

## Employee Retention and The Role of Managers in Retaining Talented Employees

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### ABSTRACT

*Today, people leave jobs for all the old reasons and a host of new ones-including the fact that it's easier than ever to find another great job elsewhere. Managers are responsible for retention and also play a central role in a company's retention rates. However for this managers need to be trained, rewarded and recognised for achieving retention rates.*

### Introduction

It's people-not machines or financial assets-that acquire, build on, and use the very knowledge that companies depend on to survive and thrive in times of accelerating change. Therefore retaining good employees is arguably among the most essential ingredients for success in today's business world. Retention refers to a company's ability to keep talented employees-people who will help their organization remain competitive in a world of rapid change. From an organization's point of view, retention doesn't mean trying to hang on to every employee forever. It means keeping good employees for the most appropriate amount of time for their particular function or level.

### Strategies to retain good employees

**1. Compensation:** Compensation is the starting point for any firm that wants to remain competitive. In fact, the single greatest threat faced is higher salaries offered by other organizations. The strategies could be:

- \* Figure out what wages the industry is offering
- \* Examine internal pay disparities

**2. Provide Basic benefits:** Companies today have to provide certain benefits in order to compete in the arena of retention, like:

- \* Paid vacation and other kinds of leave time
- \* Pension plans
- \* Employees' health and dental insurance premiums
- \* A year-end bonus
- \* Stock options
- \* Child care
- \* Paid maternity and paternity leave
- \* Tuition reimbursement
- \* Membership to a fitness club

**3. Special benefits:** Some of the perks that have grown increasingly common in today's business world:

- \* Monthly parties
- \* Flexi-time
- \* All-day breakfast bar
- \* Movie tickets/video library
- \* Museum passes
- \* High-tech tools like extra-fast computers

**4. Work life balance:** For many employees (especially single parents or members of dual-career families), the need to maintain a work/life balance-having a home, family, and community life as well as a work life-has become a pivotal issue. Here are some creative ways to meet employees' needs in this area:

- \* Paid days off during which employees can volunteer

in their communities

- \* Flexible work arrangements and compressed work-weeks
- \* Job sharing
- \* Onsite child care
- \* A lounge for nursing mothers
- \* A specified number of hours off for employees to attend school appointments or take kids to doctors' appointments

**5. Employee development:** Employee development includes: \* Employee self-knowledge \* Employee knowledge of opportunities within the company \* Training the employee

**6. Training:** The great thing about training is that it helps employees perform better and achieve their goals. And because people want to stay where they're doing well, training can boost retention. Today companies are identifying the following skills as vital for today's and tomorrow's workplace:

- \* Technical skills
- \* The ability to navigate in a team-oriented workplace
- \* An understanding of business ethics
- \* Time management
- \* Leadership
- \* Interpersonal skills

### Retention Strategies

Strategies for retaining good employees generally fall into three categories: creating great work environments, creating great jobs, and asking employees for feedback.

#### 1. To create a great work environment:

- \* Attend to concerns about the organizational culture.
- \* Cultivate friendly, supportive relations.
- \* Share information with employees about the company's strategic direction and plans.

#### 2. To create great jobs:

- \* Help employees clarify their core business interests, values, and skills-and then either sculpt current roles so that they provide a better match, or support employees' search for a more appropriate position elsewhere in the company.
- \* Let people "stretch" and develop them professionally by taking on interesting challenges.
- \* Allow flexible work arrangements such as telecommuting and virtual teams.

#### 3. To ask employees for feedback:

- \* Conduct "stay interviews," in which managers let

people know how important they are to the company and ask what kinds of things will keep them.

\* Solicit feedback on the work environment.

\* Ask for feedback on your own supervisory skills.

### **Role of Managers**

Managers in an organisation play a central role in a company's retention rates. For many employees, the relationship with a direct supervisor is more important than pay or perks. An employee may join a company because of its generous benefits and fun culture-but it's the relationship with his or her immediate supervisor that often determines how long that individual stays. One big reason that people even think about leaving is that a particular supervisor didn't do what he or she needed to do to keep them.

### **Strengthening Managers' Retention Abilities**

Managers need some skill, practice, and support. To strengthen managers' retention abilities, firms can offer workshops, seminars, and other learning opportunities that focus on how to attract and keep valued employees. The investment will pay big dividends! Managers just like anyone else might not automatically know how to do these things that is where the companies can help them by:

#### **1) Training managers in retention skills**

- a) Seeing employees as customers and human beings with full lives and feelings
- b) Speaking the language of core business interests, reward values, and skills
- c) Proactively asking the right questions and observing the right goings-on in order to assess cultural conditions and employees' frame of mind
- d) Being sensitive to diversity issues
- e)

Detecting early signs of dissatisfaction and possible defection f) Understanding what really makes people stay in a job and leave g) Understanding the true costs of attrition-including eventual loss of customers

### **2) Providing avenues by which managers can share their experiences**

- a) Help one another avoid typical mistakes and obstacles
- b) Build on each other's knowledge and wisdom
- c) Monitor how well others' retention rates are meeting the firm's goals
- d) Lend mutual moral support

### **3) Rewarding and recognizing managers who achieve target retention rates**

- a) Establishing clear retention target rates
- b) Tying managers' compensation to retention rates
- c) Rewarding retention success through bonuses and other means
- d) Rewarding managers' efforts to job mould
- e) Rewarding managers who help good employees leave their groups for another job in the company, rather than trying to hold them back, only to see them go to another firm.

### **Conclusion**

What makes talented people decide to stay the optimal amount of time at a particular organization? What makes them decide to leave? Understanding the answers to these two questions can help an organisation to work out the best retention strategy for the firm and for each function within it. The major motivations for staying are: Pride in the organization, Compatible Manager/supervisor, Compensation, Affiliation and Meaningful work. However for this managers need to be trained, rewarded and recognised for achieving retention rates.

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