

Effective Strategies for Motivating and Retaining Employees

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Abstract: Hard work and loyalty of employees are the key factors for growth and progress of any organization or company. Before hiring any employee, you check all the things related to him like his personal background or his professional background. Make various interviews which may be oral as well as written of the applicant. After doing all this, you will certainly have an employee who has all the qualities and knowledge required for your organization. Suddenly one day you come to know that he want to leave your job because there is lack of motivation in the company so it's very necessary to motivate and retain your employees at certain interval of time. Here are some effective strategies for motivating and retaining employees:

Finding and Retaining the Best High performance hiring means selecting the best employees for your job openings. In a tight labor market, smart employers look to diverse population groups and use creative recruitment techniques to find quality employees. Hiring is most effective when employers have a sufficient pool of high-caliber candidates from which to choose the best people for specific jobs. Achieving this optimal situation requires focus and organization on the part of the employer, plus a willingness to experiment with methods, research, and incentive programs. In doing this, it is important to remember that, while you are evaluating prospective employees, they are also evaluating your company. A company that maintains a high profile and seems desirable to work for attracts more qualified candidates. Employee selection is not a one-sided event.



The Impact of Turnover

Organizations spend a great deal of time recruiting and hiring new employees, but too few pay close attention to the cost of turnover. Only in recent years have industries examined the financial impact when an employee leaves, but the numbers are staggering. These estimates range from \$4,200 for a supermarket checker to \$35,000 for an account executive in financial services. Some may challenge these figures, so it is important to explain how they were calculated and their impact on bottom-line profit. The cost of employee turnover can be divided into two categories, direct costs and opportunity costs. Direct costs include actual out-of-pocket recruiting, plus the time expended by staff and management. The Cost of Turnover memorandum on the next page demonstrates a typical breakdown of direct costs. Opportunity costs are the number of hours it takes for a new employee to fully acquire the skills and knowledge of the previous employee, plus the cost of mistakes this person makes along the way. Another element to consider is the harm a terminated employee can do to an organization by alienating customers, wasting time, producing sloppy work, or causing damage through carelessness. While these costs are harder to calculate, they comprise the

majority of the actual expense. Most studies estimate that opportunity costs exceed direct costs by a factor of four to one.

The cost of employee turnover has a direct impact on an organization's bottom line. To illustrate: If an organization employs 200 people and experiences a turnover of 20%, then it replaces 40 people per year. If the average replacement cost of an employee is \$5,000, then the organization forfeits \$200,000 in net profits. If the business has average sales transactions of \$100, then 2,000 people must purchase products before the company realizes a profit. If the organization produces a 5% pre-tax net on its operations, then it would have to generate an additional \$4,000,000 in sales to replace the lost profit due to employee turnover. Turnover costs are insidious. Most managers do not pay attention to them and, in the end, rob themselves and their organization of thousands of dollars in bottom-line profit. In fact, more emphasis should be placed on employee retention than on recruitment.

The Role of Job Audits and Descriptions

Job descriptions serve two vital purposes. First, they define specific responsibilities, draw parameters, and provide a feel for the role a position plays within the greater organization. Second, job descriptions serve as benchmarks for measuring performance. As such, they can form the backbone of an organization's structure. Job descriptions are smart for many reasons. For example, whenever a labor claim is investigated, a job description is usually requested as part of its investigation. Organizations that provide them can use them to protect their company from unfair claims. Written job descriptions are not required by law, but organizations that do not use them may seem unmindful of their employees' rights and responsibilities. Traditionally, a job description outlined the necessary skills and qualifications to do a job, and then listed specific tasks and duties. Contemporary job descriptions consider these elements as well as more personal factors, such as job pace or an ability to work well with other people. This change acknowledges that these factors are as necessary to job success as technical skills or education. A job description for a restaurant host can explain that the position requires an enthusiastic personality and the ability to be efficient and pleasant while interacting with a wide variety of customers. A job description for a service representative can specify that applicants must be persevering, since they will have to track down complicated problems.

Providing Purpose

It is uncomfortable not to know what you're supposed to do at work. New employees ask themselves, "What is the purpose of my job?" "How does it fit into the system?" "What kind of power and influence does this position have?" "Am I doing the right things?" "How will I know when I'm doing a good job?" Job candidates ask variations of these same questions. A comprehensive job description provides answers and helps everyone feel more confident. Developing clear expectations means being able to define, on paper, what an individual should be able to accomplish in a given position. Job descriptions should not be carved in stone, however. They should evolve with the changing needs of the organization. To this end, they should be reviewed and revised before positions are filled. Job descriptions are rarely followed to the letter, but they provide a

benchmark from which to start. Job descriptions also hold managers and employees accountable. In the hustle and bustle of business, it is easy to get absorbed in certain tasks to the neglect of other responsibilities. Job descriptions should not be used as weapons for keeping employees in line. However, they can be useful reminders of specific roles and responsibilities. If your company already has job descriptions, now may be a good time to review them for accuracy. A job audit is a good way to do this. A job audit compares the tasks outlined with the actual duties being performed. Ask people in the job what they would change about their job descriptions.

1) Working Atmosphere: First effective strategy for motivating and retaining employees is, there should be healthy office working atmosphere because employees get lot of motivation by good working atmosphere. Working place should be attractively designed and maintained. The working atmosphere should be free from any kind of politics and bad things. Every employee should be happy by his colleague's growth. It's very essential that every one must take initiative for doing any type of work. Always be clear in making any rule or policy.

2) Perfect Compensation Should Be Rewarded: A compensation, benefit or incentives are designed on the performance of employee. This should be done yearly or after certain months as it encourages the employee for giving their best. Any company or organization is set up for offering quality service to its customers, gain profit, reputation in the market and make progress day by day so for getting capable employees who can contribute in attaining all above things an, employee should always see to their needs and reward them for their performance by giving them money or promotion etc. This strategy aids in encouraging employee's honesty, efficiency, courtesy, and professional pride.

3) Employees Should Be Independent: If employees do the work in their own style then it can result more beneficial in comparison to the work set on conditions so it's very necessary that they should be independent as it makes the working environment healthy and light. They should be free to give their suggestions related to any issue related to the work.

4) Work Should Be Recognized: If any employee's work is recognized by his seniors and he gets appraisal or acknowledgment then he gets motivated to do the work with more sincerity. Instead of rewarding money, if few words of praise are said to motivate the employee by his employer then it works a lot. The employer should watch their employees recurrently and when he sees any good work done by his employee then he must praise that employee then only this will motivate them to repeat his performance again and again.

5) Give Support: Another effective strategy for motivating and retaining employees is always ready to give your employees support whenever they have any query or problem. Support by the employer can be given through telephone, by email or on-site. This keeps the employee busy in doing their work with full concentration.

6) Frequent Communication: There should be proper communication atmosphere in the organization because communication gap can prove to be the major problem for any company. If there will be proper communication between employee and his colleagues or employee and his employer then he will be able to tell about his problems and concerns regarding various issues. Communication can be done by organizing meetings, giving training and having dialogues daily. Nowadays, email has become the easiest way of communication but if an employer has face to face communication then it will have more impact on the employee.

7) Provide Little Fun: In effective strategies for motivating and retaining employees, another step is always try to keep the work atmosphere light and full of fun because people like to work in the atmosphere which is enjoyable. As this kind of environment keep the employees motivating and retaining to do the work with full enthusiasm.

8) Give Respect To The Workers: Don't forget to give respect to the employees of organization. Always remember by giving respect to the workers, they motivate to work beyond their limits

9) Sense Of Responsibility: Everyone is wholly responsible for the action done by him. By providing power to employee for taking the decision makes him

sincere towards his work. This is another best way to motivate and retain the employee.

For retaining good employees in the organization, it's very necessary to motivate them timely. A good working atmosphere and proper training are very necessary. There should be support and timely benefit should be rewarded to the employees for encouraging them to give their best in the organization development and progress. These benefits can be given in the form of money, promotion or even if few words of praise are said to the employee then also he will be motivated to do the work enthusiastically. Working atmosphere should be light and full of fun as this helps the worker in doing their work with enjoyment. Employer should have full faith on his employees and they must be free to take decision related to various issues of company. Employer's management and leadership skills make such a working atmosphere where employees feel comfortable, confident and motivated in working. By these techniques, an employer can not only motivate his employees but he can easily retain them for long time. These are some of the effective strategies for motivating and retaining employees.

Why Do So Few Companies Do These Things?

Since these needs are so basic and so obvious, why are they so often not met by companies? Some of the reasons include:

Time Pressure

Managers are often so time pressured and so focused on putting out fires, they incorrectly believe they don't have time to work on the "soft issues" related to the human side of business.

Lack of Awareness

When people are promoted to the managerial level because of their technical prowess but lack effective interpersonal skills or an understanding of human nature, they are more likely to dismiss the human side of attraction and retention as "touchy feely" or just plain irrelevant.

Arrogance

Many companies show the same arrogance toward their employees as they do to their customers. They assume they know better than their customers and their employees about what would satisfy them and don't

bother to find out if they're correct. If they do ask and the feedback isn't positive, they dismiss it as irrational and impertinent.

"Quick Fixitis"

If managers can order an Employee Appreciation Day or an Employee of the Month award, they can remove "Implement Attraction and Retention Program" from their "to do" list.

Quick fixes and gimmicky approaches to attraction and retention aren't effective and can even have the opposite effect. Because people are very sensitive to insincerity, workers are quick to notice a disconnect between staged events and the day-to-day treatment they receive by their manager and the organization as a whole.

The Importance of Listening to Employees

Assuming customers are happy without asking them if you're right is a surefire way to lose customers – and employees. Talent Magnet organizations don't assume that what they are doing is working. They are constantly engaging in conversations with their workforce through employee satisfaction surveys, anonymous suggestion boxes, company-wide meetings, focus groups, and informal conversations. Also, they work at creating a culture where honesty and openness is supported so that employees feel safe enough to voice their concerns.

Identify From Your Own Experience What Works and What Doesn't Work

When people compare their own experiences at positive and negative workplaces or compare their best and worst bosses, they find it difficult to deny the huge impact organizational culture and management practices have on performance and loyalty.

Recognize The Importance of Management Development

How employees feel about their organization is profoundly influenced by how they feel about their boss. When employees have a boss who is respectful, inspiring, and appreciative, it's hard not to be loyal. Therefore, management development is a wise investment for any organization seeking to maximize its ability to attract and retain the best of the best.

Ask Yourself Tough Questions

Creating a Talent Magnet Organization requires courageous self-examination by management at all

levels about how well they lead and about the kind of organization they have created. This process of engaging in self-examination and engaging employees in honest conversation about how well the company is run can yield critical information about what steps need to be taken to transform an organization into a Talent Magnet.

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