Retaining Employees through Consistent Training & Development: An HR Strategy

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Abstract

The cost of retaining the employees is always less as compared to the cost of hiring the new employees. Human resource (HR) is the most vital resource of any organization. People are any organization is considered as the backbone for the organization development and growth. HR strategists are always in the process of retaining the employees by adopting various methods and techniques. One of the most prominent tools for retaining the employees in the organization is providing the continuous training to the people and infusing the sense of development among them. This research article aims to highlight the key retention strategies and the prominence of training in retaining the employees in an organization. Author has applied the exploratory research design and collected the secondary data from online resources. 'Content Analysis' technique has been used for analyzing the data and to reach out to specific outcomes.

Keywords: *Employees, HR Strategy, Organization, Retention, Training and Development.*
Paper Type: *Research Article*

1. Introduction

The people in any organization are most important resource. It is not only essential to hire the very best employees but the important is that a company retains those employees. Training and re-skilling inspire loyalty. Training is seen as expensive and a way of making their employees attractive to others. The risks involved, when weighed against the benefits, often mean that retraining is overlooked in favor of recruiting externally. However, the recruitment costs of staff time before and after the hire and direct expenses compare favorably against staff development costs. Employees leave organizations for many reasons; oftentimes these reasons are unknown to their employers [1]. Employers need to listen to employees' needs and implement retention strategies to make employees feel valued and engaged in order to keep them. These retention

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methods can have a significant and positive impact on an organization's turnover rate. This study aims to highlight the key retention strategies and the prominence of training in retaining the employees in an organization.

2. Past Studies & Examinations

According to strategic planning consultant [3] 88% of employees leave their jobs for reasons other than pay: However, 70% of managers think employees leave mainly for pay-related reasons. Branham says there are seven main reasons why employees leave a company:

- Employees feel the job or workplace is not what they expected.
- There is a mismatch between the job and person.
- There is too little coaching and feedback.
- There are too few growth and advancement opportunities.
- Employees feel devalued and unrecognized.
- Employees feel stress from overwork and have a work/life imbalance.
- There is a loss of trust and confidence in senior leaders.

According to [2], a talent and career management consulting firm, it costs nearly three times an employee's salary to replace someone, which includes recruitment, severance, lost productivity, and lost opportunities. Life Work Solutions, a provider of staff retention and consulting services, provides the following turnover facts and rates:

- Over 50 % of people recruited in to an organization will leave within 2 years.
- One in four of new hires will leave within 6 months.
- Nearly 70% of organizations report that staff turnover has a negative financial impact due to the cost of recruiting, hiring, and training a replacement employee and the overtime work of current employees that's required until the organization can fill the vacant position [5].
- Nearly 70 % of organizations report having difficulties in replacing staff.
- Approximately 50% of organizations experience regular problems with employee retention.

From these statistics it's clear that it's important to develop a retention plan to retain employees and keep turnover low.

Thus, if an employee resigns [4], 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. And even after this no one can assure the same efficiency from the new employee (He might be better and might not be). It requires time to judge his capabilities and work nature.

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And above all these things, one resignation many a times triggers a chain reaction among other employees, leading to a negative effect.

3. Objectives of the Study

The objectives of this study are as follows:

- To highlight the key retention methods being a foremost HR strategy.
- To demonstrate the significance of training in retaining the employees in an organization.

4. Research Methodology

This study is based on "Exploratory Research Design" in which secondary data has been obtained through keyword search analysis. Only relevant data pertaining to the recent studies related to retention, training and development has been gathered. This data further analyzed with the help of synthesizing and content analysis for reaching out to specific outcomes of this study.

5. Data Analysis, Interpretations and Findings

5.1 Key Retention Methods

Here are some effective methods employers utilize in order to keep employees happy and part of their organization instead of looking for employment opportunities elsewhere.

- **Training:** Training employees reinforces their sense of value. Through training, employers help employees achieve goals and ensure they have a solid understanding of their job requirements. It's important for companies to give coaching to employees so that their efforts stay aligned with the goals of the company and meet expectations. During an employee's first few weeks on the job, an employer should provide intensive feedback. Employers should also provide formal and informal feedback to employees throughout the year.

- **Mentoring.** A mentoring program integrated with a goal-oriented feedback system provides a structured mechanism for developing strong relationships within an organization and is a solid foundation for employee retention and growth. With a mentoring program, an organization pairs someone more experienced in a discipline with someone less experienced in a similar area, with the goal to develop specific competencies, provide performance feedback, and design an individualized career development plan.

- **Instill a positive culture.** A company should establish a series of values as the basis for culture such as honesty, excellence, attitude, respect, and teamwork (IOMA, 2008). A

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company that creates the right culture will have an advantage when it comes to attracting and keeping good employees (Main).

- **Use communication to build credibility.** No matter what the size of the organization, communication is central to building and maintaining credibility. Many employers get communication to "flow up" through a staff advisory council (or similar group) which solicits and/or receives employees' opinions and suggestions and passes them on to upper management (IOMA). It's also important for employees to know that the employer is really listening and responds to (or otherwise acknowledges) employee input.

- **Show appreciation via compensation and benefits.** Offering things like competitive salaries, profit sharing, bonus programs, pension and health plans, paid time off, and tuition reimbursement sends a powerful message to employees about their importance at the organization. The rewards given to employees must be meaningful in order to impact their perception of the organization and therefore have a marked influence on its retention efforts. Moreover, if an organization promises a reward, it should keep that promise.

- **Encourage referrals and recruit from within.** Having current employees offer referrals could help minimize confusion of job expectations. Current employees can realistically describe a position and the environment to the individual he/she is referring. Another way an employer can lessen the impact of turnover is to hire from within, since current employees have already discovered that they are a good fit in the organization.

- **Provide growth opportunities.** An organization should provide workshops, software, or other tools to help employees increase their understanding of themselves and what they want from their careers and enhance their goal-setting efforts. It's important to provide employees with adequate job challenges that will expand their knowledge in their field. According to Right Management, employees are more likely to stay engaged in their jobs and committed to an organization that makes investments in them and their career development.

- **Make employees feel valued.** Employees will go the extra mile if they feel responsible for the results of their work, have a sense of worth in their jobs, believe their jobs make good use of their skills, and receive recognition for their contributions.

- **Employees should be rewarded** at a high level to motivate even higher performance. The use of cash payouts could be used for on-the-spot recognition. These rewards have terrific motivational power, especially when given as soon as possible after the achievement. It's important for employers to say "thank you" to employees for their

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efforts and find different ways to recognize them. Even something as simple as a free lunch can go a long way towards making employees feel valued.

- **Listen to employees** and ask for their input as to what rewards might work best at your organization. Conduct meetings and surveys to enable employees to share their input (Branham). Most team members will work harder to carry out a decision that they've helped to influence.

- **Lower stress from overworking and create work/life balance.** It's important to match work/life benefits to the needs of employees. This could be in the form of offering nontraditional work schedules (such as a compressed work week, telecommuting, and flextime) or extra holidays. When work-life balance is structured properly, both the employee and employer come out ahead. For example, the employer will experience more productivity in the workplace because employees will be less stressed, healthier, and thus, more productive. Encouraging employees to set work/life goals, such as spending more time with their children, communicates that you really do want them to have a life outside of work and achieve a healthy work/life balance.

- **Foster trust and confidence in senior leaders.** Develop strong relationships with employees from the start to build trust. Employees have to believe that upper management is competent and that the organization will be successful. An employer has to be able to inspire this confidence and make decisions that reinforce it. An employer cannot say one thing and do another. For example, an employer shouldn't talk about quality and then push employees to do more work in less time. In addition, employers need to engage and inspire employees by enacting policies that show they trust them, such as getting rid of authoritarian style of management.

5.2 Significance of Training in Retaining Employees

Once skilled workers are nestled within any organizations there is a second challenge in keeping them there - and here training and education can play a crucial role. Retaining good employees is critically important to a company's bottom line.

Many companies that fail to place adequate emphasis on training make the mistake of assuming that pay is the only important motivating factor for their staff. In 1999 the Hay Group studied over 500,000 people in 300 companies to find out what promoted employee loyalty. The top three factors, mentioned by ninety percent of respondents, were; "career growth, learning and development"; "exciting work and challenge" and "meaningful work, making a difference and a contribution". Fair pay and benefits was tenth on the list.

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After studying the above, following results are concluded as the output of training & development of employees:

- **Optimum Utilization of Human Resources –** Training and Development helps in optimizing the utilization of human resource that further helps the employee to achieve the organizational goals as well as their individual goals.

- **Development of Human Resources –** Training and Development helps to provide an opportunity and broad structure for the development of human resources' technical and behavioral skills in an organization. It also helps the employees in attaining personal growth.

- **Development of skills of employees –** Training and Development helps in increasing the job knowledge and skills of employees at each level. It helps to expand the horizons of human intellect and an overall personality of the employees.

- **Productivity –** Training and Development helps in increasing the productivity of the employees that helps the organization further to achieve its long-term goal.

- **Team spirit –** Training and Development helps in inculcating the sense of team work, team spirit, and inter-team collaborations. It helps in inculcating the zeal to learn within the employees.

- **Organization Culture –** Training and Development helps to develop and improve the organizational health culture and effectiveness. It helps in creating the learning culture within the organization.

- **Organization Climate –** Training and Development helps building the positive perception and feeling about the organization. The employees get these feelings from leaders, subordinates, and peers.

- **Quality –** Training and Development helps in improving upon the quality of work and work-life.

- **Healthy work environment –** Training and Development helps in creating the healthy working environment. It helps to build good employee, relationship so that individual goals aligns with organizational goal.

- **Health and Safety –** Training and Development helps in improving the health and safety of the organization thus preventing obsolescence.

- **Morale –** Training and Development helps in improving the morale of the work force.

- **Image –** Training and Development helps in creating a better corporate image.

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- **Profitability –** Training and Development leads to improved profitability and more positive attitudes towards profit orientation.

- **Training and Development aids in organizational development** i.e. Organization gets more effective decision making and problem solving. It helps in understanding and carrying out **organizational policies**

- **Training and Development** helps in developing leadership skills, motivation, loyalty, better attitudes, and other aspects that successful workers and managers usually display.

6. Conclusion

It's clear that having proper retention strategies is key in order to retain employees. Productivity is maximized when employees enjoy their work. Offering opportunities to explore different options within the organization is one way of motivating the workforce. A company that is tuned into meeting employee needs should encourage movement across processes and functions. An environment that motivates and stimulates employees, managers need to incorporate motivation-building practices into their corporate culture. These practices include listening to employees and respecting their opinions, basing rewards on performance, and trained them to develop their skills & being available to them for everything from listening to their ideas and concerns to assisting them with their career advancement. Rotation of functions provides a forum for constant learning and self-improvement. When employees are given a chance to grow in various functions, a positive work environment is created. Thus, employee morale and productivity are maintained at a very high level.

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