ABSTRACT

During the last decade, employee retention has become a most critical issue for all private sector organisations as a result of the shortage of skilled labor, economic growth and employee turnover. Retention of employees is an important function of the Human Resource Management. Employees are the assets of any organization. The organizations have to strive to retain the talents of the employees by implementing effective retention strategies. These strategies would subsequently have an impact on productivity and sustainability of the organization. Employee retention refers to the various policies and practices which let the employees stick to an organization for a longer period of time. Organisations use different HR techniques for retention. In this paper a brief overview of literature from various research findings are employed using a descriptive study technique. The present study is an attempt to identify the various retention policies practiced in different private sector organisations and evaluate the effectiveness of these policies on productivity and sustainability of the organisation.

Keywords: Employee, Organisation, Policies, Retention, Satisfaction, Strategies

1. INTRODUCTION

The term “employee retention” first began to appear with regularity on the business scene in the 1970s and in early ‘80s. Employee retention refers to the ability of an organization to retain its employees. Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention can also be considered as a business management term referring to efforts by employers to retain current employees in their workforce. Every organization has to invest some time and money to groom a new joiner, make him a corporate ready material and bring
them at par with the existing employees. The organization has to suffer complete loss when the employees leave their job once they are fully trained. Employee retention takes into account the various measures that can be enforced, so that an individual stays in an organization for the maximum period of time.

Employee retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. Hiring knowledgeable people for the job is essential for an employer. Employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs. Employee retention must be an ongoing process, not a program. The employee retention processes must focus on what the employee gets out of the job. The process must be a benefits-based approach. The best way to retain the employees is to treat them like customers and there is a service link between employee retention and higher levels of customer satisfaction. Customers prefer dealing with the same employees over and over again. Employee turnover destroys a customer’s confidence in the company. So, the key is to keep employees so they in turn will help you keep your customers.

Employee Retention strategies can be broadly classified into two categories i.e. monetary and nonmonetary strategies. Majority of the organizations are employing the monetary strategies like performance linked Incentives, rewards, increment in salary but a good number of innovative non-monetary practices are also being implemented to retain the manpower. These practices include Job Rotation, Job Enrichment, Exit Interviews, participation in management, public recognition of achievements, etc. Recruiting and retaining the talented employees have become the chief concerns of nearly every organisation in private sector. The organisations who can understand what their employees want and need in the workplace and make strategic decisions to proactively fulfill those needs will become the dominant players in their respective markets. Hence employee retention is a very important issue that every organisation must tackle.

2. OBJECTIVES OF THE STUDY

- The basic objective of the present study is to find out how far employee retention policies are important for the private sector organisations;
- To identify the employee retention policies practiced in private organisations;
- To analyse the satisfaction level of the employees with the existing retention policies practiced in their organisations;
- To evaluate the effectiveness of retention strategies on productivity and sustainability of these organisations.

3. IMPORTANCE OF THE STUDY

In the present competitive era the private sector organisations are required to retain highly talented and well trained employees for effective organisational productivity and sustain in the market. Employee retention is about managing the people. If an organization manages people well, employee retention will take care of itself. Retention policies create a friendly work environment and make the employees to work for the betterment of the organisation. These policies make the employees not to leave the organisation and helps in maintaining good relations with the management.

The present paper focuses on the importance of making employee retention policies as an organisation wide issue. It would identify the various retention policies and the strategies for effective function of an organisation. It would also identify the benefits that the private sector organisations receive by implementing these retention policies.
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