Industrial Engineering Journal
ISSN: 0970-2555
Volume : 52, Issue 4, No. 3, April : 2023

EFFECTIVENESS OF EMPLOYEE RETENTION STRATEGIES

Dr K.Manjula Assistant professor of commerce Dr BRR GOVERNMENT COLLEGE JADCHERLA : gowdmanjula0704@gmail.com

Abstract
The HRM department is responsible for many vital functions, one of which is employee retention. If the management of the firm does not make an intentional and serious effort in this area, the company's competitors in the sector are likely to entice and steal away the talent that has been cultivated in the company over the course of a period of time. The management of an organisation ought to make retaining employees a top priority and develop skilled tactics for doing so. These strategies should be carefully crafted and put into action. A case study is used throughout this article to illustrate the various challenges and potential responses to this issue. According to the findings of the study, appropriate retention tactics must to be meticulously created for a variety of distinct groups and levels.

I. INTRODUCTION

Keeping up with technology is one of the biggest problems in business today. Workforce and workplace trends are transforming how firms interact with their employees. In the current strong job market, staff retention is a challenge for all firms. Many jobs exist. skilled professionals. Employees with more skills are in more demand. Nearly every firm in every area now prioritises hiring and maintaining good people. Businesses that recognise employee requirements and make strategic decisions to meet them will dominate their marketplaces. Organizations must address staff retention. Employee retention encourages workers to stay with the company as long as possible or until the project is finished. Retaining current personnel is also a business management word.

Employee retention initially appeared in business in the 1970s and early 1980s. In the early and mid-1900s, the employer-employee relationship was mostly a statement of the status quo: you come work for me, do a good job, and I will keep you as long as economic conditions allow. Those who entered the workforce in the 1950s and 1960s often worked for one company for their whole careers. Job mobility and voluntary job changes increased drastically in the 1970s and thereafter, fraying the status-quo model. Employee turnover was a new issue. Employee retention was developed as organisations saw the effects of staff turnover. McKeown (2002) In one of the tightest labour markets in decades, Parrott (2000) feels today's workers present unique obstacles. The skill pool is shrinking, making it harder to retain personnel. Over the past decade, all types of organisations have struggled with employee retention. One of the biggest challenges for organisations is retention and maintaining turnover below industry averages. Business leaders still underestimate employee turnover. Important turnover assumptions and conclusions: All stakeholders, including HR managers, undervalue employee turnover.

Most companies fail to identify turnover causes. Sometimes turnover solutions don't match turnover reasons and don't work. Preventing turnover is often overdone or ineffective. Most companies don't measure retention solution success or value retention management. Phillips (2003)

II. EXTERNAL DRIVERS OF THE RETENTION CRISIS:

Major changes have occurred in organisations, both internally and externally, making thisissue more critical today than in previous years. Unfortunately these changes will only worsen the crisis in the future.

a. Economic growth
b. Slower growth of job seekers.

Industrial Engineering Journal
ISSN: 0970-2555
Volume : 52, Issue 4, No. 3, April : 2023

III. INTERNAL DRIVERS OF THE RETENTION CRISIS:

Internal changes in organisations operate in concert with the external influences to drive excessive turnover. Internal issues include structural changes within the organisation andchanges in employees' attitude about work and their employers.

a. Lack of company loyalty
b. Desire for challenging and useful work
c. Need for autonomy, flexibility and independence
d. Need for performance based rewards.
e. Need for recognition for participation, accomplishments, and contributions
f. Desire for different kind of benefits
g. Need to learn new skills
h. Career growth in all directions
i. Desire for competitive compensation
j. Need for a caring, supportive environment
k. Need for work/life balance
l. Desire to be on the leading edge

Employees are an organisation's business. And those who manage businesses both large andsmall face stiffer competition domestically and abroad. In fact, retaining good workers is the tipping point between success and failure for many organizations. According to Gregory P. Smith, author of "Here today, Here tomorrow: Transforming your workforce from High Turnover to High Retention", the following attributes are essential to a high-retention organisation:

i. Clearly defined organisational direction and purpose
ii. Caring management
iii. Flexibility in benefits
iv. Open, straight forward communication
v. Energetic and enthusiastic work environment
vi. Effective performance appraisals
vii. Rewards and recognition
viii. Training and development
ix. Paying competitive wages
x. Respecting employees
xi. Retention bonuses

Every organisation needs to work on the retention strategies by focusing mainly on theemployee and his contribution to the organisation.

IV. IDENTIFYING EMPLOYEES TO BE RETAINED:

According to Suzanne Dibble employees who have "talent" and are "contributors" are tobe retained. They are the employees who make a difference to the organizations:

- Customers
- Other employees
- Shareholders/boards/constituents These employees demonstrate:
- Breadth as well as depth of technical/functional knowledge.
- Customer service
- Creativity

Industrial Engineering Journal
ISSN: 0970-2555
Volume : 52, Issue 4, No. 3, April : 2023

- Continuous learning
- Flexibility
- Self direction
- Commitment to the organization's success

V. RECRUITEMENT AS A RETENTION STRATEGY:

Retaining an employee starts long before their first day on the job. In the employment world of the twenty-first century, companies must look at the foundations of retention from the point of view of potential employees. They are the people they work for. Retention is based on job descriptions, how people are hired, how they are chosen, and how they are trained. Companies can't expect their employees to stay if they don't give them a good start. Employees will no longer have to put up with things at work that they don't like. They have power because they know what they can do and are sure of how much they are worth in the market. They leave because they care more about their job and their skills than about their boss. (Dibble 1999)

VI. RETHINKING RETENTION MODEL

In most organizations, operations management drives sales, service, quality, and safety, with various staff departments providing tracking, training, and other services. And the responsibility of handling Employee retention is usually taken up only by the HR. With this setup, organizations fail to tackle the problem of employee turnover. Keeping this inmind, Richard P. Finnegan came up with the 'Rethinking Retention Model'.

The core ingredient of the Rethinking Retention model is the shared responsibility of operations management and staff support for increasing employee retention.

The Indian oil and gas business began in 1867 when oil was discovered at Makum near Margherita in Assam. International firms controlled the oil and gas industry at Independence in 1947. Assam produced all of India's 250,000 tonnes of oil.

The Industrial Policy Resolution, 1954, established the Indian oil and gas industry by declaring petroleum the main sector. The Industrial Policy Resolution, 1954 established government-owned national oil

companies ONGC, IOC, and OIL. The government established Indian Refineries Ltd. in 1959 to commercialise petroleum products. Indian Refineries Ltd. and Indian Oil Company Ltd. combined in 1964 to establish Indian Oil Corporation Ltd.
ONGC found oil and gas structures in Gujarat and Assam in the 1960s. In February 1974, Bombay High discovered large oil reserves, opening offshore oil exploration. ONGC and OIL India discovered oil and gas in Bassein, Tapti, Krishna-Godavari-Cauvery basins, Cachar (Assam), Nagaland, and Tripura structures in the 1970s and 1980s. India reached 70% petroleum self-sufficiency in 1984-85. GAIL was founded in 1984 to transport, process and sell natural gas and natural gas liquids.
India expanded its refining capability after Independence. Three global oil firms developed coastal refineries in India in the first decade after independence. Burma Shell, Esso Stanvac, and Caltex had refineries in Mumbai and Visakhapatnam. The country has 18 refineries—17 public and one private. Guwahati, Barauni, Koyali, Haldia, Mathura, Digboi, Panipat, Vishakapatnam, Chennai, Nagapatinam, Kochi, Bongaigaon, Numaligarh, Mangalore, Tatipaka, and two Mumbai refineries are the 17 public sector refineries. Jamnagar houses Reliance Petroleum Ltd.'s private refinery. The nation's largest oil refinery Asia. Petroleum was struggling by the 1980s. Domestic oil output met barely 35% of domestic demand as consumption steadily increased and supply began to fall. In March 1997, the government approved the New Exploration Licensing Policy (NELP) to level the playing field in the upstream industry between private and public enterprises in fiscal, financial, and contractual concerns to promote exploration activity. This prevented state participation through ONGC/OIL or government carried interest. India invests substantially in foreign oil fields to meet its rising oil needs. India's state-owned oil businesses own oil and gas fields in Russia, Sudan, Iraq, Libya, Egypt, Qatar, Ivory Coast, Australia, Vietnam, and Myanmar. India's energy security and high economic growth depend on the oil and gas industry.

The Indian petroleum industry has promise but needs improvement to grow. Current global changes are massive. The Indian petroleum industry forecasts massive economic growth. Since trade borders are disappearing, business is global. These innovations give India huge potential to export petrochemical intermediaries.
India must create energy-efficient buildings and vehicles to compete for traditional energy sources. Infrastructure issues plague the Indian petroleum industry. Lack of storage, refining capacity improvements, and variable import prices affect industry development. Indian economic growth should focus on the petrochemical sector. Intermediary products for end-use items are an important market. India may become a leading exporter of intermediary petrochemical goods due to its low per capita consumption and high output.

The future of Indian petroleum industry depends on:
- Demand for petroleum is growing in leaps and bounds.
- Shifting focus to more production of olefin - ethylene, propylene, butadiene.
- Price and availability of crude oil and gas as feedstock would still be critical factors.
- The demand of the end products would affect the demand of the intermediaryproducts.

VII. Methodology
The methodology adopted for the study included a mixed approach of both descriptiveand exploratory. A sample size of 10% of the total sampling frame was included in the study. Convenience sampling was adopted to get the responses from the subjects, which include employees of PCL at different levels. A questionnaire was used for capturing the data which consisted of about 12 variables both independent

and dependant variables. The research tool was piloted before administering on the subjects for the purpose of validation.

VII. Data Analysis and Results

Among the respondents, 67 percent felt that the retention strategies in PCL were attractive and 78 percent opined that they were effective. About 69 percent felt that the managementshould revisit the exiting strategies since they were framed at least 5-6 years back. The respondents in the middle and top management (more than 75%) indicated that new dimensions should be included in the retention strategies. Nearly 85 percent respondents opined that they benefitted from the retention strategies currently being followed in the company. Most of the employees (nearly 70%) were graduates and a few (about 8%) werepost graduates.

The study revealed that about 87 percent of the respondents felt that employee retention wasconsidered an organisation wide issue at PCL.

The study indicated that the retention strategies were implemented throughout theorganisation.

a. Factors That Affected Employee Retention:

The following are some of the factors that affected employee retention:

i. Shifting markets
ii. Demands for specific skills
iii. Business conditions
iv. Demographics
v. Lifestyle changes
vi. Technology issues
vii. Trends in work life decision as employees needs change

b. Employee Retention Strategies:

Employee Retention Strategies' goal is to help organizations see the underlying contributorsto retention and make the essential changes to build lasting, sustainable retention-rich cultures.

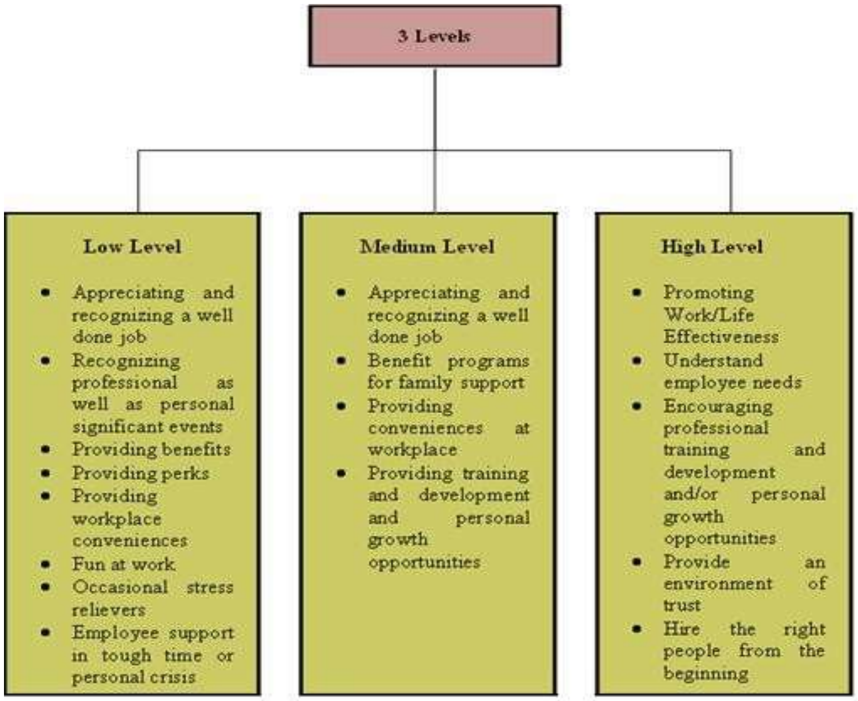
The basic practices kept in mind in the employee retention strategies are:

i. Hire the right people in the first place.
ii. Empower the employees: Give the employees the authority to get things done.
iii. Make employees realize that they are the most valuable asset of the organization.Have faith in them, trust and respect them
iv. Provide them information and knowledge.
v. Keep providing them feedback on their performance.
vi. Recognize and appreciate their achievements.
vii. Keep their morale high.
viii. Create an environment where the employees want to work and have fun.

These practices can be categorized in 3 levels: Low, medium and high level.

Industrial Engineering Journal
ISSN: 0970-2555
Volume : 52, Issue 4, No. 3, April : 2023

Figure: Three Levels of Employee Retention Strategies - Low, Medium and High



Employee Retention Strategies are broadly classified under the following:
1. Compensation
2. Environment
3. Growth
4. Relationship
5. Support

Compensation
Compensation constitutes the largest part of the employee retention process. The employees always have high expectations regarding their compensation packages. Compensation packages vary from industry to industry. So an attractive compensation package plays a critical role in retaining the employees. Compensation includes salary and wages, bonuses, benefits, stock options, allowances, insurances, vacations, etc.

Environment
Employee retention is about managing people. If an organization manages people well, employee retention will take care of itself. Organizations should focus on managing the workenvironment to make better use of the available human assets. People want to work for an organization which provides:
- Appreciation for the work done
- Ample opportunities to grow
- A friendly and cooperative environment
- A feeling that the organization is second home to the employee

Growth
Employees work in an organization to achieve their personal goals as well. Organizationscannot keep

aside the individual goals of employees' and foster organizations goals.
Employees' priority is to work for themselves and later on for the organization. If he's notsatisfied with his growth, he'll not be able to contribute in the organization's growth.

Relationship
"Employees leave their bosses, and not their jobs", this is a very common saying, which is true considering the fact that relationship with the management and the peers becomes often the reason for an employee to leave the organization. The management is sometimes not ableto provide an employee a supportive work culture and environment in terms of personal or professional relationships.
Support
Lack of support from management can sometimes serve as a reason for employee retention. Supervisor should support his subordinates in a way so that each one of them is a success. Management should try to focus on its employees and support them not only in their difficult times at work but also through the times of personal crisis. Management can support employees by providing them recognition and appreciation. Employers can also provide valuable feedback to employees and make them feel valued to the organization.

c. Benefits obtained due to Employee Retention Strategies
The study revealed the following are important benefits obtained:
1. **The Cost of Turnover**: The cost of employee turnover adds hundreds of thousands of rupees to an organization's expense. While it is difficult to calculate the exact cost of turnover, industry experts often quote 25% of the average employee salary as a conservative estimate.
2. **Loss of Company Knowledge:** When an employee leaves, he takes with him valuable knowledge about the company, customers, current projects and past history.A lot of time and money is spent on the employee in expectation of a future return.
3. **Interruption of Customer Service**: Customers and clients do business with a company through the employees. Relationships are developed that encourage continued sponsorship of the business. When an employee leaves, the relationshipsthat employee built for the company are severed, which could lead to potential customer loss.
4. **Turnover leads to more turnovers**: When an employee terminates, the effect is felt throughout the organizations. Co-workers are often required to pick up the slack. The unspoken negativity often intensifies for the remaining staff.
5. **Goodwill of the Company**: The goodwill of a company is maintained when the attrition rates are low. Higher retention rates motivate potential employees to join the organization.
6. **Regaining efficiency:** If an employee resigns, then good amount of time is lost in hiring a new employee and then training him/her and this goes to the loss of the company directly which many a times goes unnoticed. Adding to this is the fact that expecting the same performance from the new employee cannot be assured.

VIII. CONCLUSION
It is extremely necessary and at the same time unavoidable for any organisation to have a strategy for retaining employees that is both good and effective as well as easily controllable. The supervisors, people management processes, and top management are all addressed in this paper's discussion of various management strategies. The management and, in particular, the leaders at the corporate level need to make a significant time investment in order for these plans to be carved, crafted, and put into action. In the long

run, this would unquestionably result in substantial financial returns in terms of increased production.

REFERENCES

[1]. Stephen Taylor (2002), "The Employee Retention Handbook". TMH Publication, NewDelhi.
[2]. Jack J. Phillips, Adele O. Connell (2003), "Managing employee retention: a strategicaccountability approach", HR Journal, vol14, pp45-54.
[3]. Suzanne Dibble (1999), "Keeping your valuable employees: retention strategies for your organisation's most important resource", Personnel management, Issue 4, vol8, 35-41.
[4]. Jennifer A. Carsen (2002), "HR How to: employee retention", IJTD, vol. 9, pp13-22.

[5]. J. Leslie McKeown (2002), "Retaining top employees", Journal of Management and HR,Issue 6, pp35-40.