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Employee Retention - Prespective of Employees

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Abstract

Employee retention is a process in which the employees are encouraged to remain with the organization for life time or maximum period of time. It is a strategic tool for the success of the firm. Employee retention is a technique adopted by businesses to maintain an effective workforce and at the same time meet operational requirements. Employees are the greatest asset for an organization. Therefore, every organization must treat their employees as ends and not means to ends because they add value to the organization. The objective of the study was to measure the perception of employees for employee retention. For this purpose the investigator selected 70 employees working in government and private sector from Delhi region. Employee retention scale given by Walker (2001) was used. The collected data were processed by applying 't' test. The result of the study reveals that there was no significant difference among male and female employees for employee retention also there was no significant difference between the perception of government and private sector employees.

Keywords: Employee retention, Effective workforce, Asset, Success.

Introduction

Employee retention is a strategic tool for the success of the firm. Having the best and the most talented employees is not the only answer but it is equally important to retain them for long term benefits to both the organization and employees. Encouraging employees to remain in the organization for a long period is known as employee retention. It is a process in which the employees are encouraged to remain with the organization for life time or maximum period of time. To manage top talent it involves a constant balance between the human desires and the strategic and financial needs of the business. Employee retention is a technique adopted by businesses to maintain an effective workforce and at the same time meet operational requirements. Employees are the greatest asset for an organization. Therefore, every organization must treat their employees as ends and not means to ends because they add value to the organization. Long-term health and success of any organization depends upon the retention of key employees. To a great extent customer satisfaction, organizational performance in terms of increased sales, satisfied colleagues and reporting staff, effective succession planning etc., is dependent upon the ability to retain the best employees in any organization. This paper is an attempt to find out difference in the perception of employees for employee retention.

Background Literature

Fitz-enz (1990) recognized that employee retention is not influenced by a single factor, but there are hosts of factors which are responsible for retaining employees in an organization. Management need to pay attention to factors such as compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice etc. According to Osteraker (1999) the employee satisfaction and retention are the key factors for the success of an organization. Stein (2000), Clarke (2001) and Parker and Wright (2001) have observed that organization must utilize an extensive range of human resource management factors to influence employee commitment and retention. Walker (2001) identified seven factors that can enhance employee retention: (i) compensation and appreciation of the performed work, (ii) provision of challenging work, (iii) chances to be promoted and to learn, (iv) invitational atmosphere within the organization, (v) positive relations with colleagues, (vi) a healthy balance between the professional and personal life,

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and (vii) good communications. Together, these suggest a set of workplace norms and practices that might be taken as inviting employee engagement. Kehr (2004) divided the retention factors into three variables: power, achievement and affiliation. Dominance and social control represents power. When personal performance exceeds the set standards, it represents achievement and affiliation refers to social relationships which are established and intensified. Hytter (2007) found that factors such as personal premises of loyalty, trust, commitment, and identification and attachment with the organization have a direct influence on employee retention. She also explained that workplace factors such as rewards, leadership style, career opportunities, the training and development of skills, physical working conditions, and the balance between professional and personal life have an indirect influence. Pritchard (2007) was of the opinion that training and development is one of the important retention programmes incorporated in an effort to retain their employees. Eva Kyndt, Filip Dochy *et al.*, (2009) have found in their study, while investigating employee retention that personal factors such as level of education, seniority, self-perceived leadership skills, and learning attitude and organizational factors such as appreciation and stimulation, and pressure of work are of great relevance in employee retention.

Research Methodology

This study is an attempt to understand the perception of employees regarding employee retention. Out of 100 questionnaires sent to the respondents we received 70 completed questionnaires. Employee retention seven factors scale identified by Walker (2001) was used. The responses were mapped on Likert 5 point scale. The study was conducted in Delhi region. Also websites and journals have been used for collecting the secondary data.

Hypotheses

H01: There is no significant difference between perception of male and female respondents for employee retention.

H11: There is significant difference between perception of male and female respondents for employee retention.

H02: There is no significant difference between perception of government sector and private sector employees for employee retention.

H12: There is significant difference between perception of government sector and private sector employees for employee retention.

Analysis and Interpretations

Table 1: Mean and SD of male and female employees for employee retention

Gender	N	Mean	S.D	t-value
Male	30	15.75	14.11	0.26
Female	40	16.50	4.05	

The calculated t value at 0.05 level of significance (at degree of freedom 68) is 0.26 which is less than table value. Hence our null hypothesis is accepted that male and female employees have same perception for employee retention.

Table 2: Mean and SD of government and private employees for employee retention

Organization	N	Mean	S.D	t-value
Government	25	16.30	3.96	.20
Private	45	16.11	3.60	

The mean score of government sector employees is 16.30 whereas the mean score of private sector employees is 16.11. The 't' value is not significant at 0.05 level of significance. So our null hypothesis (H02) is accepted that there is no significant difference between perception of government sector and private sector employee for employee retention.

Conclusion

It is very difficult to understand human resources. To satisfy the employees and to retain them forever is a challenging task for a business firm. Employees have so much influence that they can make as well destroys the organization. In this competitive world, it is very much required by employers that they should come up with best employee retention strategies for the growth of business as well the employees.

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