Employee Retention Strategies Adopted by Companies in Kerala: A Case Study

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Abstract: *Employee retention is the systematic effort to retain the current employees by providing best policies and to recognize various expectations of the employees. The challenge is not only to attract the talented employees and to retain them. This study analyzed the organizational factors influencing the employee retention and revealed individual factors leading employees to leave the organization and examined the necessary conditions to retain the employees. The major findings derived from the analysis precisely discloses that the respondents are satisfied with compensation benefits and working environment, the employees feel that their work load is fairly distributed.*

Key Words: *Employee, Retention Strategies, Companies, Kerala.*

1. Introduction

Human Resource Management (HRM) is the strategic and coherent approach to the management of an organization. It includes a variety of activities and key among them is deciding what staffing needs exist and whether to use independent contractors or hire employees to fulfil these needs; recruit and train the best employees, ensure they are high performers; dealing with performance issues, and ensuring the personnel and management practices conform to various regulations (Ananthan, B.R and Sudheendra Rao L.N, 2011). Usually, small businesses have to carry out these activities themselves. However, they should always ensure that employees have and are aware of personnel policies which conform to current regulations. These policies are often in the form of employee manuals which all employees must have (Beardwell. J and Wright. M, 2012).

HRM is a techniques, when properly practiced, are expressive of the goals and operating practices of the enterprise overall and is seen by many to have a key role in risk reduction within organizations (Budhiraja, S and Malhotra.

M, 2013). Many years ago, large organizations looked to the "Personnel Department" mostly to manage the paperwork around hiring and paying people. More recently, organizations have begun to consider the "HR Department" as playing a major role in staffing, training, and helping manage people so that the people and the organization are performing at maximum capability in a highly fulfilling manner (Hay Group Insight, 2009).

1.1. Employee Retention: Effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed, by having policies and practices in place that address their diverse needs. A strong retention strategy, therefore, becomes a powerful recruitment tool (Doh Jonathan, et. al., 2011). Employee Retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. It 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. Employee retention is beneficial for the organization as well as the employee. Effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed, by having policies and practices in place that address their diverse needs (Kossivi. B, Xu. M. and Kalgora. B, 2016). Employee retention is a vital issue and challenge to all the organizations now a day. There are number of factors which promote the employees to stay or leave the organization (Sarah Leidner and Simon Smith. M, 2013). It may be external and internal factors. Human resource practices counts a lot in this regard. It is the need of the hour that HR managers should identify the needs of the employee and adopts retention strategies.

In the competitive world where every organization is trying to gain maximum results and employees especially the youth looking for opportunities to fulfil their demands the retention of an individual in an organization for long period is very relevant. It's important to understand the various problems an organizations faces in order to maintain the employees and use methods to overcome these problems and retain employees in the organization. Hence this study attempted to analyse the retention strategies adopted by companies in Kerala.

1.2. Objectives: The main objectives are:
  i. to study the employee engagement programs offered by companies,
  ii. to study organizational factors influencing retention strategies, and
  iii. to examine necessary conditions to retain the employees

1.3. Review of Literature: Holtom, et. al. (2008) and Hay Group (2009) discussed that factors that makes the employee for staying and leaving were different. Chitra Devi and Latha (2011) conducted a research on employee retention in IT sector. Tripathi, et. al. (2011) attempted to analyse the problems faced by the professional institutions. Onyango (2014) found the positive correlation between direct and indirect financial rewards and employee retention. Alkhawaja and Arwa (2017) while discussing the leadership style and employee turnover stated that increase in turnover is due to unbalanced treatment of employees. Priyanka and Dubey S.K. (2016) proved that there are certain responsibilities which accounts for job satisfaction. Rashmi (2016) explained that in a competitive environment, survival of organization becomes very tough because there is increase in poaching of employees. Rema Priya (2019) observed that the biggest challenge the organizations faced is managing and retaining resources.

2. Materials and Methods

The data were collected through primary and secondary sources. Primary data were collected through direct observation, personal interviews and questionnaire. The respondents were selected by using non profitability convenient sampling from all departmental employees of Abreco Freight Pvt. Ltd, Ernakulam, Kerala; for the study, 50 samples were taken. Secondary data were collected from company records, annual reports of the company and company brochure. Percentage and Chi-Square Test were used for data analysis.

3. Results, Analysis and Discussion

3.1. Relationship Between Experience of the Employees and Job Stimulating and Challenging for Better Performance in the Company:

Table 1 shows that there is no significant relationship between experience of employees and job stimulating and challenging for better performance in the company.

Table 1: Experience of the Employees Versus Job Stimulating and Challenging

Experience	Strongly Agreed	Agreed	Neutral	Disagree	Total
< 1 year	0	1	0	0	1
1-3 years	2	5	2	0	9
3-5 years	6	6	2	1	15
> 5 years	4	17	4	0	25
Total	**12**	**29**	**8**	**1**	**50**
Chi square	6.88				

Source: Primary data

3.2. Age of the Employees and Level of Satisfaction Regarding Health and Safety Measures Provided by the Company: The calculated value of Chi square test (6.72) is lesser than table value, shows that there is no significant relationship between age of the employees and level of satisfaction regarding health and safety measures provided by the company (table 2).

Table 2: Age of Employees and Level of Satisfaction

Age	Highly Satisfied	Satisfied	Neutral	Total
20-25	2	3	1	6
25-35	5	13	3	21
35-45	2	8	6	16
Above 45	1	2	4	7
Total	10	26	14	**50**
Chi square 6.72				

Source: Primary data

3.3. Relationship between Educational Qualification of Employees and Job Satisfaction: From the analysis, the calculated value of Chi square test, 59.56, is greater than table value. This shows that there is significant relationship between educational qualification of employees and job satisfaction (table 3).

Table 3: Relationship between Educational Qualification of Employees and Job Satisfaction

Experience	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Total
Upto +2	1	1	0	0	2
Upto UG	2	11	6	3	22
Upto PG	5	6	5	2	18
Upto Diploma	2	5	1	0	8
Total	10	23	12	5	50
Chi square	59.56				

Source: Primary data

3.4. The Main Reason for Leaving the Previous Job: 38% of employees response is that the main reason to leave the previous job is lack of job satisfaction, 26% of employees states that lack of recognition is the main reason to leave the previous job, where 22% of employees left the previous job due to poor work culture and remaining 14% left the job due to other personal or impersonal reasons (table 4). It is analyzed that the factors like job satisfaction, recognition and work culture plays an important role in retaining employees.

Table 4: Reason for Leaving Previous Job

Reason	No. of respondents	Percentage (%)
Lack of Job Satisfaction	19	38
Lack of Recognition	13	26
Work Culture	11	22
Others	7	14
Total	50	100

Source: Primary data

3.5. Reason for Joining the Present Organization: 40% of employees expresses that the reason to join is that they offer flexibility of time in work space, 32% of employees expressed good benefit is the reason and 14% answered since they haven't got any other and remaining 6% has stated attractive lifestyles (table 5).

Table 5: Reason for Joining the Present Organization

| Reason	No. of respondents	Percentage (%)
Good Benefit	16	32
Flexibility of time	20	40
Attractive lifestyles	3	6
Did not get a better job	7	14
Total	50	100

Source: Primary data

3.6. Relationship Between Employee Retention and Salary: Table 6 shows that, calculated value (22.53) is greater than table value; and there is a relationship between the employee retention and salary.

Table 6: Relationship Between Employee Retention and Salary

Salary Range (Rs)	Highly Satisfied	Satisfied	Neutral	Highly Dissatisfied	Dissatisfied	Total
5K - 15K	0	2	2	1	3	8
15K - 25K	1	2	3	3	2	11
25K - 35K	3	6	6	2	1	18
Above 35K	8	3	1	1	0	13
Total	12	13	12	7	6	50
Chi square	22.53					

Source: Primary data

Figure1: Factors Engaging to Stay in the Organization
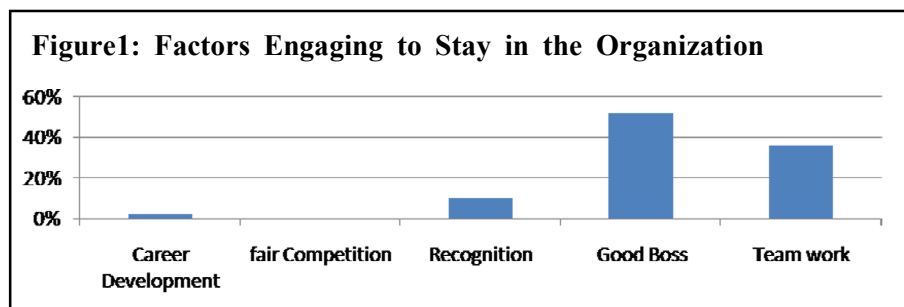
Source: Primary data

3.7. Factors Affecting Employees to Stay in the Organization: 52% of employees states that having a good boss is the main factor which makes them to retain within the organization; 36% of employees mentioned team work is the factor (figure 1).

3.8. Employee Workload: From figure 2, it is clear that 80% of employees workloads are distributed fairly and remaining 20% not.

Figure 2: Employee Workloads Distribution
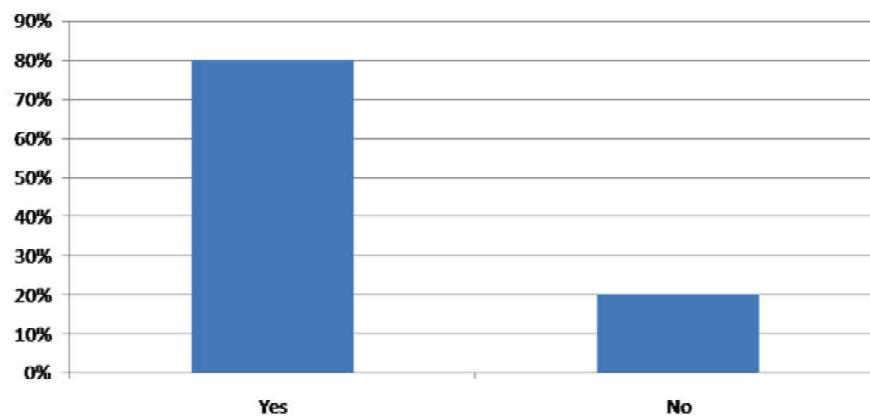
Source: Primary data

3.9. Factors Encouraged by Management: Employee participation in Management, work life balance, better infrastructure amenities, recreation activities and interpersonal relationships are the factors encouraged by the Management and the response of employees are given in table 7.

Table 7: Factors Encouraged by the Management in Company

Factors	Percentage	Response	Total (%)
	Yes	No	
Participation in the Management	100	0	100
Work life balance	100	0	100
Infrastructure amenities	100	0	100
Recreation activities	90	10	100
Interpersonal relationships	100	0	100

Source: Primary data

3.10. Employees Opinion about Welfare Facilities: 76% of employees expressed that they are highly satisfied with the welfare facilities provided by the company, and 20% are satisfied (table 8).

**Table 8: Employees Opinion about Welfare Facilities Provided by the Company**

Response	No. of Respondents	Percentage (%)
Highly Satisfied	38	76
Satisfied	10	20
Neutral	2	4
Total	50	100

Source: Primary data

3.11. Employees Response on Training Programs: Figure 3 shows that 90% of employees have agreed that the organization used to conducts training programs often whereas the remaining 10% of employees has stated that no training programs are conducted often to them in certain departments.

Figure 3: Employees Response on Training Programs
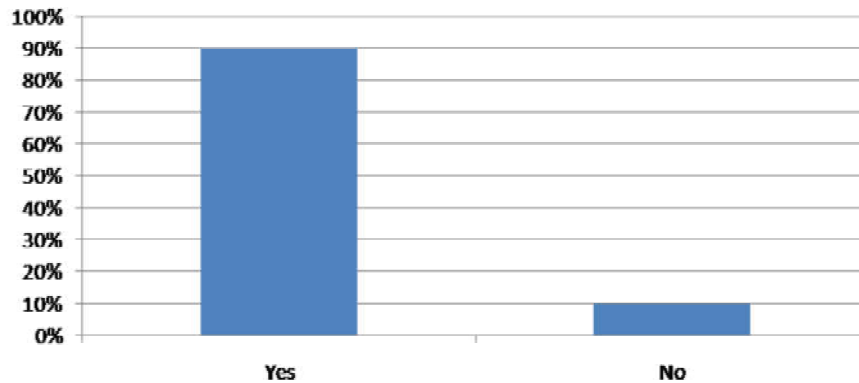
Source: Primary data

3.12. Employees Response on Any Barrier in Communication with Supervisor or Manager and Availability of Promotion Opportunities:
80% of employees' response is that there is availability of promotion opportunities. From table 9, it is very clear that 100% of employees have stated that there is no sort of barriers exists with communication while communicating with the supervisors and senior managers.

Table 9: Communication Barrier with Supervisor or Manager and Availability of Promotion Opportunities

| Attributes	Percentage Response		Total (%)
	Yes	No	
Communication barrier with supervisor or manager	100	0	100
Availability of promotion opportunities	80	20	100

Source: Primary data

3.13. Motivated Factors to Employees: From table 10, 50% of employees are mainly motivated by the great working environment present in the company and 26% of employees have said that recognition is the main source of motivation; 14% of employees have responded that they are motivated by rewards.

Table 10: Employees Motivated Factors

| Response	No. of Respondents	Percentage (%)
Native of Job	3	6
Recognition	13	26
Salary	2	4
Rewards	7	14
Working environment	25	50
Total	50	100

Source: Primary data

Figure 4: Employees Opinion about Company Policy
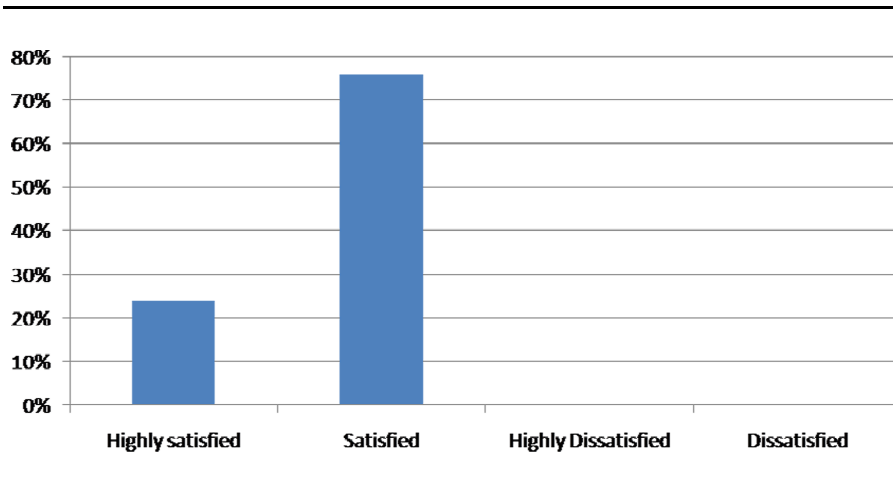
Source: Primary data

3.14. Employees Opinion about Company Policy and Opportunities and Career Growth Provided: 24% of employees have expressed that they are highly satisfied with the company policies and remaining 76% of employees are satisfied (figure 4). 70% of employees are highly satisfied with opportunities and career growth provided and remaining 30% are satisfied (figure 5).

Figure 5: Employees Opinion about Opportunities and Career Growth Provided by the Company
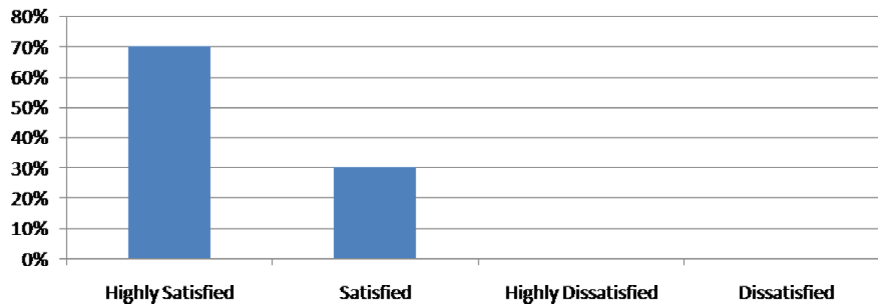
Source: Primary data

3. 15. Employees' Opinion about Rate of Appraisal System: From table 6, it is mentioned that 42% of employees are highly satisfied with the appraisal system, 54% are satisfied and remaining 4% are dissatisfied.

Figure 6: Employees Opinion about Rate of Aappraisal System
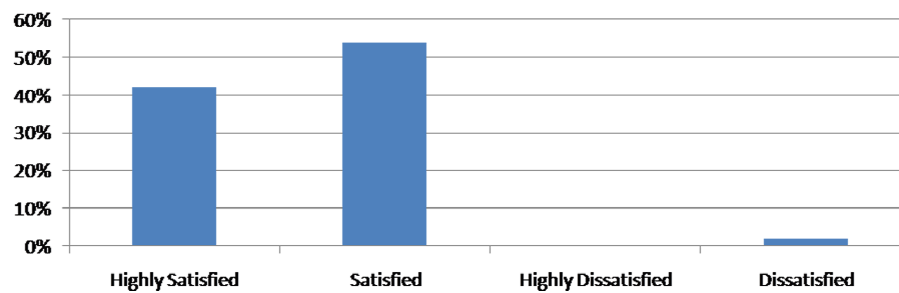
Source: Primary data

4. Conclusion

Managing the talents is a great challenge and to retain the best employees, framing of policies and practices is highly essential. At this juncture, it is necessary that strategies must be aligned with HR practices (that is recruitment and selection, training and Development, Performance appraisal and compensation); any retention strategies without aligning these practices would definitely be ineffective. It is evidenced that organizations are framing various policies and strategies to retain the talents. To avoid poaching of employees, to compete with its competitors and to survive in dynamic environment, organization have to concentrate on the factors on staying for enhancing satisfaction and commitment to retain the talented workforce. However, a number of companies fail to understand that there are many other factors which can help them in order to satisfy their employees. If recognized and implemented them correctly, they can retain their employees back. It is really appreciable that Abreco Freight Pvt Ltd is the perfect organization that any employee dreams off, it has strategically aligned the retention programs of employees and maintains good relationship and it works on employee oriented theories. Overall, it is an honest endeavour to understand the various factors that influence the employees of the organization, their priorities in terms of the influence and how the employees can be retained back in the organization.

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