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**A REVIEW OF EMPLOYEE RETENTION AS A STRATEGY FOR ACHIEVING ORGANIZATIONAL SUCCESS***Abstract:*

This study defines employee retention and discusses the negative impacts of high employee turnover. The study uses descriptive approaches and data from experts to explain the strategies to help increase employee retention in various organizations. The study evaluates how organizations can use employee retention strategies to help organizations achieve their set goals.

*Keywords:*

Employee, employee retention, employee turnover, strategy.

**Introduction**

Employees are vital and vital to the growth and sustainability of every organization. The aim of employee retention strategies is to make stakeholders, employees, and customers happy. Employee retention is defined as the effort put in place by organizations to encourage employees to stay within a company for a prolonged period. An employee turnover is defined as when an employee willingly leaves their position at an organization and must be replaced. High turnover can be detrimental to the growth and success of organizations; as such, strategies should be put in place to reduce the percentage. Research shows that it is more expensive to employ new staff than to retain the old people. This specifically shows that modern strategies of employee retention have to be used by management in order to keep good employees from leaving the organization. These policies will increase the satisfaction level of employees and help retain them in the organization. This research will focus on the effects of employee turnover and strategies that will enhance employee retention.

**Literature Review**

Employee retention strategies form a vital part of an organization's vision, policies, and values. Powell's (2012) [1] research helped us understand that most employers and business owners often fail when it comes to ascertaining why employees leave. Unfortunately, many employers attribute high turnover to poor associations between managers and employees. SHRM's (2004) [2] employee survey shows employees leave their jobs for many reasons, which include unfair treatment, poor work/life balance, low/small compensation, and little/no room for professional development. These reasons are more visible for women and minorities within a less diverse workplace. A strategy to increase employee retention is to bring in more diverse people into the work environment. Walker (2001) [3] pinpointed seven variables to increase employee retention. Walker's points will be my layout to offer assistance in composing this article. These focuses will be clarified completely to help business owners and employers gain knowledge on how to retain capable and important employees.

**Objectives**

1. To explain the effects of high employee turnover.
2. To explain and review employee retention strategies.

**Methodology**

This study is descriptive in nature and it will use secondary data for assistance.

Conceptual Model of variables of retention strategies is presented in the fig. 1.

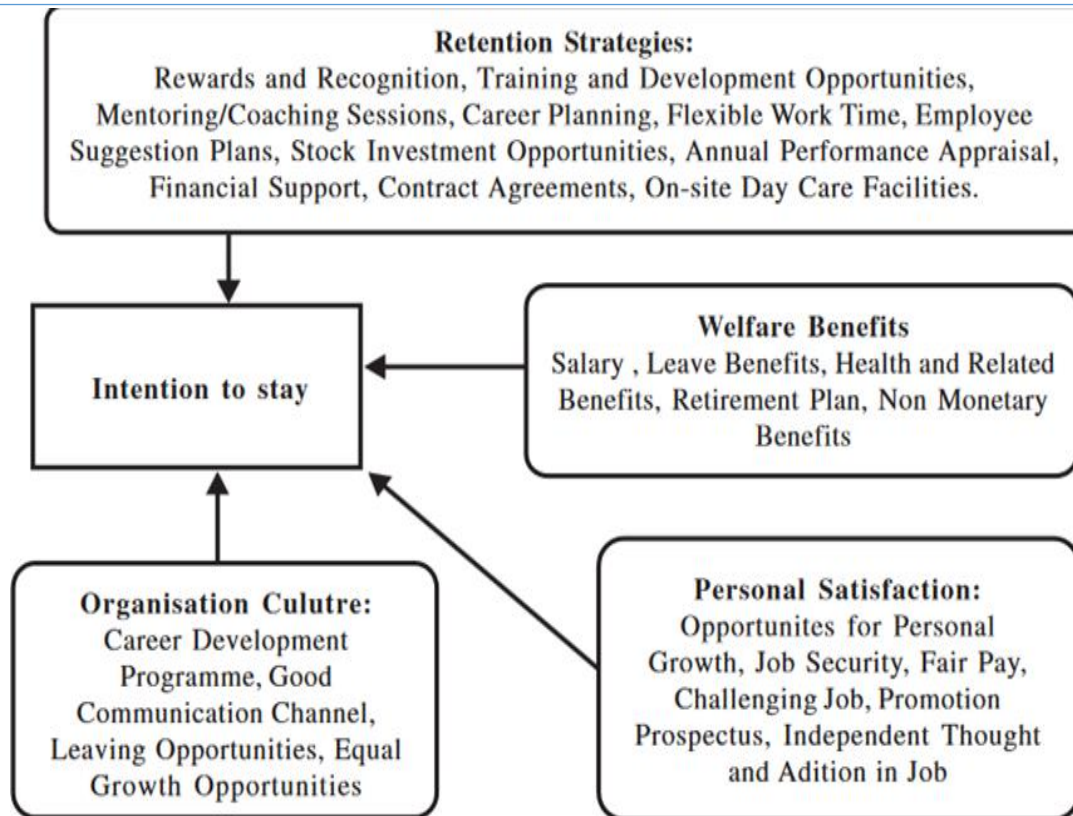


Figure 1 – Conceptual Model of Variables investigated for the study (Source: [4])

**Employee Retention as a strategy to fight against the following disadvantages:**

1. *The cost of Turnover:* The cost involved in recruiting new employees is expensive and it increases the expenditure of the organization. An estimated amount cannot be given for the entire processes involved in the recruitment process (advertisement, hiring and training expenses). (Fig. 2)

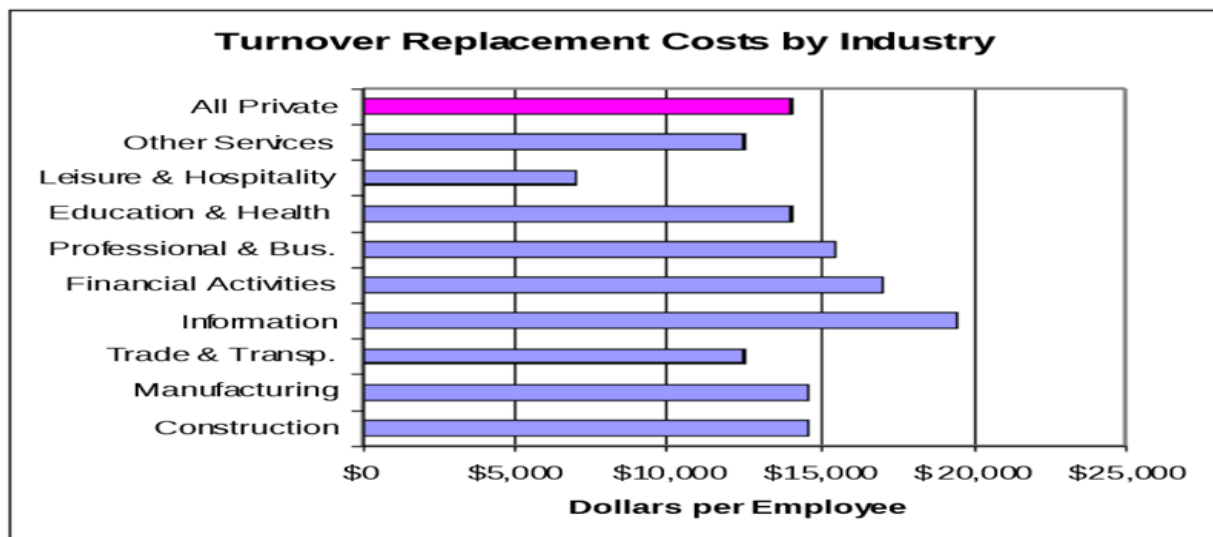


Figure 2 – Turnover Replacement Cost by industry. (Source: [5])

2. *Loss of Knowledge:* whenever an employee leaves a company, he or she goes away with the knowledge, skills, and abilities. It will have a negative impact on the organization since they were using their skills to solve problems. Again, the organization loses all the investment they have made in an employee in case he or she leaves.

3. *Company Reputation:* Any company with high employee turnover ends up having a name for not being able to take good care of their employees. Individuals will choose companies that value and take care of their employees. Such factors will turn away all the intelligent and hardworking people who can help the country to develop.

4. *Regaining efficiency:* If a person leaves their position after a sufficient period to employ a new one, you cannot guarantee that the new employee will work as efficiently as the old one. Employee termination has an effect

throughout the company, increasing turnover. It is frequently necessary for coworkers to pick up the slack. The silent negativity frequently grows stronger for the surviving employees.

5. *Disruption of Customer Service:* Customers choose to do business with organizations mainly because of good relations with the employees. If an employee leaves, he or she might take some of the customers along due to the unique relationship between them. Again, customers who are glued to the services of a particular employee might opt for a different organization since his or her favorite employee is not available.

#### **Employee Retention Strategies**

Most successful employee retention strategy is presented in the fig. 3.

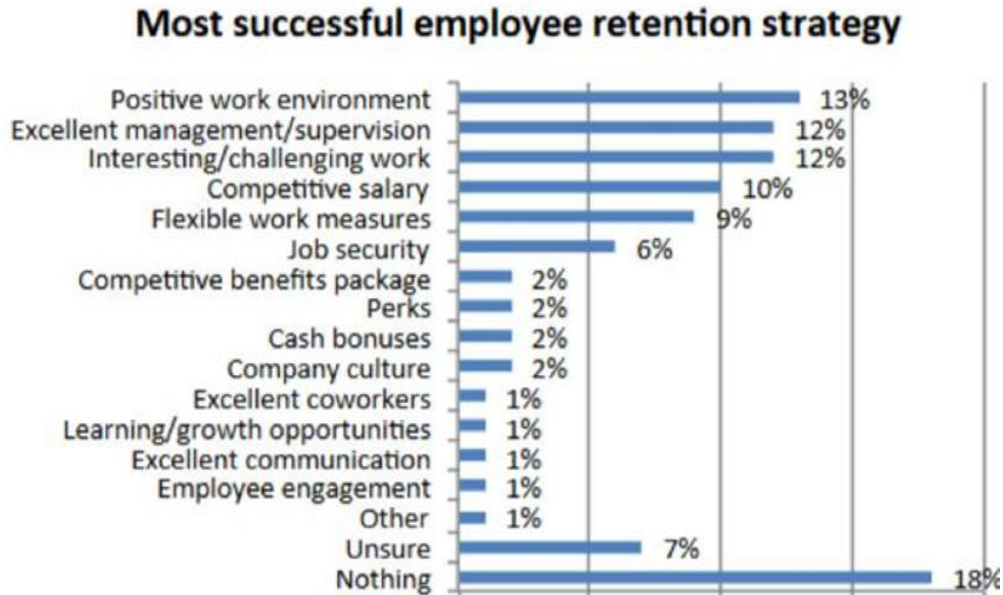


Figure 3 – Most Successful Employee Retention Strategy. (Source: [6])

1. *Compensation and appreciation of work done:* Individuals who are praised for activities performed at the workplace are more likely to stay and help the organization to achieve its set goals. Business owner have to acknowledge employees for outstanding performances and set aside funds to compensate them in case they encounter any problems at work in the future.

2. *Chances to advance and learn:* employees should be given the opportunity to get promotions on the job. These promotions should be linked to job performance. Employee retention will be increase since the people have an assurance of being promoted in the future when it will increase their salary. Again, employees should be given the room to learn and explore on the job. They should be taught the modern ways of performing tasks on the job which will increase their efficiency and productivity in the organization.

3. *Invitational atmosphere within the organization:* Employees should be made to feel welcome and respected at the workplace. The work environment has to build to provide a sense of belonging. Organization should provide sound work environment and privacy that will increase the motivation levels to stay at the organization for an extended period.

4. *Positive relation with workers:* Employees has to be trained on how to be friendly, kind and loving towards their follow colleagues at the organization. Conflict resolution techniques should be made known to all the people within the organization to facilitate healthy relationships. Retention will increase if the conflict levels at the organization are reduced and productivity will be affected positively since everybody will be working together.

5. *A healthy balance between professional and personal life:* work-life balance is becoming vital for engagement and affects retention. Organizations have to recognize that every employee has a life aside work. Realistic schedules have to be made available for every worker because over-working people affects retention negatively. To increase employee retention, organizations need to help employee achieve a good balance between professional and personal life. (Fig. 4)

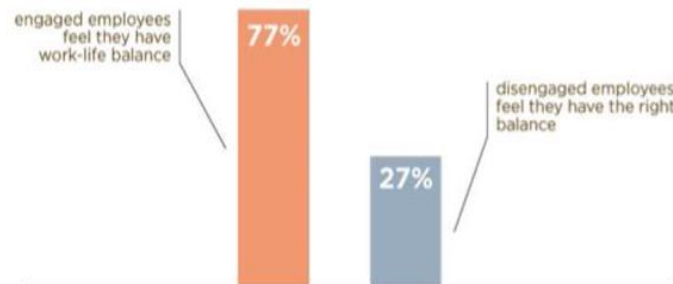


Figure 4 – Work-life Balance Statistics. (Source: [7])

### Conclusion

Employees can be retained if the right strategies are put in place by organizations. The information provided within this text clearly shows how to begin the employee retention process. Maintaining valuable employees is a requirement in the quest to achieve organizational set goals. The negatives consequences associated with high employee turnover can be avoided if organizations follow the instruction stated within this article.

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