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## *Employee Retention: Concept, Factors and Importance*

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**Abstract:** *Employee retention refers to an organization's ability to retain the talented employees in the organization. The main aim of an organization is to earn profit. But to attain the maximum profit, the organization should concentrate on employees and retain them for their long run. Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring. A trained employee can better handle clients and solve difficulties for colleagues who are new for the firm. Employee retention makes happy to both employees and employer. It is necessary for organization to take care of needs of the employees. It is more beneficial to the organization itself. The objective of the current research is to know the concept of employee retention, to study the factors affecting employee retention and also describe importance of Employee Retention.*

**Keywords:** *Employee Retention, Human Resource, Factors, Importance.*

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### I. INTRODUCTION

Employee Retention means an organization's ability to retain its employees in the organization for long period of time. Employees are the most important assets of an organization. It is about managing employees in the organization. It is concerned with keeping or encouraging employees to remain in an organization for a maximum time. An organization can achieve its objectives by concentrate more on employees. Employee retention has become a big challenge now days. Cut throat global competition creates unpredictation in employee retention. A person who becomes trained have a tendency to move to other organizations for better prospects such as increasing salary, comfortable timings, growth prospects are some of the factors which prompt an employee to look for a change the job. Employees are considered as backbone of the organisation, the progress of employees will lead to the success of the organisation for the long run. It is a fact that, retention of employees is important for the long term health and success of any organization. It can be said that it is a process in which the human resources are motivated to stay in an organization for a longer period of time. So it is responsibility of organization to know what employees want and need is a step in the right direction. Whenever a talented employee expresses his willingness to move on, it is the responsibility of the management and the human resource team to intervene immediately and find out the exact reasons leading to the decision. Retaining the best employees in the organisation ensures customer satisfaction, increased product sales, satisfied colleagues, increase staff organizational knowledge and learning. Retention helps organizations provide effective employee communication to improve commitment and enhance workforce support. Employee retention will be successful when human resources would love their works, like their co-workers, work hard for achieving the goals of organization, get paid well for their work, have sufficient chances for advancement, and flexible schedules so they could attend to personal or family requirements when necessary and don't want to leave the organisation.

## II. REVIEW OF LITERATURE

**Devi & Latha (2011)** conducted a research on employee retention in IT sector and aimed to identify why employees are migrating one from companies to another i.e. reasons for migration and to analyse the retention benefits. It was resulted that the IT sector has to focus on compensation, job satisfaction and job security as these were some of the important tools used for retention of employees in organizations.

**Akuoko and Ansong (2012)** investigated the various employee retention strategies and their effects on workers' performance. Five organizations were chosen by simple random sampling technique. They were layered into three production and two service organizations. The analysis found that employee retention strategies contributed to employees' commitment to organizational targets, thus, exposing their loyalty to their company. It was also found that when workforce was retained, the knowledge they had acquired facilitated the development of operations of the company they worked for and increase their performance.

**Imna & Hassan (2017)** studied the influence of human resource management practices on employee retention. The sample of 254 employees from 14 retail outlets was selected from Male, Maldives. This study found that career development, reward and recognition and health and safety are the three human resource practices that have a positive and significant impact on employee retention.

**Mathimaran & Kumar (2017)** today's most difficult issue for businesses is not only managing but also retaining human assets. Securing and retaining skilled personnel is critical for any club, because employees' knowledge and abilities are critical to a company's capacity to compete economically.

**Bhauguna & Sharma (2017)** aimed to focuses on employee retention strategies adopted by the software companies (TCS, HCL and Danfoss) in NCR Delhi region. According to this study it was found that the most important elements and IT professional may take into account while considering a career change are the work environment, family issues, remuneration, and relationship with superiors.

## III. OBJECTIVES

- To know the concept of Employee Retention.
- To study the factors affecting Employees Retention.
- To describe the importance of Employee Retention.

## IV. RESEARCH METHODOLOGY

This is a descriptive research. Secondary data is collected for the study which is obtained through websites, national and international conferences, seminars and journals.

## V. CONCEPT OF EMPLOYEE RETENTION

Employee retention is defined as an organization's ability to retain its employees. Employee retention means the efforts done by business organizations to maintain a good working environment to supports their employees. Every organization invests time and money in recruitment and selection of new employees, trained them as per the organization requirement and brings them at par with the existing employees. The organization is completely at loss when the employees leave their job once they are fully trained. Employee retention is not just a matter of records and reports. It depends upon how the employers understand the needs of the employees and how they help them to fulfill their needs. It is the ability of an organization to retain its best employees. If an organization manages their employees well, employee retention will take place itself. Employees want to work for an organization which appreciation for the work done, provide new opportunities. A cooperative working environment and they feel the organization as their second home. So when employees get all these they want to retain in the

organization for long run. Employee retention has become a major goal of the organization. it is beneficial for the company as well as the workforce. Employee retention takes into account the various measures taken so that employees can be encourage to stay in an organization for the maximum period of time.

## VI. FACTORS AFFECTING EMPLOYEES RETENTION

### a) Training

Training is a key retention factor for employees in an organisation. Training is an important factor for personal and professional development. The availability for all employees having access to training and development programs is helpful in organizational growth.

### b) Compensation

Creating a compensation structure that supports an employee retention for organisation. Many organizations claim to base pay raises on performance. Some organisations try to emphasize a team environment but continue to reward people for individual achievement.

### c) Job Flexibility

Job flexibility is important for retaining employees in an organisaion. Job flexibility options benefit from satisfying the needs of all employees. The importance of employment flexibility such as scheduling variations that better accommodate individual work times, workloads, responsibilities and locations around family responsibilities.

### d) Cost Effectiveness

Organizations providing cost effective options to their employees. It allows for the reallocation of expenses related to recruitment, work space changes, sick time, absenteeism and commuting costs.

### e) Learning & Working Climate

Learning and development opportunities are also play an important role for the retention of talented employees. An organisation must provide a supportive learning and working climate to their employees. In general it refers to the environment wherein employees both learn and work.

### f) Benefits

The relationship of benefits with retention is another aspect of making people stay in the organization. Job satisfaction of employees and supervisors is very important and it is found that the employees and supervisors were satisfied with their pay and benefits and were also motivated to work productively.

### g) Career Development

The purpose of career planning as part of an employee development program is not only to help employees feel like their employers are investing in them but also help people manage the many aspects of their lives and deal with the fact that there is not a clear promotion track. Employers can no longer promise job security, but they can help people maintain the skills they need to remain viable in the job market.

### h) Superior-Subordinate Relationship

Employees feel happy in organization when they get support from their superiors and subordinates. So it is necessary to maintain a good relationship with superiors and subordinates.

**i) Organizational Commitment**

Those employees who are highly committed remains with the organization for longer periods of time than those which are less committed. These highly committed employees were found to have a higher intent to remain with the organisation, a stronger desire to attend work and a more positive attitude about their employment.

**VII. IMPORTANCE OF EMPLOYEE RETENTION**

Employee retention refers to an employee retain in the organisation and got different benefits from the organization and employee is doing best efforts for the organization. Employee retention is important for building a productive and committed workforce. Recruiting, selecting and retaining employees are the responsibility of the organization's human resource department. After finding the right employee for the job, it is human resource department's primary role to take responsibility for the success of their employees as well as organization towards achieving goals and targets. Retention help to save cost associated with recruitment and business productivity. Employee retention has become important concept of human resource management now days. The longer an employee stays, the longer they have to develop their expertise. It is important for organization to make happy their employee because happy employee always does their best efforts for organization. Retention is even more important than hiring. Employee retention is important for better customer experience, which results in happier customers. Best employees retaining in organization always helpful in achieving organisations goals. It will increase the performance of the organization.

**VIII. CONCLUSION**

This research concludes that employee retention is important for an organization to survive long term in the market. For increasing the employee retention organisation should create some opportunities for the growth of their employees within the organization by adopting new ideas, provide proper training to employees, provides good salary and other benefits. A good relationship with co-workers is also important for employee retention. Employee retention played an important role in performance of organization. Organization should take care the needs of the employees, understand their problems and solve these problems are more beneficial for the organization. Organizations should adopt different strategies such as awards and rewards, family involvement, employee engagement activities, regular and frequent meetings between the employees and the top management, recognition etc.

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