

**A STUDY ON EMPLOYEE RETENTION WITH SPECIAL REFERENCE TO MANNARKKAD MUNICIPALITY, PALAKKAD DISTRICT****Fasla N.P***

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Keywords: Human Resource, Employee Retention, Determining Factors**Abstract**

Employees are the most valuable assets of an organization. Today Employees are different. They are not the ones who do not have good opportunities, especially, experienced and talented ones. As soon as they feel dissatisfied with the current employer or the job due to lack of advancement opportunities, salary and remuneration and others, they switch over to the next. The result is that employers lose their invested resources to their competitors, corporate memory is lost, employee-customer relationships are strained and more over the moral of existing staff goes down. It is therefore very important that employers retain their employees, especially the good and experienced ones. Employee retention is a process in which employees are encouraged to remain with the organization for the maximum period of time or until the completion of a particular project. This paper looks forward the different factors determining employee retention and different motivational programme for employees.

Introduction

Employees have been important resources to any organization. Based on their critical character, they can be termed the life-blood of an organization. Advancement in technology has caused most organizations to be more and more technology driven. However, this situation does not reduce the value of employees in an organization because technology requires human resources to operate. Interestingly, while today's organizations are indeed different, the challenge of retention is growing. It is quite sad that businesses today are not adopting some of the strategies used in the past to ensure that more employees are retained. Moreover, most organizations are not being chooses to leave. It could also be for reasons that may include better career opportunities, increased compensation and broadening of current tasks and responsibilities and boredom with current task. Involuntary turnover occurs when employees are asked to leave for reasons including poor performance or inappropriate behavior. Company benefits, employee attitude and job performance are all factors which play an important role in employee retention. When a company replaces a worker the company incurs direct and indirect expenses. These expenses include the cost of advertising, headhunting fees, human resources fee and new hiring cost.

One of the primary concerns of many organizations today is employee retention. Retention is viewed as a strategic opportunity for many organizations to maintain a competitive workforce (De Long & Davenport, 2003; Schramm, 2006). Attracting and retaining a talented workforce keeps many vice presidents of HR thinking of possibilities and opportunities (Kaliprasad, 2006). Retention is improved when employees are offered compensation and benefits, have a supportive work culture, can develop and advance and balance work and life activities (Messmer, 2006).

Objectives Of The Study

- To evaluate the importance of employee retention.
- To evaluate the factors determining employee retention.

Scope Of The Study

The present study confined to the study on employee retention causes and remedial measures, with special reference to mannarkkad municipality, Palakkad district and data was collected from 100 employees in mannarkkad municipality.



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Data Collection

To achieve the aforesaid data is gathered from Primary and Secondary sources. Primary data is collected from Questionnaires administered to various respondents. Secondary data is gathered from various published reports, Journals; Research Articles Etc

Importance of Employee Retention

When a business loses employees, it loses skills, experience and “corporate memory”. The magnitude and nature of these losses is a critical management issue, affecting productivity, profitability, and product and service quality. For employees, high turnover can negatively affect employment relationships, morale and workplace safety (Muchinsky, & Morrow, 1980).

The cost of replacing workers can be high, the problems associated with finding and training new employees can be considerable, and the specific workplace-acquired skills and knowledge people walk away with can take years to replace. The problem of turnover can be addressed through a variety of pro-active retention strategies: workplace policies and practices which increase employee commitment and loyalty. Knowledge transfer initiatives on the other hand, ensure that the knowledge and expertise of a

company's employees its 'corporate memory' are systematically and effectively shared among employees. They can offset the negative impact of turnover, but can also work pro-actively to reduce turnover by providing learning and skills development opportunities to employees -factors known to reduce turnover.

- **Compensation Levels**

Most of the sources consulted in this study stress the importance of compensation in attracting and keeping good employees, particularly for workers whose skills and responsibilities are unique or indispensable to the organization, or for those workers in whom the company has invested considerable resources in recruiting or training. In addition, some commentators hold that competitive compensation packages can signal strong commitment on the part of the company, and can therefore build a strong reciprocal commitment on the part of workers. However, to the extent that it contributes to retention, competitive compensation is also likely to affect both desirable and undesirable turnover: it will help to retain workers, irrespective of the quality of their contribution to the company.

- **Benefits**

Benefits can demonstrate to employees that a company is supportive and fair, and there is evidence to suggest that stable benefits are at the top of the list of reasons why employees choose to stay with their employer or to join the company in the first place.

- **Performance-based Compensation**

in general, the key purpose behind performance-based compensation is twofold. It is a means of modifying individuals' behaviour within an establishment in order to better align their activity with particular business objectives, and a way of influencing the development of particular types of organizational culture .

- **Reward and Recognition**

Staw, (1980) argues that reward systems ought to be a significant sphere of innovation for employers. The increasing diversity of the workforce, she says, suggests the need for more creative approaches to tailoring the right rewards to the right people. It would, however, be impossible to list all of the various types of recognition and rewards that companies actually give their workers.

- **Training, Development and Career Planning**

Jackofsky, (1984) unambiguously states all organizations will do a better retention job by spending more resources on training and development. A business that provides education and training will be more competitive and productive and will win the loyalty of its workforce. That training and development are so enthusiastically embraced as key factors to good retention is no doubt due to the fact that well-developed



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training programs are becoming ever more essential to the ongoing survival of most modern companies, whether or not retention is an important issue to that company.

- **Recruitment and Orientation**

A review of the Human Resource literature seems to confirm that good retention is about more than what a company does once an employee has been hired and established within an organization. How companies recruit and how they provide orientation in the first days on the job can be of crucial importance to keeping workers over the longer term.

- **Healthy Workplace and Well-Being Programmes**

There is a growing body of evidence that workplace safety, health and wellness initiatives can make a fundamental contribution to business performance as well as the improved health and well-being of individual employees. An examination of the Human Resource literature tended to support this argument although most authors did not delve into this area in any considerable amount of detail. Healthy workplace practices take on a variety of forms, including those directed at the physical work environment (safety, ergonomics, etc.); health practices (supporting healthy lifestyles, fitness, diet, etc.); and social environment and personal resources (organizational culture, a sense of control over one's work, work-family balance, etc.).

- **Work-Life Balance**

Work-life balance programmes cover a variety of interventions, and include such practices as dependent care leave, childcare subsidies, eldercare programmes, counseling and referral, and flexible working hours.

- **Communications and Employee Participation**

Retention would be far from complete if the importance of communications is not addressed. Open, responsive, two-way communications would appear to be vital to good employee retention. "The fastest way to transform a top-performing staff into a group of disgruntled, discouraged job-seeking workers," according to Harris and Aquino, Griffith, Allen, Hom, 1997), "is to shut them out of the loop of corporate information." Conversely, they say, the feeling that one is in the loop reinforces the

employee's connection to the organization. Most, if not all, of the other types of practices described in our review of the Human Resource literature fundamentally depend on a sound approach to communicating with employees.

Data Analysis And Interpretation

Table showing different factors influence employee retention

Factors	Frequency	Percentage
Compensation	35	35
Other benefit	4	4
Reward and recognition	15	15
Working condition	20	20
Work life balance	9	9
Communication and employee participation	10	10
Personal factors	5	5
total	100	100



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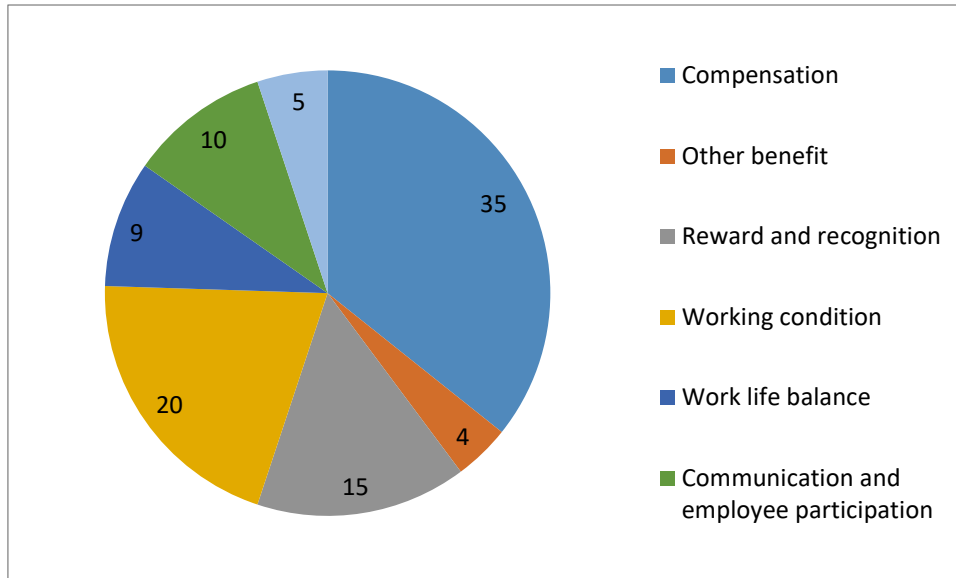


Chart showing different factors influence employee retention

Interpretation

Most of the employees are influence the compensation level of organization. Only 4% influence the other benefit factors.

Conclusion

Retaining top talent remains a primary concern for many organizations today. Critical analysis of workforce trends points to an impending shortage of highly-skilled employees who possess the requisite knowledge and ability to perform at high levels, meaning that organizations failing to retain high performers will be left with an understaffed, less qualified workforce that ultimately hinders their ability to remain competitive. Employees want to be recognized for a job well done. Rewards and recognition respond to this need by validating performance and motivating employees toward continuous improvement. Rewarding and recognizing people for performance not only affect the person being recognized, but others in the organization as well. Through a rewards program, the entire organization can experience the commitment to excellence, when the reward system is credible and rewards are meaningful. However, if the reward system is broken, the opposite effect will occur.

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