



EMPLOYEE RETENTION

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ABSTRACT:

Effective 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. A strong retention strategy becomes a powerful recruitment tool. Retention of key employees is critical to the long-term health and success of any organization. It is a known fact that retaining your best employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning.

Employee retention matters as organizational issues such as training time and investment; lost knowledge; insecure employees and a costly candidate search are involved.

Hence failing to retain a key employee is a costly proposition for an organization. Various estimates suggest that losing a middle manager in most organizations costs up to five times of his salary. Intelligent employers always realize the importance of retaining the best talent. Retaining talent has never been so important in the Indian scenario; however, things have changed in recent years. Retention of key employees and treating attrition troubles has never been so important to companies

INTRODUCTION:

Employee Retention

“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 is the beneficial as well as the employee “

Employees will perform better when they feel safe. It is OK to have expectations and consequences for poor performance. They are predictable, like a speeding ticket. Employee retention involves taking measures to encourage employees to remain the organization for the maximum period of time corporate is facing a lot of problems in employee retention these days. Hiring knowledgeable people for the job is essential for an employer .but retention is even more important than hiring .there is no dearth of opportunities for a talented person .there are many organizations which are looking for such employees . If a person is not satisfied by the job he’s doing, he may switch over to some other more suitable job. In today’s environment it becomes very important for organizations to retain their employees.

Employee retention is beneficial for the organization for the organization as well as the employee .Employees today are different .they are not the ones who don’t have good opportunities in hand .as soon as they feel dissatisfied with the current employer to retain their best employees .if they don’t ,they would be left with good employees. A good employer should know how to attract and retain its employees.

Objectives of the Study

Primary Objective

- To give freedom to express your views and suggestion in Linga Chemicals

Secondary Objective

- To provide opportunity for our employees growth development in Linga Chemicals
- To provide welfare facility in Linga Chemicals
- To provide opportunity to share ideas work in Linga Chemicals
- To provide attractive salary benefits in Linga Chemicals.

This study on employee retention of Linga Chemicals is maiden attempt as far as a study unit is concerned .research methodology is a way to systematically solve the research problems various steps are adopted in studying the problem along with the logic behind them. This study depends exclusively on the primary data of this analysis.

REVIEW OF LITERATURE

John E. Sheridan (1992) the variation in cultural values had a significant effect on the rates at which the newly hired employees voluntarily terminated employment .the relationship between the employee's job performance and their retention also varied significantly with organizational culture values.

Saipan Tribune (2006) training means for positive change in any organization; however, training is not enough to create lasting change without a vital link that will help your employees transfer what they learned into real life application. That vital link is a strong coaching program .there is a direct link between training and employee retention.

Delta Farm Press (2006 -2007) "our worker attendance rate averages 99 percent, among the highest in U.Ss manufacturing," Crump said." Our employee's retention rate is in the high 90 percent range". While good pay /benefits and good working conditions are drawing cards, he said, "Workforce training is the key to getting and keeping good employees.

Denton (1992, p.47) follows this up by stating that, "the better the match between recruits and the organization the more likely you are to retain them."

Lynn (1997) believes that you must take time during the hiring process to make wise decisions. The employer must be candid about the working conditions, responsibilities, opportunities and other details to reduce the chances of making hiring mistakes.

Taylor and Cosenza (1997) strengthen this thought by noting that it is imperative that companies give prospective employees a true picture of the organization, if they hope to match the personality type with the climate and culture of the organization.

Research Design

Descriptive design is used to design the state of affairs as it exists at present that is during the time of survey .the research is basically qualitative in approach.

Sample Design

The sample random sampling technique has been used to select the sample respondents. Each and every item in the population has an equal chance of inclusion in the sample.

Sample Size

The population of the study is the employees of Linga Chemicals, Madurai for the purpose 50 employees spread over the organization were selected.

Method of Data Collection

The researcher has used both the primary as well as secondary data.

- i. **Primary Data**
- ii. **Secondary Data**

Percentage Method

Percentage analysis refers to a special kind of ratio, percentage are used in comparison between two or more series of data. Percentage can also be used to compare relative terms, the distribution of two or more series of data.

Formula

$$\text{Simple Percentage (\%)} = \frac{\text{No. of Respondents}}{\text{Total no. of Respondents}} * 100$$

Chi Square Test

The chi-square test is important test amongst the several tests of significance developed by statisticians. Chi-square, symbolically written as χ^2 is a statistical measure used in the context of the sampling analysis for comparing a variance to a theoretical variance.

Formula

$$\chi^2 = \sum (O-E)^2 / E$$

Where,

O= Observed Frequency

E= Expected Frequency

The expected frequency can be calculated as follows:

$$E = \frac{\text{Row Total} * \text{Column Total}}{\text{Grand Total}}$$

Chi Square test for finding the relationship between Employees Experience and Freedom to express Suggestions

Null Hypothesis (Ho): There is no significant relationship between employees experience and freedom to express suggestion.

Alternative Hypothesis (H1): There is significant relationship between employees experience and freedom to express suggestion.

Observed Frequency

Experience/Freedom to Express Suggestions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
0-3	3	2	1	1	1	8
4-6	3	2	2	1	2	10
7-9	2	3	1	2	1	9
10-12	4	3	1	1	1	10
Above 12	5	3	2	1	2	13
Total	17	13	7	6	7	50

Calculation

O	E	(O-E)²	(O-E)²/2
3	2.72	0.5184	0.1906
3	3.4	0.16	0.0471
2	3.06	1.1236	0.3672
4	3.4	0.36	0.1059
5	4.42	0.3364	0.0761
2	2.08	0.0064	0.0031
2	2.6	0.36	0.1385
3	2.34	0.4096	0.1750
3	2.6	0.16	0.0615
3	3.38	1.1444	0.0427
1	1.12	0.0144	0.016128
2	1.4	0.36	0.2571
1	1.26	0.5476	0.4346
1	1.4	0.16	0.1143
2	1.82	0.0324	0.0178
1	0.96	0.016	0.0017
1	1.2	0.04	0.0333
2	1.08	0.8464	0.7837
1	1.2	0.04	0.0333
1	1.56	0.3136	0.2010
1	1.12	0.0144	0.0128
2	1.4	0.36	0.2571
1	1.26	0.0676	0.0536
1	1.4	0.16	0.1143
2	1.82	0.0324	0.0178
Total			5.9555

Calculated Value =5.9555

Degree of Freedom = (r - 1) (c - 1)

$$= (5-1) (5-1) = 4 * 4$$

$$=16$$

Table Value =26.296.

Calculated Value < Table Value

$$5.9555 < 26.296$$

Therefore, Null Hypothesis (Ho) is Accepted.

Result

There is no significant relationship between Employees Experience and Freedom to Express Suggestions.

Findings

- 28% of the employees are satisfied and 24% of the employees are neutral with rewards and recognition on their achievement.
- 40% of the employees are satisfied and 12% of the employees are highly dissatisfied with the appreciation /acknowledgement for their coworkers and supervisors.
- 28% of the employees are dissatisfied and 20% of the employees are satisfied with the facilities provided by the organization.
- 40% of the employees are satisfied and 16% of the employees are highly dissatisfied with an opportunity to share your ideas at work.
- 36% of the employees are satisfied and 16% of the employees are highly dissatisfied with the salary benefits.
- 36% of the employees are satisfied and 20% of the employees are neutral with pay structure.
- 40% of the employees are satisfied and 20% of the employees are dissatisfied with present organization.
- 48% of the employees are satisfied and 12% of the employees are neutral Leadership must be deeply invested in retention.
- 54% of the employees are agree and 16% of the employees are neutral with the Opportunities for your growth and development
- 40% of the employees are satisfied and 24% of the employees are Neutral with the freedom to express your views and suggestions in organization.
- 80% of the employees like to enjoy most about working with the organization and 20% of the employees say no.
- 72% of the employees to make the organization a better place to work and 28% of the employees say no.
- 64% of the employee's greatest challenge working here and 36% of the employees say no.
- 72% of the employee's manager is the one who has the responsibility to retain the employee and 28% of the employees say No.
- 40% of the employees types of environment the employee needs in an organization.
- 70% of the employees are excellent and 4% of the employees are fair with the positive work environment.
- 68% of the employees are good flexibility to work schedule life issues.
- 64% of the employees are challenging work to remain employed with the agency.

- 66% of the employees are usually distributed workload equitably.
- 60% of the employees are given suggestion and encourages feedback.

Chi Square Test Findings

- There is no significant difference between experience and freedom to express the views suggestions in organization

Suggestions

- The employees are satisfied with the current rewards and recognition but organization gives more rewards and recognition for the purpose of retains the talented employee.
- The employees are mostly dissatisfied with the current welfare facility provided by organization, so organization must improve welfare facility for that retain the talented employees.
- If the organization gives more opportunity to their workers for sharing their ideas then they can get more interest on their work.
- As the freedom provides for the employees to express their views and ideas is good, further management encourage the employees to expressive.

Conclusion

This project report has been undergone to study on employee retention in Linga chemicals (P) Ltd, Madurai.

The process of retention is not as easy as it seems. There are so many tactics and strategies used in retention of employees by the organizations.

The basic purpose of these strategies is to increase employee satisfaction, boost employee In general employees are satisfied with the facilities, opportunities and training provided by the organization .These factors are analyzed with simple percentage and chi-square various major factors are found for which employees leave the organization on VRS.

Proper suggestions have been given to maintain retention rich organization culture that attracts, engages, and builds lasting loyalty among today's most talented employees.

The research work done will be useful for the management of the organization to know the employees opinion on various parameters of the organization .thus it used to help the company to implement a structured employee retention plan and to reduce attrition.

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