. Moreover they should be able to guide them in the right way to earn their trustworthiness. Risk taking at times is one of the vital role of a leader in order to appreciate the employees initiatives. In an organization with gladiator leadership, the employee attrition will be very much reduced. Once the employee is satisfied he becomes very reliable, enthusiastic and cooperative.

### Decision Making

It is incredibly important for any organization to involve their employees in decision making specifically when his/her department is involved. This will enhance the employee involvement and interest. Should make them be involved in all discussions taken by the company so that it will enhance their skills & evince interest.

### Balance work and personal life

In a society filled with conflicting responsibility & commitment work/life balance has become a predominant issue. Three major factors contribute to the interest in work life balance. They are global competition, renewed interest & global force. When the work load is given beyond the bearable limit, it affects the family. Naturally the family members are driven to think that organization is overtaxing them and which has an direct impact on the employee retention. We need not to be too flexible, small gestures like allowing them to go their kids function will improve loyalty and extended employment.

### The quality of a supervision and mentorship

It is a true statement "people leave people not their jobs". The immediate supervisors to the employee must be respectful, courteous and friendly. The supervisors should set clear cut goals which have to be attained within destined time. A serious thing to be noted is that the top management never knows a employee who is working in his concern even for many years. The quality of supervision depends on certain important points such as

1. Clarity in expectation
2. Clarity in earning potential
3. Feedback sessions about performance
4. Properly structured scheduled meeting
5. To provide the frame work within which the employees can succeed.

### Conclusion

Although this problem stands as a grey area till today, but still every problem has got a solution. There is lot of views pertaining to employee retention. People don't work for money alone anymore; they are in look out for different factors like sense of accomplishment, personal recognition, interesting work Flexibility & advancement. There should be prompt and intermittent communication between the employer and employee. Recognition is also an important thing to be considered. It's clear that there are no proper strategies to curtail employee retention completely. Generally a combination of factors influences an employee's decision to stay in a job. Those factors may depend on different factors like age, family situation, and the external job market or job title. But there are a few factors which affect majority of employees and these can be reduced to a greater extent by following the so called strategies.

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