WORKPLACE HAPPINESS: THE KEY TO EMPLOYEES RETENTION

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Abstract

In today’s high-intensity business environment, the prime concern of an organization is to retain its valuable and talented employees. Organizations are always hunting for talented prospects for recruitment. Most of these organizations are also investing huge money on their employees for future return aspects. And to retain this talent, nowadays organizations are transforming their work culture. This advancement has also affected the job market and competition is becoming keener and keener among the organizations. A high prospective employee is always on the focal point of the market rivals. Therefore, the toughest task of a human resource manager nowadays is not only how to simply retain the workforce but also how to keep them on the job as long as possible and how to uphold them enthusiastic and ambitious. In this changing scenario, giving the necessary attention to creating a happy workplace can be the key to retaining employees. This paper reviews the importance of workplace happiness and its relationship with employee retention.

Keywords: Employee Retention, Workplace Happiness

INTRODUCTION:

Employees are the possessions of every organization. Due to emerging technology and changing nature of work, the attraction and retention of high-skilled and quality employees has emerged as the biggest challenge for human resource management. A good recruitment practice is a solution to employee retention (Hascall, Hopkins & Hollman, 1995). Employee retention involves attractive way to persuade employees to continue in the organization for the maximum period of time (Griffeth & Hom, 2001). Every organization spends time and money to groom a new employee, but after being completely trained when an employee leaves their job, an organization is finally at a loss. An organization cannot endure if the top performers quit. Retaining talented employees is remarkably imperative for the long-term growth as well as the achievement of the organization (Heathfield, 1995). When organizations get the best resources, they keep them content by embryonic and applying employee retention strategies. Cole (2000) states that employees stay loyal to such organizations where they have importance, work to their full potential and sense of pride. It is crucial for the employer to retain the employees who are the actual assets of the organizations. An employee who spends a longer duration at any particular organization is familiar with the rules, guidelines, and policies of the organization and thus can adjust better. Employees are expected to stay in organizations where they believe that their capabilities, contributions and efforts are appreciated (Davies, 2001). Therefore, to increase employee retention, it is significant to understand what role human resource professional plays in it.
ROLE OF HUMAN RESOURCES MANAGEMENT:

The human resource team plays a significant role in employee retention. There are different human resource management practices employed by the organization to increase the retention level (Khan et al., 2014).

Recruitment and Selection:

Huge costs are generally incurred by the employers in terms of attracting, hiring, training, developing and holding them back in their organization. Hiring is not a simple process. To hire the right candidate and keep him engaged so that he/she will not leave the organization is very important (Jyotsna, 2008). Trouble arises whenever a right candidate is in a wrong profile. When the cost of a mistake in recruitment is high, organisations are more discerning and the turnover of employees will increase (Chan & Kuok, 2011). An employee loses interest in work whenever they do something out of compulsion. The HR managers must ensure that they are recruiting the right candidate who actually fits into the role. The overall aim of the recruitment and selection process is to attain at minimum cost the number and quality of employees required to satisfy the human resource needs of the organisation (Armstrong, 2003, p. 395).

Training and Development:

When there is a gap between current performances and desired performances the necessity for training and development arise. A successful retention strategy must include training (Roberts and Outley, 2002). Research shows there is a relationship between training and development and employee retention. Training and development programs can raise retention when they meet the needs of the employees (Montgomery, 2006). An organization can build up a strong bond with their employees by invest in training and development. Training and development are defined as an organized mean of knowledge and skills acquisition required by employees to perform a task to improve their performances in organization (Ng, Lam, Kumar, Ramendran, & Kadiresan, 2012). It is a complete wastage of time and money when all of a sudden an employee leaves an organization. In certain jobs that require constant updating of skills such as Information Technology might leave if they have no options for strengthening those skills (Sommer, 2000). So the employee has to up to date them. Managers who invest in developing employees to change and adapt the skills and knowledge concerning the business would receive the positivity and increased employee retention (Gul, Akbar, & Jan, 2012).

Reward and Compensation:

The Human Resource professionals must initiate a variety of incentive schemes for the top performers to motivate them in terms of rewards and compensations that are seen as something given by employers to employees in response to their contributions and performances as well as to satisfy the employee's needs (Aguenza & Mat Som, 2012). Rewards and compensations are given to encourage employees for better performances and positive behaviors. It is anticipated that an attractive rewards and compensations package help to retain potential employees (Neog & Barua, 2015). An organization rewards and compensations strategy should be able to attract the scarce and talented employees, retain key and potential employees and also to sustain equity amongst employees (Terera & Ngirande, 2014). It is imperative that the rewards and compensations system is well-established in order to esteem their employees. It satisfies the financial and material desires of employees as well as providing a mean of increasing social status and power in the organization (Narang, 2013).

Working environment:

Apart from the rewards employee want better working environment. Healthy working environment involves good collaborative and communication culture, the presence of competent leadership, practice environment, professional advancement and the presence of adequate staffs (Ritter, 2011). Employee spent most of their time in the workplace, therefore, a good working atmosphere requires an appreciation of others job, friendly relationship with colleagues and no personal harassment and bullying at the workplace.
A safe and sound working environment will stimulate employees to stay in the organizations. The working environment is a place employee expects to utilize their best abilities and satisfy their basic needs (Narang, 2013). Every impact on working environment such as management, equipment availability and workplace facilities should be assessed accordingly to improve the working environment (Christmas, 2008). A good working environment is to be delivered to ensure their employees are retained by the organization. People want to work for an organization which appreciates work performance, has opportunities to grow, a friendly and cooperative environment and a feeling that the organization is a second home to the employee (Ontario, 2004).

So, human resource professionals are trying their level best to motivate their employee and create a positive work environment so that employee does not look for a change. Organizational work culture is emerging day by day. Disruption and transformation are shaking up organizations and workforces. Everything from the type of work to where, how we work is being transformed. Therefore, employee retention is incredibly significant especially in the era of disruption.

**NEED OF EMPLOYEE RETENTION IN THE AGE OF DISRUPTION:**

In the era of disruption, it isn’t enough to hire and train a workforce to meet an organization’s immediate needs; they must also be effectively nurtured, supported, and retained. The increasing mobility of labour, hiring right people is tough and keeping them can be even tougher. Organizations invest a great deal of time recruiting and hiring new employees, but too few pay close attention to the cost of turnover. Human resource is the most vital resource for management and requires to be utilized resourcefully. The achievement, stability and growth of an organization depend upon its capability in acquiring, utilizing and developing the human resources for the benefit of the organization. In this digital era, most of the organization is now evolving with the new technology which has completely changed the nature of work. With this new innovation, human resource management practices are redefined and also getting a new meaning. In the modern set-up, where there is no scarcity of opportunities so it is hard to stop human resources to look for a change. The biggest challenge for every organization is trying their best to hold their potential employees. Digital workplace allows an employee to work remotely so they can easily balance their personal and professional life. But where some of the employees are enjoying the flexible way of working on the other hand, some employees feel disengaged from the workplace. The fear of an increasing impact of technology can be troubling. Bringing office to home via technology may also disrupt in one’s personal life. The complete picture of work and personal life is becoming blurred. An employer wants their employees are always being available and up-to-date. In this battle of personal-professional life, an employee may feel exhausted and which may lead to a high turnover. Though technology has enhanced the value of the human resources is not abating. An organization needs highly skilled tech-savvy employees to operate. Therefore, human resource managers are splitting their sweat and blood, spending huge time, effort, and money to prevent turnover and to retain key employees. Thus, in today’s modernization work culture, more emphasis is given to employees’ happiness. According to the changing world of work, most employees change their jobs several times (Clarke, 2007; Sun & Wang, 2011). Many organizations have difficulties retaining the high-talent employees who have high potential to accomplish organizational goals (Chaudhry & Shah, 2011; Kumar & Dhamodaran, 2013). Aspirations of people are also increasing. Therefore enhancing happiness at the workplace is a challenge for maximizing organizational productivity (Chaudhry & Shah, 2011).

**WORKPLACE HAPPINESS:**

Workplace happiness is one of the major reasons to stays in the organization. An organization should keep their eyes on retaining its talents equipped with the proper skills and knowledge how to do the work remarkably and acknowledged them. Following are the components of workplace happiness which increase employee retention.
Job Flexibility:

An employee having a job flexibility options report having higher levels of individual commitment, attention, satisfaction, productivity, loyalty, and mental capacity at any age (Prenda & Stahl, 2001). The significance of job flexibility such as workloads, responsibilities, locations around family responsibilities and scheduling variations that better accommodate individual work times (Cunningham, 2002; Pleffer, 2007).

Job Security:

Kjerulf (2007) said that fundamental needs for happiness in life including safety, decent work environment, fair salary, allowances and security. Muhammad Hassan et al (2011) established in their study that there is a positive correlation between employee retention and Job Security. Job Security tends to do better with an employee who is satisfied with his job than the one who is dissatisfied with the job. The employee feels secure when the whole workplace scenario is healthier. Job Security tends to do better with an employee who feels satisfied with his/her job than the one who feels dissatisfied with the job (Ruvio & Rosenblatt,1996).

Work-Life Balance:

According to Pasewark & Viator (2006), work-family balance plays a very important role in retaining employees of an organization. Greenhaus, Collins and Shaw (2003) define work-life balance as the extent to which an individual is equally engaged in and an equally satisfied with his or her work role and family role. A job that provides the holder the possibility to fulfill his/her family responsibilities increases employee retention (Loan-Clarke et al., 2010). Work–life conflict increases employees intention to leave, thereby creating greater stress levels for those left in the work environment (Deery and Jago,2009).

Autonomy

Autonomy on the job influences employee decision to stay in the organization (Spence, Leiter, Day and Gilin 2009).Autonomy increases employee motivation and job satisfaction. Thompson and Prottas (2006) found that employees with higher levels of job autonomy were more likely to be satisfied with their job. Yunki (1999) in his research emphasizes that such autonomy is the most significant predictor of employee job satisfaction.

Relationship with co-workers/Friendship:

Friendship at the workplace has a positive impact on organizational productivity and employees’ work attitudes towards their jobs (Song, 2005). Positive friendship not only influences the happiness of employees but also affects productivity (Bader et al., 2013). Harmonious interactions with co-workers have a positive influence on an individual's level of job satisfaction (Ladebo, Awotunde & Abdul Salaam-Saghir, 2008).

Recognition:

According to Danish and Usman (2010), recognition is defined as the situation where organization employees are rewarded by different status. According to Yaseen (2013), recognition can be provided a number of ways such as; involving employees in decision making, by increasing their responsibility, by showing empathy towards them and provide them with succession planning and different opportunities to get the high designation.

Management and Leadership

Guiding, encouraging and participation by the management are detected to pursue a positive environment (Varila & Viholainen 2000, 74). Warr (2007) defines a positive leader behavior as one that includes the willingness to listen employees, showing support respect and concern for employee welfare, and a tendency to show appreciation for employees and their work well done. According to Ellett et.al., (2007) “supportive, quality supervision” and “leadership that values employees” have a positive impact on retention.
Career Advancement Opportunities:

Hiltrop (1999) related perceived careers success and organization facility to make employees continue in their jobs. Prince (2005) identified promotion and opportunities for growth as a major reason for which employees make a decision to leave or stay in an organization and went further by identifying influential factors pertaining to career growth opportunities, which are: advancement plans, internal promotion and accurate career previews. Personal and professional growth is a determining factor of retention and promotion opportunities increases employee commitment to stay.

In a nutshell, it can be stated that workplace happiness increases employee commitment towards their organization. Satisfied employees are more connected and engaged in their work and workplace which reduces employee turnover.

Fig: 1

Workplace happiness is the key factor to retain the employees. Technology advancement changes the employee way of work. Employer creates the organizational culture in a way that employee feels satisfied with their job and more committed towards their organization. Friendly atmosphere, job security, career advancement opportunities retain the employees. Happy employees are those who balance their personal and professional life effectively. Lack of job flexibilities causes job burnout. When an employee pleased with working conditions and rewarded with monetary and non-monetary benefits they will be happy. To retain valuable human resources an employer has to make effort to make employees happy. Autonomy inspires the employee to work better and give more profits to the organization. An employee should be proficient and upgrade their skills and enhance their knowledge at the workplace. Employees
leave the organization whenever there are no chances of further growth. An employee goes for a change when their job becomes monotonous and does not offer anything new. It is essential for everyone to enjoy whatever he does. Therefore it can be stated that there is a close relationship between workplace happiness and employee retention. When employees feel happy in the workplace and get all the benefits they aspire from their organization they will involuntarily satisfy with their job, committed and engaged towards their workplace.

**Organizational Commitment:**

Organizational commitment was the highest and significant predictors of employee retention (Fukufaka, 2014). According to Owens (2006), an employee who had a higher level of commitment also had a higher level of “turnover cognitions”. Sinha and Sinha (2012), organizational commitment can prompt retention because more committed employee stays loyal to the organization for a long time than persons which are less committed. Gavin and Mason (2004) believe that happiness and positive states of people at work contribute to increased organizational success and commitment. According to Curtis and Wright (2001), organizational commitment is the most important variable to induce employee retention. Organizational commitment improved employee job commitment which in turn revolt the level of employee retention and toward to a positive way for the organization (Nawab & Bhatti, 2011).

**Job Engagement:**

Employees prefer to work in that organization where the workforce is engaged and their involvement is encouraged in business decisions (Hoffmeister, 2006). An organization can attract and retain talented workforce which is committed and engaged (Raynald, 2010). Happiness in the workplace includes many different aspects of work engagement and job satisfaction which in turn, lead to several positive organizational outcomes (Fisher, 2010). Understanding employees’ needs, positive work environment and providing required resources for the job can reduce the stress level and enhance the level of engagement (Coetzee & Villiers, 2010). According to Robinson (2006), employee engagement can be achieved through the creation of an organizational environment where positive emotions such as involvement and pride are encouraged, resulting in improved organizational performance, lower employee turnover and better health.

**Job Satisfaction:**

Job satisfaction was a combination of the working environment and the job itself, making employees felt that working is productive and enjoyable. Wagner (2000) states that employees who are satisfied with their jobs are more productive, creative and be more likely to be retained by the organization If employees are satisfied with their work, their productivity would be increased (Barmby, Bryson, & Eberth, 2012). Murray (1999) has clearly stated that job satisfaction not only improves the retention of employees but also reduces the cost of hiring new employees. Employee’s job satisfaction is positively correlated with employee’s retention. Various studies determined that employees with positive experience related to the greater degree of job satisfaction have a lower tendency to leave their current bosses and organization.

A satisfied employee is more loyal to their organization and hence employee is unlikely to switch job and work hard for the organization. More the employee is satisfied with their job more they are willing to intact with the organization. The employer must try their level best to retain those employees who are truly worthy of the organizations and the main contributor to the success of the organization. The employees who spend a substantial amount of time tend to be loyal and committed towards the organization. When employees are spending most of their time in an organization, they get emotionally attached to it and make every effort for furthering the brand image of the organization. An engaged employee enjoys his work and learns something new each day. An engaged employee is happy with their work and would never think of leaving the job.
CONCLUSION:

In the face of competition, the growing needs of an organization are to retain its best employees. The effective application of human resource management practices will intensify the employee retentions. Such variables include recruitment and selection, training and development, rewards and compensations, and working environment are major contributors to employee retention. The digital revolution is reshaping the way we work which have a significant impact on retention of talented employees. Therefore workplace happiness is a key element to inspire employees to remain in the organization for a longer period of time.

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