

A STUDY ON EFFECTIVENESS OF EMPLOYEE RETENTION STRATEGIES AT SIBAFLORE NATURAL DECORATIONS PRIVATE LIMITED., THOOTHUKUDI

J. Maria Antony Mahima and S. Janat Jeya Kavitha

Department of Human Resource Management, St. Mary's college (Autonomous), Thoothukudi

Affiliated to Manonmaniam Sundaranar University, Tirunelveli, Tamilnadu, India

ABSTRACT

Employee retention is a challenging concern of the organization. This study stressed on employee retention strategies. Employees are the assets of the organization. To retain skilful and committed employees in the organization, management should take care of employee satisfaction. Find out the reasons of employee turnover and overcome this. The purpose of this study is to prove how employee retention is essential in this day and age, and if the organizations are not awake to the situation and immediate actions are not taken to that effect, what repercussions lay ahead and how they would affect the organization and the industry. Research says that most of the employees leave an organization out of frustration and constant friction with their superiors or other team members. In some cases, low salary, lack of growth prospects and motivation compel an employee to look for a change. The management must try its level best to retain those employees who are really important for the system and are known to be effective contributor.

KEYWORDS: Employee retention, Employee effectiveness, Employee strategy

INTRODUCTION

“ Employee retention is the conscious and deliberate efforts to retain quality individual on the company payroll. State otherwise, it is the proactive moths utilized by successful organization to stop the drain of company profits caused by excessive employee turnover”. HERMAN

One of the greatest challenges in today's business world is to stay up to speed in a time of technological growth. Fundamental changes are taking place in the work force and the work place that promise to radically alter the way organization relate to their employees. As we hurtle ahead at an increasing pace every field, employee retention becomes a concern for all organization at the present strong job market.

There are a great number of employment opportunities for talented professionals. It has been found out that, higher the skills of the employees, the greater the demand for their Services. Hiring and retaining good employees have become the chief concerns of nearly every organization in every industry. The organization that decided to proactively fulfil those needs will become the dominant players in their respective markets.

Hence employee retention is a very important issue that organization must tackle. 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. An employee retention can also be considered as a business management term referring to efforts by employers to retain current employees in their workforce.

EMPLOYEE RETENTION STRATEGIES:

Employee Retention Strategies' goal is to help organizations see the underlying contributors to 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:

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

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 work environment 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. Organizations cannot 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 not satisfied 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 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 able to 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. The 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. The management can support employees by providing them recognition and appreciation. An employers can also provide valuable feedback to employees and make them feel valued to the organization.

PRINCIPLES OF EMPLOYEE RETENTION STRATEGIES:**1. Competitive Compensation and Benefits:**

An employer offer competitive salaries and benefits packages to attract and retain top talent.

2. Career Development Opportunities:

An employer provide opportunities for career growth and advancement within the organization to keep employees engaged and motivated.

3. Work-Life Balance:

It promote a healthy work-life balance by offering flexible work arrangements, paid time off, and other benefits that support employee well-being.

4. Recognition and Rewards:

He recognize and reward employees for their hard work and achievements to show appreciation and motivate them to continue performing at a high level.

5. Employee Engagement:

It foster a positive work environment where employees feel valued, respected, and engaged in their work through open communication, feedback mechanisms, and team-building activities.

6. Training and Development:

Invest in employee training and development programs to enhance their skills and knowledge, making them more valuable assets to the organization.

7. Strong Leadership:

It ensure strong leadership at all levels of the organization to provide direction, support, and mentorship to employees, helping them feel motivated and connected to the company's mission and values.

8. Employee Feedback:

He encourage open communication and feedback from employees to address any issues or concerns they may have and make necessary improvements to retain top talent.

9. Employee Well-being Programs:

An organisation implement initiatives that support employee well-being, such as wellness programs, mental health resources, and work-life balance initiatives to create a healthy and supportive work environment.

OBJECTIVE OF THE STUDY:

- To identify how retention strategies reduce turnover.
- To know how employees feel engaged in the organization.
- To know what are the managerial role in the retention.
- To study the problems of the employees in the organization.
- To assess the satisfaction level of employee with existing retention strategies.

NEED OF THE STUDY:

Employee retention is the conscious and deliberate effort to retain quality and individual on the organisation payroll. It is the proactive methods utilized by successful organisation to stop the drain of organization profits caused by excessive employee turnover. In the globally competitive

and challenging business scenario the success of an organisation will be to a great extent, influenced by the human resources. An employees retention has been a major concern for corporates in the current scenario. Individuals once being trained have a tendency to move to other organization for better prospects. Lucrative salary, comfortable timings, better ambience, growth prospects are some of the factors which prompt an employee to look at for a changes. Whenever a talented employee expresses his willingness to move on, it is the responsibility of the management and the human resource team to intervene immediately and find out the exact reason leading to the decision.

STATEMENT OF THE PROBLEMS:

- In spite of implementing various employee retention strategies, organization continue to face challenges in retaining talented employees, leading to increased turn-over rates.
- Despite investment in compensation, benefits, and professional development programs, employees are still departing from the organization at concerning rates.
- Understanding the factors contributing to employee turn-over despite retention efforts is crucial for organizations to develop more effective strategies for talent retention and ensure the long-term success and stability of the workforce.

COMPANY PROFILE:

Sibaflor Natural Decorations Private Limited is an export-oriented unit with easy access to world-class raw materials. Their company is popular for its design, quality, and product concepts in home decoration. 90% of the products manufactured are in ready-to-retail packaging and they cater to customers all over the world. Sibaflor meets all necessary quality, environmental, health & safety, supply chain security, and legal requirements. Experienced workers 500 and 80+ staff to take care of day-to-day operations.

Sibaflor is committed to achieving a self-reviewing organization in perpetuity by adopting QMS as a way of life. They believe in the importance of the process. Products will be evaluated both by their results and the process adopted. Their focus will be on ‘innovating products for the circular economy. They believe in integrating safety, health, and environmental practices into business activities. They strive to build long-term relationships based on trust and interdependence between, customers, employees, and suppliers.

Manufacturing and supply of natural decorations and aligned products are Rectangle Flower Arrangements, Bowl Potpourri, Acetate Box Potpourri, Round Flower arrangements, Broad Bouquets, Wreath Regular Flower, Lara Stick Bunch, SIBAFLOPOT Potpourri and Plaster of Paris.

REVIEW OF LITERATURE:

Hom and Griffeth (1995): Described in a study that the process of encouraging employees to stay for a long period or till the project completion is termed as retention.

Wysocki's (1997): Pointed out the view of “The society of Human Resource Management” that retention of employee is the hottest topic in the current scenario.

Abeysekera (2007): In a study evaluated the HR practices like realistic information about job, analysis, work life balance and career opportunities, supervisor support and compensation and their Impact on employees' intentions to leave which resulted that compensation and job analysis have positive impact on employee turnover.

Holtom et al. (2008): Discussed in this study that the factors that makes the employee for staying and leaving were different.

Hay group (2009): Stated that employee engagement includes components such as commitment and discretionary effort. Commitment refers to employees' attachment with an organization and the intent to continue with discretionary effort refers to the employees' readiness to leave. It is discussed that these two components must be considered seriousl

Priyanka and Dubey S K (2016) in their study performed exploratory factor analysis using principal component technique. Low salary no career growth opportunity lack of support from the peer, supervisors and family members, little learning opportunities, poor working environment i.e., no workplace safety, communication and insecurity in job.

Doug Lawrence (2017): Employee turnover is the greatest challenge around the globe and over the period of 2013 to 2018 anticipated to be 23 percent. Mentoring is a technique can be incorporated along with the leadership style. The focus of mentoring can be improve the personal

and professional relational of employee. Mentoring acts as guidance for attracting the high potential employee. Mentoring is also an effective tool for constructing organizational culture.

Archiver Article (2018): This article highlight five way for keeping employees engaged and motivated in organization. I) Let workers control their schedule: It is the technique of creating favourable organization environment like flexi work hours from home, telecommuting where employee can kept under less control or monitoring. Ii) Build active employee community: Employee can be made active by nurturing their skills, strengthening, motivating with unified work culture. Iii) Facilitate company meetings iv) invest in professional development: Promote employee through training and development to boost their enthusiasm level for improving their contribution and career advancement. V) Recognize hard work: Employee rewards and recognition is most important way for retaining employees. The employee must be praised for their outstanding contribution at work place.

RESEARCH DESIGN AND METHODOLOGY

Introduction:

Research methodology is the systematic way to solve the research problem. It given an idea about various steps in systematic manner. The research method of the study explains the systematic way to finding to the predetermining objective. This provide the clear path to accomplish and achieve clear solution problem for the stated.

Research design:

A research design is considered as the frame work or plan for a study the guides as well as helps the data collection and analysis of data. The research design in this project is discipline in nature.

Sample design:

By adopting random sampling method, a sample of 50 respondents was selected from . Siba flor natural decoration prt ltd and the questionnaire was distributed to get the primary data.

Construction tools:

Population:

There are totally 200 employees working in the organization.

Sampling size:

Out of the total population 50 respondents were selected.

Sample area:

The research was conducted at Siba flor Natural Deocrationprt ltd.

Tools for analysis:

After the data have been collected. It has to analyze the data obtained from the questionnaire is consolidated. Tabulation is a past of technical procedure where in classified data are put in the form of tables. Two table obtained should be analyzed with statistical techniques and tools so that interpretation would be precise.

The statistical tools used for analyzing the data collected are

- Sample percentage analysis
- Bar diagram
- Pie chart
- Chi square

DATA ANALYSIS AND INTERPRETATION

TABLE SHOWING THE IMPACT OF EMPLOYEE SATISFACTION OF ENGAGEMENT LEVEL			
S.NO	PARTICULARS	NO.OF.RESPONDENTS	PERCENTAGE
1	Increases satisfaction and engagement	24	48%
2	No impact on satisfaction and engagement	18	36%
3	Decreases satisfaction and engagement	8	16%
	Total	50	100%

INFERENCE:

From the above chart, it can be inferred that 48% of the respondents increase in satisfaction and engagement suggests that efforts to enhance employee satisfaction and engagement are effective and 16% of the respondents experiencing a decrease satisfaction and engagement highlight areas that require immediate attention and intervention to prevent further decline and underlying issues.

TABLE SHOWING REDUCTION OF TURNOVER			
S.NO	PARTICULARS	NO.OF.RESPONDENTS	PERCENTAGE
1	Competitive salary and benefits	16	32%
2	Career development opportunities	22	44%
3	Work-life balance initiatives	12	24%
	Total	50	100%

INFERENCE:

From the above table chart, it can be inferred that 44% of the employee citing career development opportunities as a factor, it appears to be the most significant factor in reducing turnover and 24% of employee, work-life balance incentives seem to be slightly less impact compared to the other factors.

THE TABLE SHOWING THE EFFECTIVENESS OF REDUCTION TURNOVER IN SIMILAR INDUSTRIES			
S.NO	PARTICULARS	NO.OF.RESPONDENTS	PERCENTAGE
1	Mentors program	9	18%
2	Employee recognition programs	18	36%
3	Flexible work arrangements	23	46%
	Total	50	100%

INFERENCE:

From above chart, it can be inferred that 46% of the respondents consider flexible work arrangement as a key factors in reducing turnover that offering options such as remote work, flexible hours, or compressed workweeks and 18% of the respondents mentors programs is important while mentorship can be beneficial for employee development and engagement.

TABLE SHOWING THE COMMUNICATION AND FEEDBACK MACHANISMS			
S.NO	PARTICULARS	NO.OF.RESPONDENTS	PERCENTAGE
1	They are crucial for employee retention	18	36%
2	They have minimal impact on retention	16	32%
3	They are not important for retention	16	32%
	Total	50	100%

INFERENCE:

From above chart, it can be inferred that 36% of the respondents consider that communication and feedback mechanisms crucial for employee retention suggests that these aspect play a significant role in employee engaged, satisfied, and committed to the organization and 32% of the respondents believe that communication and feedback mechanisms have minimal impact on retention.

TABLE SHOWING THEEFFECTIVENESS OF RETENTION STRATEGY TO REDUCE TURNOVER			
S.NO	PARTICULARS	NO.OF.RESPONDENTS	PERCENTAGE
1	Turn over the rate	14	28%
2	Employee engagement scores	18	36%
3	Employee satisfaction surveys	18	36%
	Total	50	100%

INFERENCE:

From above chart. It can be inferred that 36% of the employee satisfaction survey providing feedback on how satisfied employee are with various aspects of their job and the

organisation and 28% of the respondents turnover rate provide a quantitative measure of how many people are leaving the organisation within a specific time frame.

TABLE SHOWING THE MANAGER SUPPORT FOR CAREER GROWTH AND DEVELOPMENT			
S.NO	PARTICULARS	NO.OF.RESPONDENTS	PERCENTAGE
1	Yes	25	50%
2	No	3	6%
3	Sometime	18	36%
4	Not sure	4	8%
	Total	50	100%

INFERENCE:

From the above chart, it can be inferred that 50% of the respondents indicates that their managers support career growth and development that managers within the organisation are actively involved in fostering the professional growth and advancement of their employee and 6% of the respondents report that their managers do not support career growth and development some managers within the organisation who do not prioritize or actively support their employee.

FINDINGS:

- The study reveals that 48% of the employees experience an increase in satisfaction and engagement. This indicates that strategies or initiatives aimed at enhancing these factors are effective for a significant portion of the workforce.
- The study reveals that 44% majority of employee, prioritize career development opportunities as a key factor in reducing turnover. This suggests that investing in programs such as training, mentorship, and advancement pathways.
- The majority of employees, 46%, prioritize flexible work arrangements as a key factor in reducing turnover. This indicates that providing options such as remote work, flexible hours, or compressed workweeks
- The study reveals that 36%, of respondents consider communication and feedback mechanisms crucial for employee retention. This highlights the importance of fostering

open communication channels and providing opportunities for feedback to maintain employee satisfaction and engagement.

- The study reveals that employee engagement score and satisfaction survey results both at 36% indicate that the retention strategy is moderately effective in fostering employee engagement and satisfaction. However, there is potential for improvement to enhance these metrics further.
- The majority 42% of the respondents experience some level of recognition for their contributions at work, with frequent acknowledgment being the most prevalent.
- The study reveals that 36% significant portion of employees perceive growth and advancement opportunities, there is also a notable percentage who do not or are uncertain.
- The study reveals that 38% of the respondents are feel stagnant in their roles and providing clear pathways for career progression could contribute to higher satisfaction, engagement, and retention within the organization.

SUGGESTIONS

- The organisation should prioritize investing in programs that support employee growth and advancement. This could involve offering mentorship programs, providing training and development opportunities, and creating clear path for career progression.
- By demonstrating a commitment to employee growth and advancement, organisation can increase employee retention and satisfaction, ultimately reducing turnover rates.
- Therefore it's crucial for organisation to prioritize initiatives that enhance employee satisfaction and engagement, as it leads to more positive impact on the workplace environment productivity.
- To leverage this positive impact organisation should focus on strategies to enhance employee satisfaction and engagement. Some suggestions to achieve this could include:
 - Implementing regular feedback mechanisms to understand employee need and concerns.
 - Providing opportunities for skill development and career development.
 - Recognizing and rewarding employees for their contribution.
 - Promoting a positive work culture that values diversity, inclusion, and work-life balance.
 - Encouraging open communication and transparency within the organisation.

CONCLUSION

Employee retention is a major concern for many employee; management teams of successful organization have to realize the importance of retention its most productive workforce. High turnover leads to loss of valuable workers whose replacement is costly. It is important to note that a high employee turnover is normally unhealthy to an organization's performance as well as the productivity of other presumably loyal employees. Moreover, turnover affects productivity of remaining employees since they may be compelled to perform duties of more than one person or allocated duties that do not match with their training.

Employee exit from an organization may be a subject of variant factors; however, although some are avoidable, other factors may be too strong for the employer to control. It is fundamental for employers to identify these factors and establish strategies of preventing their occurrence. Primarily, turnover is attributed to lack of job satisfaction or economic conditions. Lack of job satisfaction is mainly caused by unmet expectations, the nature of job, corporate culture in the organization and personal demographics. On the other hand, market conditions influence turnover through availability of better job opportunities with improved compensation.

In order to limit harm of high turnover, employers need to utilize some strategies so as to improve job satisfaction and hence retention. Primarily, an employer should review his compensation packages, the workplace relationships, career and development prospects, and support in the workplace to facilitate retention of high-performers. The employers should offer competitive compensation packages depending on skills and experience of their employees and duration worked.

BIBLIOGRAPHY

REFERENCE:

- Armstrong, M. (2002). Employee reward. London: CIPD Publishing.
- Armstrong, M. (2007). A handbook of employee reward management and Practice. London: Kogan Page Publishers.
- Branham, L. (2005). Seven Hidden Reasons Employees Leave. NY: AMACOM Div American Mgmt Assn.

- Carsen, J. & CCH Incorporated. (2005). HR How to: Employees Retention. IL: CCHIncorporated.
- Deeprose, D. (2007). How to recognize & reward employees: 150 ways to Inspire peakPerformance. NY: AMACOM Div American Mgmt Assn.

WEBSITE

- www.employee-retention.com
- www.employeeerertentionconsulting.com
- www.rentionbenchmarking.com
- www.employeeerentionstrategies.com