

Employee Retention Management:: Review of Literature

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ABSTRACT: Employee Retention has become a major concern for corporate in the global competitive current scenario. Recruiting the right candidate is a time consuming process. An organization invests time and money in grooming an individual and make him ready to work and understand the corporate culture. It is essential for the organization to retain those employees who really work hard and are indispensable for the system. The biggest challenge that organizations are facing today is not only managing these resources but also retaining them. Securing and retaining skilled employees plays an important role for any organization, because employees' competencies are central to companies' ability to be economically competitive. Besides, continuously satisfying the employees is another challenge that the employers are facing today. The present study reviews the various available literatures and analyze to study on various researchers contribution on employee retention from 1990 to 2016. Over the past decade, the way in which people are managed and developed at work has come to be recognized as one of the primary factors in achieving improvement in organizational performance

Keywords: Employee Retention, Competencies, Recruitment, Corporate Culture, Organization, Performance

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I. INTRODUCTION

Human resource management is the process of proper and maximise utilisation of available limited skilled workforce. The core purpose of the human resource management is to make efficient use of existing human resource in the organisation. Every firm main objective is to maintain skilled and knowledgeable and competent employees to make the organization more effective than the competitors. Human resources are the real assets for the organisation rather than Physical resources and financial resources and material resources. The companies have been continuously searching for talented, efficient and qualified professionals to increase the performance of the organization.

Employee retention refers to the ability of an organization to retain its employees. Every organization requires efficient and stable human resources in order to work effectively. In order to ensure stability of workforce, the top management should undertake certain measures which will make the workplace pleasing and attractive. Organizations should adopt new initiatives and review existing retention strategies and constantly monitoring and bench marking the retention strategies of the competitors and taking a proactive step towards implementing novel and attractive strategies to reduce turnover of the employees.

II. OBJECTIVES OF THE STUDY

1. To find out the best practices and methods suggested by various researchers.
2. To Focused about the various HR practices that help employee retention and employee commitment in the organization.
3. To study the various researchers identified elements of HR practices that influence employee retention.
4. To explore the relation between various factors and job satisfaction..

III. METHODOLOGY

The study is descriptive in nature and only secondary data has been used in it. The secondary data consist of the books and various research journals and Publications.

IV. REVIEW OF LITERATURE:

4.1 Comfort Osaro (2016)

This study investigates the relationship between talent management and employee retention of oil firms in Rivers State. The objective of the study was to investigate the influence of talent management and employee retention of oil firms in Rivers State. The study adopted the survey research design. And conducted research on One hundred & sixty-six (166) questionnaires were retrieved, and the hypotheses were tested using the Spearman Rank Correlation. The result revealed that; there was a significant relationship between talent

management and employee retention. The study concluded management should be concerned about developing their employee's capabilities & performance by providing them the opportunities for career growth and development through proper guidance and feedback. And Talent attraction significantly and positively predicts supportive management of oil firms in Rivers State.

4.2 Dr.Mitra Mehta and Aarti Kurbetti and Ravneeta Dhankha (2014)

This review paper main objective is to identify the best practices and methods adopted by various organizations across industries to help enhance commitment and employee retention. Focused about the various HR practices that help employee retention and foster employee commitment in the organization. They stressed employee retention is the top priority of organizations due to increasing competition. They analyzed these HR Practices -compensation and benefits, hiring, administration, organisation development, employee motivation, wellness, benefits, safety, communication, performance management, and training ,talent acquisition i.e. recruitment, selection, training and development, reward management, performance appraisal etc.

4.3 Marie Rose Muir and Lin Li (2014) mainly identified a theoretical framework with two levels of turnover-collective and individual turnover. They probed into each level and elaborated on the top factors in each domain. And focused the effects on turnover and retention strategies are included for each factor. In their analysis they considered the following factors. Advancement opportunities, Constituent attachments, Extrinsic Rewards ,Flexible work arrangements, Investments ,Job satisfaction, Lack of alternative ,Location, Non work influences, Organizational commitment, Organizational justice ,Organizational prestige...etc

4.4 Muppuri. Nagabhaskar (2014) This theoretical paper investigated motivational factors that influence employee retention and examined their impacts on both organizations and employees. This paper argues the motivational factors that are crucial in influencing employee retention are financial rewards, job characteristics, career development, recognition, management and work-life balance. This research sought to identify factors that affect employee retention and predict ways that the organization can improve on current practices.

4.5 N. Hemalatha and Dr. A. Savarimuthu, (2013)

The main objectives of their study – collected the opinion of the employee about the various aspect of the company. And identified how the organization takes interest & develop approaches towards the retaining employee. It is desirable state of existence involving retention strategies generally fall in to one of four categories salary, working conditions, job enrichment and education. These four elements together constitute. They concluded that majority 55 %t of the respondents felt that the retention techniques of management are high to get good performance of company.

4.6 Bidisha Lahkar Das, Dr. Mukulesh Baruah (2013) This review paper mainly analysed various research works that have been done in the area of employee retention. They highlighted the various factors which affect retention initiatives in an organization. And explore the relation between various factors and job satisfaction. They finally concluded still much scope remains for more exploration in the field of employee retention and it by taking into consideration the factors like compensation practices, leadership and supervision, career planning and development, alternative work schedule, working conditions, flexible working hours etc.

4.7 Chandranshu Sinha and Ruchi Sinha(2012)

This review selected comparative study between two heavy engineering manufacturers in India. The data was collected from 100 employees holding middle level managerial positions in the two organizations.In the analysis, the Kaiser-Meyer-Olkin approach was used to determine the sufficiency of the sample size for the component, while Bartlet test of sphericity was used to establish whether the correlation matrix has meaningful difference with zero or not. Then, the explanatory factor analysis was considered to analyse collected data. As regards this component, the following variables formed the under three factors. **1st factor:**1. Superior-Subordinate Relationship 2. Employee Motivation 3. Organization Commitment 4. Communication. The **2nd factor** was formed by the following variables: 1. Skill Recognition 2. Learning and Working Climate 3. Cost Effectiveness 4. Job Flexibility 5. Training 6. Career development. The **3rd factor** was formed by the following variables: 1. Benefits 2. Compensation 3. Cost Effectiveness.

4.8 Eric Ng Chee Hong , Lam Zheng Hao , Ramesh Kumar , Charles Ramendran, Vimala Kadiresan (2012)

In this study focused how employees regard importance of their empowerment, equity of compensation, job design through training and expectancy toward effective performance management on their retention. Quantitative data was collected using the non probability self administered questionnaire that consist

of questions with 5-points Likert scales distributed to samples of 278 individuals. . The questionnaire would be distributed to sampling amount of lecturers in University of Y to fill up and later be tested of the result using SPSS software. By using a multiple regression analysis, it is found that, training and development, appraisal system compensation are significant to employee retention except employee empowerment.

4.9 Muhammad Irshad after 2009

The article described the relationship between human resource practices and employees retention. The researchers identified elements of HR practices that influence employee retention. After analysed Some of the recommendations they suggested to management to manage employees towards successful attainment of organizational goals are: 1.Improvements in organizational culture,2.Exit interview system,3.Turn over based HR Policies,4. Fair Appraisal System, 5.Employee talent Recognition, 6.salary hikes and promotions, 7.Employee Retraining, 8.Employee Counselling 9.Career Development Opportunities..etc

4.10 Eva Kyndt & Filip Dochy & Maya Michielsen and Bastiaan Moeyaert (2009)

In this paper mainly focused on the organisational and personal factors that influence employee retention. They collected data from 349 employees, and 11 employees were interviewed. The interviews are used to illustrate and contextualise the quantitative results. The results show a large positive contribution of appreciation and stimulation of the employee to employee retention. Their analysis mainly based on **three** areas. **One** is find out the relationship between **the perception of the learning and working climate**, and **employee retention**, **second** is identify the relationship between being a high potential and employee retention. And **third** is find out the relationship of the personal characteristics of level of education, number of children, seniority, age, and gender to employee retention.

4.11 Toys .R (2008) analysed a comprehensive and valuable resources for all managers and HR professionals who want to retain critical talent in their organizations. Calculation cost of attritions and creating effective retention solution. Retention refers to the desire of organization to hold on their good employees their measures. Retention is the other side of the recruitment coin .how ever retaining qualified & motivated employee is a critical issue that will become more important for the individual employee.

4.12 Bliss (2007) and Sutherland (2004) contend that organisations lost productivity, social capital and suffer customer defection when a productive employee quits. Knowledge, skills and contacts that a departing employee takes out of the organisation constitutes a huge loss. These attributes are, in most cases, lost to a competitor organisation that may use this to gain competitive advantage.

4.13 Hendricks (2006) notes that employees with scarce skills are in great demand by the South African government and becoming difficult to source. When these categories of employees are eventually sourced, they become even more difficult for government to retain. It is not only, government that is finding it difficult retaining highly skilled employees.

4.14 Jane in the year (2004) has conducted the study on Trainer as retention Agent. The findings suggested that a strategic focus on the importance of a strategic focus & delivered training program should be made in order to enhance the organization s ability to attract & retain the best employees leading to the success of the firm.

4.15 Sunil Ramlall, Ph.D., University of St. Thomas, Minneapolis, MN (2004)

The article provided a synthesis of employee motivation theories and focused explanation of how employee motivation affects employee retention and other behaviours within organizations. In their analysis they considered the following motivational theories..**McClelland's Need Theory** ,**Maslow need hierarchy theory**, **Herzberg two factor theory**, **Porter and Lawler's Extension**, **Vroom's Original Theory**, **Expectancy Theory**, **equity theory**. The final segment of the paper provides an illustration with explanation on how effective employee retention practices can be explained through above motivation theories and how these efforts serve as a strategy to increasing organizational performance.

4.16 Ramlall. (2003) Estimates the cost of employee turnover as 150% of an individual employee's annual salary. This cost can be substantial especially when high profile employees or high number of employees is involved.

4.17 Stovel and Bontis(2002), High turnover can be detrimental to the organisation's productivity. This can result in the loss of business patronage and relationships, and can even jeopardise the realisation of organisational go

4.18 Bender in the year (2000) has conducted the research on the topic transfer of knowledge and the retention of expertise the containing need for global assignment. The findings suggest that it presents a general overview of knowledge management & discuss the transfer of knowledge and expertise throughout organizations operating on a global scale. A particular emphasis is placed on the importance of global assignment in transferring knowledge & furthermore of HRM practices to ensure the successful & effective retention of expertise.

4.19 Abassi and Hollman, 2000; Hewitts Associates, 2006; Sherman et al. 2006 highlighted the reasons for employee turnover in the organisations: hiring practices; managerial style; lack of recognition; lack of competitive compensation system; toxic workplace environments. Others include lack of interesting work; lack of job security; lack of promotion and inadequate training and development opportunities, amongst others. These are **intrinsic** and **extrinsic motivational factors** which can assist managers to influence employee retention in their organisations.

4.20 Abassi and Hollman (2000) argued that dysfunctional turnover (that is, good performers leave, bad performers stay) damages the organisation through decreased innovation, delayed services, improper implementation of new programmes and degenerated productivity. Such activities can radically affect the ability of organisations to prosper in today's competitive economy, leaving even the most ambitious organisations unable to succeed due to their inability to retain the right employees (**Stovel and Bontis, 2002**).

4.21 Dawkin, Reich held in the year (1990) He conducted the Study on the retention rate in customer .This is simple the percentage of customer at the beginning of the year that are still customers by the end of the year .In accordance with this statistic, an increase in retention rate from 80% to 90% is associated with a doubling of the average life of a customer relationship from 5 to 10 years. This ratio can be used to make comparisons between products, between market segment and overtime Salary. The author suggested that some of the issues that alerted the management of a voluntary welfare organization for focused attention on retention in a context of rapid organization growth and social environmental change.

Authors and Research papers and their Analysis

Year	Title and Author	Discription
2016	Influence of Human Resource Management practices on Employee Retention in Maldives Retail Industry Mariyam Imna Zubair Hassan	This study found that three human resource practices such as career development, reward and recognition, and health and safety have a positive and significant impact on employee retention.
2016	Impact of safety and health environment on Employee Retention in Pharmaceutical Industry : Mediating Role of Job Satisfaction and Motivation. Saad Salman , Asif Mahmood : Faisal Aftab : Atif Mahmood	This study analyzes how employee retention is influenced by factors like safety health environment, job satisfaction and motivation. It was intended to investigate the impact of safety health environment on employee's retention job satisfaction within the manufacturing sector.
2014	Factors that predict employee retention in profit and nonprofit organizations. Dr.Sunia Fukofuka	This study analysed Organizational commitment, mission attachment, and employee engagement were found to be significant predictors of employee retention.
2012	Employee Retention –Key for organizational success Ms.V.Vijayalakshmi, Dr.K.Balanagagurunaathan	The study in this Paper relates exclusively with employee retention , tools used for retaining employees, data gathering techniques, and Employee Delight a new way to retain employees in the organization
2014	The Impact of Employee Retention on Customer Satisfaction in the Nigerian Service Organizations Emmanuel Umoru Oki	This study mainly ascertained the rate at which variables like; remuneration, resource strategies, product knowledge, working condition and training translates into customer satisfaction, and determine how retention is perceived by employees.
2010	Employee Engagement: The Key to Improving Performance Solomon Markos and M. Sandhya Sridevi	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.
2013	The Influence of Employee	The study mainly focused the influence of employee rewards, job

	Rewards, Human Resource Policies and Job Satisfaction on the Retention of Employees in Vodafone Ghana Limited. Daisy Ofosuhene Kwenin, Stephen Muathe, Robert Nzulwa	satisfaction and human resource Policies on employee retention. It showed that when organizations reward systems are adequate, it does not only lead to equity, but increase retention. The proved that job satisfaction and favorable human resource policies have positive link with retention.
2009	Determents of employee retention in telecom sector of Pakistan. MadihShoaib, Ayrsha Noor Syed Raza Tirimizi, Sajid Bashir	This study mainly analyzed the impact of career development opportunities, supervisor support, working environment, rewards and work-life policies on employee retention in Telecom sector of Pakistan.
2012	Effects of of Staff Turnover on the Employee Performance of Work at Masinde Muliro University of Science and Technology Namasaka David, Dr. Poipoi Moses Wesang'ula	This study established the effect of staff turnover on performance of work and to identify effects of staff turnover on administrative work and to identify financial/economic effects of staff turnover. The study recommends that should improve on mechanisms of getting feedback from its staff members regarding problems that are likely to cause staff turnover.
2014	HRM Practices and Employee Retention in Thailand—A Literature Review Sorasak Tangthong, Jirasek Trimetsoontorn, and Nutthawut Rojnairuntikul	This study mainly focused Employee engagement effect on performance of the organization. Compensation & reward system, and training & development as the two HRM practices, and employee retention, as the observed variable of firm performance. This study analyzed relationship between HRM practices and firm performance, it assisting them to achieve better performance.
2012	Study of Employee Retention Issues in the Hospitality Industry Wiscosin-Stout	This study investigated employee retention problems in the hospitality division. Retaining qualified employees in a labor intensive, demanding, and fast-paced work environment is a major struggle in the hospitality industry. Based on this they given measures to develop.

V. CONCLUSION

In this study summarized the different researchers innovative measures to maintain Employee Retention in Organizations. A main concern of any organization is its capacity to attract, engage, and retain the right employee. Organization should provide with a number of strategies to increase employee retention such as: compensation practices, Job security , leadership and supervision, career planning and development, alternative work schedule, working conditions, flexible working hours , build a culture of engagement ,Work life balance , Better Labour Welfare etc. The Enterprises mainly focused on intrinsic and extrinsic motivational variables that can enhance retention and reduce the high rate of employee turnover in various organizations.

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