



IMPACT OF EMPLOYEE BENEFITS ON EMPLOYEE RETENTION

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Abstract: It is impossible for an organization to survive if its top performers quit. Employee Retention is a challenging part of an organization of this era. This paper focused on strategies of Employee Retention. Employees are the assets of the organization; skillful and good employees play an important role in the growth of an organization. To retain skillful and committed employees in the organization, management should take care of employee satisfaction. For the better result management should find out the reasons of employee turnover and overcome this. The purpose of this paper is to prove how employee retention is essential for today's organizations. This paper describe effect, what repercussions lay ahead and how they would affect the organization and the industry.

Keywords: Employee Retention, Reasons of Employee Turnover, Employee Satisfaction, Strategies of Employee Retention, Skillful.

Introduction:

Employee retention refers to an organization's ability to retain quality employees. The retention rate is often expressed as a percentage and the goal is for it to be high. Employee Retention is also defined as an organization's ability to retain its employees. It can also be called as a process, in which the resources are motivated and encouraged to stay in an organization for a longer period of time for the sustainability of the organization. For example, a retention rate of 85% means that the business was able to keep 85% of its employees over a specified period of time. Retention rates vary widely based on the type of business and the strategies it uses

The ultimate aim of Employee Retention is to make both the stakeholders, i.e., employees and employer happier. Employee retention is not just a matter that can be dealt with records and reports. It purely depends upon how the employers understand the various concerns of the employees and how they help them resolve their problem, when they are in need. Every organization spends time and invests money in grooming new employees and makes them corporate-ready. The organization will be in complete loss, if such employees quit after they are fully trained.

There are several reasons why employee retention is important to a business. Here are a few benefits to consider. The organization is completely at loss when the employees leave their job once they are fully trained. Employee retention takes into account the various measures taken so



that an individual stays in an organization for the maximum period of time. It facilitates loyal employees sticking to the company for a longer duration, which in turn will benefit both the stakeholders. Most of the employees leave an organization due to frustration, low salary, unhealthy environment and other management issues. 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.

Objectives of the study:

1. To know about the employee retention in an organization.
2. To know about the problems of the employees (due to several reasons) in the organization.
3. To study how retention strategy reduces employee turnover.

Significance of the study:

Employee Retention is a tool for managing employees and peoples related to an organization. If an organization manages their employees well, employee retention will take care of itself. In the present era people wants to work for an organization in which they get: Appreciation for the work done, better opportunities, healthy and good friendly environment. organization is. Employee retention has become a major goal of the organization.

Theoretical Background:

The process of employee retention will benefit an organization in the following ways:

1. **Increase the employee's loyalty:** when employees feel that their employers supportive and give value to them then they may feel more loyal to their employer. They may give more time and value to their work for growth of their organization.
2. **Loss of Company Knowledge:** When an employee leaves, he takes with him valuable knowledge about the company, customers, current projects and past history (sometimes to competitors). Often much time and money has been spent on the employee in expectation of a future return. When the employee leaves, the investment is not realized.
3. **Decrease Hiring Cost:** hiring new employees can get quite costly. Things like hiring recruiters, training staff and giving sign-on bonuses can add up. By keeping their employees around, companies can limit these costs. Companies can save money by investing in their current staff rather than looking for new candidates. 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
4. **Turnover leads to more turnovers:** when an employee terminates, the effect is felt throughout the organization. Co-workers are often required to pick up the slack. The unspoken negativity often intensifies for the remaining staff. 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.



5. **Improve customer relation:** Clients can notice when companies have high turnover rates. This might concern customers who want to support businesses with positive company cultures. When companies keep their employees around, clients have the chance to get to know employees

Employees leave a job for one or multiple reasons. some reasons are given below:

- A mismatch between the job role and the expectations
- Lack of opportunities in terms of pay, promotions, and projects and other reason.
- Not suitable for organization culture.
- Mentally and Sexual harassment by other employees/seniors.
- Gender and racial discrimination;
- Fear and anxiety due to power tussle and lack of trust.

Employee retention remains a major challenge in various parts of the world where technology influences hiring scenarios. For example, in the US, there were 10.7 million job openings in September 2022. In the same month, 6.1 million employees were hired for different roles, and 5.7 million were separated from their last organization. This shows a major gap between the number of people hired and the number of job openings across the US

The task of managing employees can be understood as a three stage process:

1. Identify cost of employee turnover
2. Understand why employees leave
3. Implement retention strategies

Mulligan says that when his company first started publishing the report 15 years ago, it predominantly canvassed administrators involved in recruitment and training. These days, employee engagement is considered a “business imperative at all levels,” according to Deloitte’s Global Human Capital Trends report, as more organizations realize the impact that an engaged workforce can have on the bottom line.

Garg & Rastogi (2006) explained that in today’s competitive environment feedback is very essential for organization.

Retention Involves Five Basic Things

1. Compensation and Benefits

Earning competitive compensation and enjoying employee benefits both contribute to employees’ day-to-day well-being and impact their everyday work experience. Offering comprehensive health benefits, retirement savings plans, and additional paid time off can all help employees meet their needs without leaving the organization. Maintaining competitive compensation and benefit



offerings deserves its spot at the top of the list of employee retention strategies, if employees feel they are struggling financially or do not have access to benefits they need to care for their mental and physical health, employee engagement can suffer, motivating people to start looking elsewhere to meet their needs.

2 Work Environment and Company Culture

Organizations with toxic culture tend to struggle with workforce retention, while those with a positive work environment actively foster employee retention. While this is one of the less tangible elements for retaining talent, the importance of work culture cannot be understated. One of the most effective ways to create a more supportive and inclusive workplace is to allow and encourage people to voice their ideas without fear of ridicule or negative repercussions. In work cultures that embody the idea that there are no bad ideas or silly questions, people may feel more comfortable sharing their thoughts, enabling more productive brainstorming and troubleshooting on a day-to-day basis.

3 Opportunities for Career Growth

The next important step for effective staff retention is the opportunity to grow and learn. Offering professional development and skills training is linked with higher levels of employee engagement, a key driver of retention. When organizations offer training and development programs, in conjunction with meaningful career advancement paths, employees may be more likely to feel their employer is truly invested in their individual success.

4 Recognition and Appreciation

In recent years, data around reasons that employees quit their jobs often reveals a link between the decision to leave and the level of recognition they experienced. Conversely, employees who receive regular recognition and appreciation—whether through formal channels or in one-on-one conversations with their team leader—tend to also report higher levels of engagement and job satisfaction.

5 Work-Life Balance

Work-life balance is a driving force that shapes the everyday experience for employees at all levels



of an organization. If employees feel their job doesn't allow a good balance or that work-related stress is too high, it makes perfect sense that they might look for other employment opportunities. Organizational culture must allow for it, also. This is often reflected in organizations by avoiding or even prohibiting early morning and late afternoon meetings, reviewing workloads periodically, and encouraging time off.

6: Effective Communication

Two-way communication is crucial to creating a culture where employees feel seen and heard. We've observed that organizations with better retention typically employ proactive channels for employees to voice concerns or ideas, such as anonymous employee feedback surveys and tools that give leaders real-time access to the pulse of the workforce.

7: Flexibility and Adaptability

Organizations need to be flexible and adaptable to retain employees. New challenges and needs arise practically every day, and organizations that cannot quickly pivot will almost certainly suffer. The changing nature of work has, over the past few years, shown us many examples of this. And the impact on retention is clear, too.

Employee Retention Strategies:

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

1. Hire right and good people in the first place.
2. Give the employees the authority to get things done.
3. Make employees realize that they are the most valuable for the organization.
4. Show faith in employees by the employers.
5. Provide correct information to employees about organization.
6. Always give feedback to the employees about their work performance.
7. Appreciate every employee for their good work.
8. Give the employees a healthy environment, so that they feel good in the organization.

People want to enjoy their work so make work fun and enjoyable. Understand that employees need



to balance life and work so offer flexible starting times and core hours. Provide 360 feedback surveys and other questionnaires to foster open communication. Consider allowing anonymous surveys occasionally so employees will be more honest and candid with their opinions. Provide opportunities within the company for career progression and cross-training. Offer attractive, competitive benefits.

Research Methodology:

This study is based on Descriptive Research Design and involved in administering questionnaire as a tool for research work. In order to fulfill the objectives of the study, the data have been collected from both the primary and secondary sources. Data have been collected from the employees' of 10 educational institutions of Palwal District. For the present study Judgment Sampling Method was used. Six medium scale industries were selected, from each industry 05 employees were selected as a sample. So the desired sample size was 50 employees. The questionnaire used in this study was constructed on 5 point scale, strongly disagree to strongly agree. To analyze the data percentage method was used.

Data Analysis and Interpretation:

Summarized data analysis table for eight components are given below. For the each attributes different questions were framed and collected the opinion of respondents.

Opinion/ Attributes	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Total (%)
Relationship	0	2	22.2	28.6	47.2	100
Compensation	7.5	11	20	17.5	44	100
Career	0	0	14.67	35.33	50	100
Work life Programs	1	8	21	19	51	100
Work Environment	2	7	14.67	33.33	43	100
Culture	2	5	16	24.34	52.66	100
Leadership	0	3.5	7.5	49.5	39.5	100
Benefits Programs	3.33	6	42.33	30.34	18	100

Findings:

- Above table shows that relationship between employees and management is most important component to increase retention of employees in the organization.
- Compensation or salary or monetary benefit is always motivation to retain in the organization. Otherwise highly paid jobs of competitors will attract skilled employees.
- According to the overall analysis most of the employees have strongly accepted the



importance of culture of the organization in employee retention. They are happy with the organizational culture. So they are not thinking about switching the job.

- It was found that, most of the respondents feel; the work environment (facility, workplace, and campus) affects employee job satisfaction and at the end for employee retention.
- It was observed that most of the employees gives importance to the supervision, direction & guidance in the organization.
- Most of the respondents feel benefit programs like health and welfare, retirement benefit, paid time off facility are helping them for work-life balance.
- Respondents feel work life programs (family support, personal support) are satisfying them to balance their personal life as well as professional life.
- It was found out that, Career opportunities gives satisfaction to the employees. Proper Leadership is required for motivation.

Conclusion:

The study establishes that all employee retention strategies namely employee participation, employee training, work environment, job security and employee motivation are positively significant contribute to employee retention. The best explanation of this result is that the combination of all these employee retention strategies are seems to be more effective for keeping and retaining talent in an organization.

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