A Study of Strategies, Changes and Difficulties to Attract and Retain Employees in the Human Resources Industry

Dr. Ashish K. Desai

Head of the Department, Accountancy
D. R. Patel & R. B. Patel Commerce College and B. C. Patel BBA College,
Bharthana (Vesu), Surat

Chandni D. Desai

Teaching Assistant and Research Scholar
D. R. Patel & R. B. Patel Commerce College & Bhaniben C. Patel BBA College, Bharthana (Vesu),
Surat-395017, Gujarat Affiliated to Veer Narmad South Gujarat University

Abstract:

Human resources is used to describe both the people who work for a company or organization and the department responsible for managing resources related to employees. One of the most important task of Human Resources is to attract talented people from outside and maintain efficient employees in the organisation. The purpose of the research paper is to study the strategies used to attract and retain employees in the resources sector and to know the difficulties faced by organisations in attracting and retaining employees in the resources sector. Organisations are using strategies like great pay, opportunity to develop, working environment, and co-operative colleagues to attract and retain employees. Some of the changes related to retention are developing leadership skills, clear career paths, and better employee engagement. While it is noted that the difficulties that organisations are facing are skill shortage and competition for high quality staff. It is also concluded that there is room for further progress if high involvement work systems are adopted.

Key Words: Human Resource, Strategies, Changes, Difficulties

1. Introduction

The HR industry is fast gaining ground. They are no longer a small and slow department but crucial members in the major business decision making processes in various companies. Over the last few years, the role of Human Resource professionals has steadily evolved from being perceived as a slow self-important personnel department to being seen as "human resources" that acknowledges the value of employees as an organisational   resource.
This change has pushed HRs to become a strategic partner to business leaders, contributing to significant business decisions, advising on critical transitions, developing the value of the employees, creating an organisational culture - in short, they now have a seat at the table. HR personnel today also handle the heavy burden of recruitment, payroll, training and development, retention, performance management and ensure a safe and healthy workplace environment to work in.

Over recent years, the role of the human resources function has changed. HRM functions (selection, compensation, appraisal, etc) are closely linked to job, and, via this connection, to various performance outcomes. And many organizational leaders now recognize HRM as a vital contributor to the success of an organization. Indeed, the employees who perform the tasks and create the productivity make a significant contribution to performance of the company. Therefore, in many company, jobs and their associated tasks have become changeable and unstable bases for managing the human resource. However, the importance of people in company is the central focus of the human capital management perspective

Various HRM strategies which could be adopted to improve attraction of new employees will be evaluated in this part.

2. Attraction and Retention

Strategic planning of the workforce is a key element in identifying the nature of jobs and the targeted talents in the entity. Consequently, the recruitment plans and job budget are developed according to clear methodology based on the entity's strategic plan.

Employee's experience and expectations about start in his/her first experience in the attraction stage. Possible candidates have different needs; some of them are looking for higher wages and better advantages, others look for accomplishing distinguished personal and professional achievements and other look for flexible working hours. Therefore, the entities' HR departments should know the candidates' needs and adopt selection and recruitment mechanism accordingly.

Retention means the organization's capability to keep its employees to work and continue in the organization for a long period of time. Normally, people join a company for a long term service. If they find the place suitable for long term engagement, they continue to work and remain in the company. Otherwise, they leave the place for better alternative. The ability of the employer to keep the employees continuously engaged, fulfilling the expectations of the employees, their career growth prospect and job satisfaction, etc., depends on the retention strategy of the company.

According to the Wikipedia encyclopaedia's definition, the word retention means the ability to retain employees in the organization. Retention is about having a long- term view of helping people achieve their full potential. Retention construes the ability to keep the employees engaged in the organization. Retention signifies that the employees find a meaningful reason for being associated with the company for mutual betterment. According to the dictionary of Human Resources and Personnel Management, the term retention means the process of keeping employees on the staff and not losing them to rival firms. Here the emphasis is on the process of retaining employees so that they do not get lured by other employers. One of the significant aspects of HR functioning in a company is the attraction and retention of employees. Once people are attracted, recruited and positioned in the company, the next job is to retain them by providing the facilities for their development and to harness their potentialities. Here, both the functions are interlinked. Because, if the employer has the ability to attract certain talent in the market, they can keep them engaged and retained for long term.

It has been noted that it is critical to attract and retain high quality workers. It has been examined the linkage between HR practices and firm performance and effectiveness. A systematic approach to create a workplace with high performance work systems may not be sufficient to attract and retain high skilled employees nor lead to firm performance. So, organisations need to provide employee-focused good employment/ high involvement practices that build a positive workplace experience to attract and retain employees (Boxall & Macky, 2009).

2. Review of Literature

Organisations have implemented a range of good employment practices, while dealing with concerns about skills shortages, employee turnover, an aging workforce, and changes in legislation. We identify a need for employers to give greater attention to diversity and work-life balance issues. Further, there is a need for strategies to increase the attractiveness of work in remote locations (Hutchings et al,2011). Employee development significantly affected employee turnover. Training alone may offer many benefits but a much greater impact will be found when using a strategy to human resources that entails many different organizational practices and policies (Isabel Cheloti Mapelu and Lucy Jumah, 2013).

3. Problem Statement

Research problem refers to some difficulty which a researcher experience in the context of either a theoretical or practical situation and wants to obtain a solution for the same. Thus zest for the work is must. The subject or the problem selected must involve the researcher and must have an upper most place in his mind so that he/she may undertake all pains needed for the study. We have selected the research problem is "Key Factors and Challenges for Attraction and Retention of Employees."

4. Research Objectives

1. To study the strategies used to attract and retain employees in the resources sector.
2. To study the important changes needed to attract and retain employees in the resources sector.
3. To study difficulties faced by organisations in attracting and retaining employees in the resources sector.

5. Research Methodology

Ten senior HR managers from different industries have been considered for the study purpose. Respondents were also asked three open-ended questions regarding how their organisation dealt with attraction and retention of employees: 1) what are the most important practices that your organisation is currently providing to attract and retain employees? 2) what are the most important changes needed for your organisation to attract and retain employees? and 3) what are the most important difficulties faced by your organisation with regard to attracting and retaining employees? The qualitative data reported herein provides representative responses. Responses are categorised as: organisational context, employment practices, and community and social concerns. On the bases of their opinion and feedback, statements related to the strategies, changes and difficulties about attraction and retention employees have been framed.

6. Limitations

Limitation of this study is that it focused on find out the views of HR managers only.

7. Conceptual Framework

The main part of this research is to focus on the strategies used, important changes needed and difficulties faced by HR to attract and retain the employees. All of these parts are based on Organization Context (OC), Employment Practices (EP) as well as Community and social Concerns (CS).

7.1 Strategies

The main strategies organisations in this sector are currently using to attract and retain employees. Great pay is one of the main reasons why most people work for a certain company. Some organizations offer good pay than others. The higher the pay is, the more likely employees are willing to devote their time and energy to help the company succeed. Employees are attracted to the satisfaction the job can give them. They are able to use and expand their skills in the job and nothing can stop them from not participating in or completing an assignment given if they are really interested in the job. Many organization offer great benefit packages to their employees. These benefits include bonuses, vacation, health, etc. Businesses realize that employees will work if the surroundings are fun. Music is played to motivate them to work hard and they are given the freedom to complete any given tasks. They also can participate in decision making towards everyday procedures. This shows that their views are respected. Especially with new employees, the existing employees are willing to assists them with any difficulties or problems that arise. They make the new ones feel at home by not treating them differently. Many employees find companies that have good reputation to work for. Businesses like these shows that they are long established and know every trick and trade of the industry. The excellent corporate culture also attracts employees because they have good practices that make them successful. Managers learn employees' names and treat them as individuals. They recognize employees' goals and needs and provide recognition and praise to employees that do well. Managers like these are the favourite among employees and usually motivate them to work even harder.

7.2 Changes

The most important changes perceived by employers as being needed to attract and retain employees. Several respondents referred to the constraints brought by economic downturn but overall focus was placed on issues expected to be of ongoing importance. The main strategy for attraction and retention is improved opportunities for training and development, particularly tertiary training and other government training schemes. Improving recruitment practices, maintaining and increasing competitive salaries and providing opportunities for career development such as opportunities for management positions at the local level were also seen as important potential changes.

Additional emphasis was also placed on improving the organisational culture and greater employee involvement with their work. Specific organisational strategies noted were: improved manager-to-employee

communications, the provision of a better and stronger management team and the development of leadership skills (including targeted supervisor development).

Respondents also suggested that they should have their own employment relations strategy which should emphasise work-life balance and an understanding of Generation Y. Despite the popularity of sustainability in the parlance of many Australian organisations, only one respondent identified social responsibility as being relevant in attracting and retaining employees.

7.3 Difficulties

The most common difficulties faced when attempting to attract and retain employees. Generating a good work environment, providing development opportunities, having a motivated team and offering flexibility are conditions highly valued by the new generations.

The two major difficulties reported by participating organisations are skills shortages and competition for high quality staff. Despite high salaries in the sector, particularly in mines in remote areas, the continuing lack of qualified and experienced applicants, particularly in specialised areas such as engineering or skilled trades, is a common challenge. Additionally, competition for staff is a major concern for smaller organisations that do not have the financial resources to offer the same salaries, flexible working conditions, and other support, provided by multinational corporations.

Many respondents emphasised the challenge in attracting staff to remote locations as small towns offer few services or social activities and, though wages are high, costs of living are seen as prohibitive. One respondent expanded on this point in mentioning the negative image of the resources sector amongst community and environmental groups and suggested that this has a flow-on effect in attracting staff generally. The aging workforce, lack of local senior management opportunities and limited career paths are also noted as difficulties faced by some organisations.

8. Interpretation Based On Conceptual Framework

8.1 Strategies used to attract and retain employees in the resources

Statements	OC	EP	CS
Company reputation and culture	√		
Excellent working environment	√		
High quality leadership, quality people	√		
Good communications	√		
High ethics and professional standards	√		
Great pay		√	
Opportunity to expand their skills		√	
Creative benefits and rewards		√	
Fun and safe working environment		√	
Cooperative and helpful colleagues		√	
The organization's excellent reputation		√	
Understanding managers		√	
None stated			√

8.2 Changes needed to attract and retain employees in the resources

Statements	OC	EP	CS
Better communication (e.g. executive management team)	√		
Better management teams (e.g. training, communication)	√		
Develop leadership skills	√		
Better site culture (e.g. equality, company values)	√		
Training and development		√	
Competitive salary and remuneration structure		√	
Clear career paths (e.g. create local management positions)		√	
Better employee engagement		√	
Secure work-life balance opportunities (e.g. telecommuting)		√	
Better understanding of the Generation Y workforce		√	
Fair, equitable and lawful working conditions		√	
Better town services			√
			√

8.3 Difficulties faced to attract and retain employees in the resources

Statements	O	E	CS
Establishing Healthy and Cooperative Culture	√		
Elevating Human Capital Investments	√		
Clear & Transparent Work Culture & Open Leadership	√		
Flexible Work Arrangements	√		
Skills shortages (e.g. engineering, skilled trades)		√	
Competition for staff (e.g. remuneration)		√	
Lack of career path		√	
Aging workforce		√	
Uncertain financial climate			√
Remote locations			√
Lack of government support			√
Industry image (e.g. community environmental concerns)			√

9. Conclusion

This research is significant in providing the views of HR managers in the resources sector; this sector is globally important yet relatively under-researched with regard to management practices. Recognising the size and strength of the resources sector coupled with the demands faced with regard to attraction and retention of employees, it could be concluded that employers in this sector are developing a distinctive good employment approach which recognises some of the limitations presented by their operations in remote locations. It is also evident that there is room for further progress if high involvement work systems are also to be operationalized. Our findings should assist managers to identify and benchmark their progress in the context of changing external conditions.

References

- Hutchings, Kate, Cieri, Helen, Shea, Tracey,(2011).Employee Attraction and Retention in the Australian Resources Sector. Journal of Industrial Relations, https://research-repository.griffith.edu.au.

- Isabel Cheloti Mapelu and Lucy Jumah(2013). Effect of Training and Development on Employee Turnover in Selected Medium Sized Hotels in Kisumu City, Kenya. Journal of Tourism, Hospitality and Sports - An Open Access International Journal, 1:43-48.