

HOW TO KEEP TOP TALENTED EMPLOYEES ON BOARD: A REVIEW OF LITERATURE

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ABSTRACT: *Employees are the most valuable assets of any organization. Their significance to organizations calls for not only the need to attract the best talented employees but also the necessity to retain them for a long term. This paper focused on reviewing the findings of previous studies conducted by various researchers with the aim to analyze the HR practices such as training and developments, career development opportunities, compensation, reward and recognition, benefits, Participation in Decision Making, Management and Leadership style, Work-Life balance, motivation and Organizational culture, that organizations can adopt to retain their top talented employees and motivate them to stay in the organization. The study applied descriptive research design and only secondary sources have been used to collect the data from the research articles and various research journals. The study concluded that The HR managers who want to attract and keep good employees in the organizations should take into account that Successful employee retention does not rely on a single strategy, and the decision of an employee to stay in the organization is effected by a number of HR practices such as career development opportunities, compensation ,reward and recognition, training and developments, Participation in Decision Making, Management and Leadership style, motivation, Organizational culture, and many more.*

KEYWORDS: Human Resource practices, talented workers, Employee Retention

INTRODUCTION

Employee retention is a process in which the employees are encouraged to remain within the organization for the maximum period of time or until the completion of the project. Employee retention is important for the organizations as well as the employees. If the employees feel disappointed with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best and top talented employees. If they don't, they would be left with no good employees. A good employer should know how to attract and retain its employees on board. Abinaya (2016). Due to increased competition in the market, Organizations are facing the challenge of employee retention. Therefore, it is crucial for organizations to hire competent employees to gain a competitive advantage in the market. However, retaining competent employee is more important than hiring. Organizations are always looking for talented employees and spent time and money on their employees for future return aspects. Abinaya (2016). Employee retention consists of procedures through which employees are advanced to become part of the organization for a longer period of time until they get retired or until the project gets completed. For achieving individual as well as organizational goals, it is very crucial to retain talented employees on board and make sure their commitment. Abinaya(2016). The decision of an employee to stay in the organization is effected by a number of HR practices. Therefore, this study is aimed to analyse the HR practices such as Training and developments, Career development opportunities, Reward and recognition, Compensation ,Participation in Decision Making, Management and Leadership

style, Work-Life balance, motivation and organizational culture, that organizations can adopt to retain their employees in the organization.

Objectives of The Study

The main objective of this study is to analyze the HR practices that organizations can adopt to retain their top talented employees on board and keep them very high committed.

METHODOLOGY

This study applied descriptive research design and only secondary sources have been used to collect the data from the research articles and various research journals.

LITERATURE REVIEW

Various studies have been conducted in the area of employee retention but this study reviewed the various literature and research work on the HR practices that organizations can adopt to retain their top talented employees in the organizations.

Techniques for Retaining Top Talented Employees in the Organization

Here are some of HR practices in which organizations can adopt to retain their talented employees in the organization.

Training and Development

Training is a learning process that involves the acquisition of skills, concepts, rules, or attitudes to enhance the performance of employees while development is concerned with developing the experience, attitudes, and skills necessary to become or remain an effective manager. Both training and development are one of the HR practices that organizations can adopt to retain their top talented workers on board as shown study conducted Messmer(2000) found that one of the important factors in employee retention is investment on employee training and career development. Organization always invests in the form of training and development on those workers from whom they expect to return and give output on its investment. So, it is clear that training and development is a tool to retain talented employees in the organizations.

Career development opportunities

Career development is an on-going, formalized effort by an organization that focuses on developing and enriching the organization's human resources in light of both the employees' and the organization's needs. Employers can no longer promise job security, but they can help employees maintain the skills they need to remain viable in the job market. Moses (1999). To improve retention, companies should adopt career development policies in alignment with the needs of the employees. Wetpravit (2006) Personal and professional growth is also determining factor of retention and the promotion opportunities increases employee commitment to stay. Horwitz (2003). Herman (2005) also observed direct relationship between development opportunities and retention.

Reward and recognition

According to Agarwal (1998) the term reward is defined as something that the organizations offer to the employees in response of the work as well as performance and something which is desired by the employees. According to Byars(2004) organizational reward system consists of the types of rewards to be offered and their distribution. Organizational rewards include all types of rewards, both intrinsic and extrinsic, that are received as a result of employment by the organization. Intrinsic rewards are internal to the individual and are normally derived from involvement in certain activities or tasks. Job satisfaction and feelings of accomplishment are examples of intrinsic rewards. Most extrinsic rewards are directly controlled and distributed by the organization and are more tangible than intrinsic rewards. Pay and hospitalization benefits are examples of extrinsic rewards. According to walker (2001) recognition from bosses, team members, coworkers and customer enhance loyalty. “Watson Wyatt” a global consulting firm, conducted a survey in USA, in the year 2002 among 12750 employees at all levels of job and in all major industry sectors to know about their attitudes toward their workplace and their employers. It was found in the survey that recognition is very important for workers and they want to listen that their work followed recognized and appreciated. Silbert,(2005) forwarded the view that reward is important because it has an enduring impression on employees which, in turn, gives the employees an impression that they are valued in the organization and then affects their decision to stay.

Compensation

Compensation refers to all the extrinsic rewards employees receive in exchange for their work. Pay refers only to the actual dollars employees receive in exchange for their work. Commonly compensation is composed of the base wage or salary, any incentives or bonuses, and any benefits. The base wage or salary is the hourly, weekly, or monthly pay employees receive for their work. Incentives are rewards offered in addition to the base wage or salary and it is directly related to performance. Benefits are rewards employees receive as a result of their employment and position with the organization. Paid vacations, health insurance, and retirement plans are examples of benefits. Byars(2004). Further to the above terms, a research conducted by Roberts (1999) on employee retention discovered that a financial advantage is the major factor on which the relationship between the employee and intention to stay in organization can be measured Also another study on employee engagement concluded that a competitive pay structure is a vital aspect that easily affects the level of retention. Zingheim(2009). Another study concluded that good administrated Compensation structure plays a vital role in retaining the employees. Chew (2008).

Benefits

Benefits are rewards employees receive as a result of their employment and position with the organization. Paid vacations, health insurance, and retirement plans are examples of benefits Byars(2004). Ednah (2017) suggested that benefit practices can be associated with turnover. He found that in organization in which benefits were a higher percentage of total labor costs and those organizations whose benefits packages were described to be of higher quality, tended to report lower rates of employee attrition. He suggested that this may be because employees are satisfied with the benefits they received or might be because the rewards and benefits received are binding investments that would induce career commitment. These results imply that size and types of benefits provided for by organization play a significant role in reducing employee turnover.

Participation in decision-making

A study conducted by Hewitt (2002) mentioned that modern businesses always keeps its employees well informed about all the important affairs of its business and involves them in decision-making at all levels which can exploit the talents of its employees. Supporting the view of Noah (2008) found in his research that employee involvement in decision-making helps in creating a sense of belongingness among the employees, which helps in creating a good friendly working environment and contributes towards building a good employer-employee relationship.

Management and Leadership style

The words “leader” and “manager” are among the most commonly used words in business and are often used interchangeably. Leadership and management must go hand in hand. They are not the same thing. But they are necessarily linked, and complementary. A manager is the member of an organization with the responsibility of carrying out the four important functions of management: planning, organizing, leading, and controlling. The primary difference between management and leadership is that leaders don't necessarily hold or occupy a management position. Simply put, a leader doesn't have to be an authority figure in the organization; a leader can be anyone. Various studies noted that the way people are managed and the leadership style have direct influence on an organization's ability to maintain its workforce. Study done by Eisenberger(1990) discovered that the manner in which employees view an organization is particularly dependent on their relationship with their supervisors. Another study conducted by Duffield (2003) indicated that leadership and retention correlate and viewed participative leadership style as a contributing factor of employee retention. Kroon and Freese (2013) also believe that participative leadership style plays a significant role in employee retention.

Employee Motivation

Management theory and practice has traditionally focused on extrinsic motivators. While these are powerful motivators, by themselves they are no longer enough—intrinsic rewards are essential to employees in today's environment. Thomas (2000). Nowadays motivational issues are more complex because of the wealth and opportunity so many employees have enjoyed. People need intrinsic rewards to keep going and to perform at their highest. Thomas (2000). Workers have been forced to take more responsibility for their own careers, going where the work is rewarding and where they can develop skills that will guarantee their employability, in whatever organization. Hall and Associates (1996). According to Sinha (2012) talented workers have more choices than ever before, and are likely to leave if not satisfied with their employer or job content. As employees have become more likely to leave un-rewarding jobs, the impact of losing top talented workers has become greater. In the future, the biggest gains will come from systematically improving an organization's intrinsic reward process—making the work its self so fulfilling and energizing that employees themselves won't want to leave. Rediscovering the role of purpose in work is a key to understanding the new work and the motivation of today's employees. Organizations now find themselves competing to attract and retain workers on the basis of the meaningfulness of their jobs.

Work-Life Balance

According to Ellenbecker (2004) Work-life balance is becoming more essential for employees and tends to affect employees' decision to stay in organization or to leave. Nowadays employees prefer flexible work schedules which allow them to take care of both their personal and professional life. Research conducted by Cunningham (2002) Showed the importance of employment flexibility such as scheduling variations that better accommodate individual work times, workloads, responsibilities, and locations around family responsibilities. Another study conducted by Loan-Clarke et al (2010) indicated that a job that gives the holder the possibility to fulfil his/her family responsibilities contributes employee retention.

Organizational Culture

According to O'Reilly (1986) Organizational culture can be defined as a set of behaviour, attitude and value that distinguish one organization from another. Another definition from Kotter & Heskett (1992) Organizational culture means stable arrangements of beliefs and norms, which are held commonly by a society or department in the organization. Both Greenberg & Baron (1995) defined organizational culture as a framework of values, beliefs, attitudes, norms; behaviour of employees, and their expectations, which are shared within the organization by its members. Habib et al (2014) studied the impact of organizational culture on the job satisfaction, employees' commitment and the retention of the employees in the organization. The research was based on primary data, and it was conducted on the employees who are working in different organizations within territory of Multan region, Punjab, Pakistan and they found that nature of organization significantly affects Job Satisfaction. So based on the findings of their research, it can be seen that organizational culture is an important factor which highly influences employee commitment, job satisfaction and Retention. Maqsood et al (2015) examined the Human Resource (HR) practices that promote employee retention and the finding of their research showed that Compensation and Culture have a positive relationship with employee retention. Many studies have focused on organizational culture and its relationship with employee retention in countries like Ghana, Pakistan, India and Nigeria They recognized organizational culture as an important element that organizations can adopt to keep their top talented workers within the organizations. A study conducted by Madueke (2017) examined the relationship between Organizational Culture and Employee Retention of selected commercial banks in Awka, Anambra State, Nigeria and discovered that there is a significant positive relationship between innovative organizational culture and the employee retention in commercial banks.

CONCLUSIONS

The study has reviewed various studies that have been conducted in the area of employee retention and found HR practices such as career development opportunities, compensation, reward and recognition, training and developments, Participation in Decision Making, Management and Leadership style, Organizational culture, Work-Life balance and motivation are necessary for the organizations to retain top talented employees in the organizations.

RECOMMENDATIONS

Based on the literature review, the following recommendations were suggested and the organizations that are willing to retain their employees should:

- Offer ‘attractive compensation package’ according to the qualifications and skills of employees.
- Provide adequate incentives which are related to performance to efficient employees.
- Provide flexible job.
- Provide adequate opportunities for training and development.
- Frame clear administration rules and regulations.
- Provide adequate environment for participatory management.
- Provide Career development opportunities.

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