

CHAPTER 4

FACTORS INFLUENCING RETENTION OF EMPLOYEES IN INFORMATION TECHNOLOGY SECTOR

4.1 INTRODUCTION

The term 'IT Industry' is used loosely in common parlance and has different meanings in different contexts. Strictly speaking, 'IT' includes hardware production as well as software, but in the Indian context the IT Industry is almost entirely devoted to software services, hence the terms 'Software Industry' and 'IT Industry' are often used interchangeably. Similarly, 'IT' is sometimes used to refer to ITES as well as software services. While ITES is a very different kind of industry from software, for historical and ideological reasons, they have tended to be categorized together in India under 'IT' – not least because both come under the ambit of NASSCOM, the industry body that has been very active in promoting these industries. This study has covered employees in software services and products firms only thereby excluding ITES from the preview of the study.

4.2 EMPLOYEE ATTRITION IN GLOBALIZATION

The high employee attrition rate is largely due to globalization. This is the truth, which we have to acknowledge. As globalization has spread all across the world, countries are reporting higher GDPs and economic growth rates. Globalization has made cities wealthier than what they were. Hence, airports have cropped up in almost all the cities of the globe. Therefore,

travelling has become hassle-free and less time-consuming. A person working in Singapore can fly to Chennai every weekend to meet their family. The person can also take a train to his or her hometown to meet his or her family every weekend as the railway Industry too has flourished with globalization.

Globalization has boosted the purchasing power of people. People have become more materialistic as they have more spending power. It is the age of consumerism. People want to earn well so that they can live well and in style. The idea of saving has taken a beating. People of the 21st century would not mind taking loans, so that they can buy houses, cars and so that they can spend their holidays in exotic places.

Fabulous and well-decorated houses with spacious living rooms, island or modular kitchens, several bedrooms and guest rooms, a basement, a wine cellar, a swimming pool, a games room, and a driveway is what most modern people want, nowadays. Additionally, they want a few cars including one or two racing cars, in their garage. Besides, they want to wear trendy clothes, dine in expensive restaurants, put their kids in expensive private or boarding schools and live in luxury. All this costs money. And so people naturally want to change jobs in order to earn as much as possible so that they are able to pay for their luxurious lifestyle. As soon as they get better offers, they are willing to change.

4.2.1 Technology

Another reason for the current high employee attrition rate is technology. Technology has turned the world into a global village. An employee working in the US can connect with their family in Bangalore through email and video conferencing in a jiffy.

Modern connectivity software is very hi-tech and user-friendly, so that people do not face any problems while chatting with their friends, family members, and colleagues across seas and oceans. Due to near exponential boom in the social networking, employees do not feel less confident when they leave station to work in distant lands, as they are sanguine that keeping in touch with families and friends will be no problem.

Grown-up children, hence, do not think twice about hopping jobs and moving from one city to another, as they know that they will be able to keep in touch with their parents via Facebook, Twitter and Orkut, and will even be able to talk to and see their parents on a daily basis through Skype and other easily-accessible video-call and live chatting software, with the help of a webcam. It is also with married couples. Wives and husbands reach out to each other over social networking sites and Skype video calls.

4.2.2 Job Portals and Application Procedures

Job portals also play their roles in pushing up employee attrition rates. Monster and other renowned job portals have hundreds and thousands of resumes registered with them. These portals manage to earn lots of money because of their worldwide popularity. They are excellent platforms that connect employees to prospective employers. Thousands of employers rely on these portals to scan the resumes of and select future employees.

Most well-known job portals take money from the employers. Securing employment has become easy with the presence of such gateways. People no longer have to sit and read piles of newspapers in order to apply to jobs though newspaper classifieds continue to advertise for situations vacant and wanted. Also, the manner of applying for a post has changed drastically with the utility of the Internet. Jobseekers do not have to take printed copies of their CVs, certificates, testimonials and other documents, pack them up,

put them in envelopes, and seal the envelopes before sending them by post to the places where they are applying.

The process of applying for a job has been rendered extremely easy with the help of the Internet and the email. All that jobseekers have to do is to open their email accounts, compose a covering letter addressed to the prospective employer, attach soft copies of all their particulars to the covering letter and send the letter along with the attachments by just clicking the Send button. Employee loyalty rates and job application procedure has become simpler.

4.2.3 The Age of Globetrotters

However, Experts in the Delphi method of study view that apart from the individual reasons, which have been cited above, and which are responsible for high employee attrition rates, the primary reason behind the high employee turnover figures is a general cause that is linked to a general worldwide trend. Experts, Business Psychologists and HR Managers have analyzed this trend to be the chief cause behind the high attrition rates.

The participants of group discussion have found from various studies and research papers that the under-forty workforce is very ambitious and tends to consist of globetrotters. The lure to be a global citizen has more power over them, much more than the lure of the lucre. Youngsters nowadays love to brag that they have worked in different cities of the world, that they are jet setters, hopping from city to city, across continents at a moment's notice.

Young people, therefore, like to land jobs that give them ample opportunities to travel around the world, to explore new countries, to get acquainted with new culture and new cuisines. Even if they have good and

stable jobs, they will not think twice about dropping their jobs like hot bricks if they find new jobs through job portals on the Internet that promise them a global lifestyle.

4.2.4 Fewer Commitments

Another factor that emerges from these studies is that young people nowadays have lesser commitments as per the discussion by the group discussion. About forty to fifty years ago, most people were married and settled by thirty-five. Currently, however, most under-forties prefer live-in relationships to marriage. The participants of Delphi method discussion find such relationship more convenient than marriage as live-in relationship can be dissolved at the drop of a hat. Also, live-in relationships mean a general no-no to children as the relationships, being essentially makeshift, may not last. Many married couples too, prefer not to have children, nowadays as, since the husband and wife both work and are both engaged in building their career, who has the time and energy to look after kids? There are many married couples who stay married but live apart for the sake of their careers. It is common to find the wife living in San Francisco and the husband living in Tokyo or the wife living in Boston and the husband in London or husbands and wives separated by as much distance as mentioned above, across the globe, only because they are pursuing their career. So, such husbands and wives are pretty willing to switch jobs and are not daunted by the thought of living apart from their spouses by thousands of miles.

4.2.5 Efficient Employees

Senior HR Managers and Business Psychologists have really racked our brains about this problem to find some practical solution. After much research, debate, deliberation, and job experience, we have come up with some answers to this apparently mind-boggling question. We propose the

following set of solution effectively tackle the problem of mounting employee attrition rates and finding solution by Human Resource Management methods to solve the problem.

4.2.6 Make Your Company World-Class

All standard world-class companies give about the same types of benefits and perquisites to their employees. They also offer salaries in the same range. A CMMI Level 5 company or a company registered under the ISO 9000 series is generally a big company though such benchmarks may not always testify to the financial strength of a company.

Janaki Ramudu, P (2001) A global company can always be identified by the strength of its employees, the number of its shareholders, its management policies and practices, etc. So, they are trying to make their company a global one. It helps in retaining valuable employees. In addition, employees will not feel like switching jobs if they are working for a company with a global presence. That is because, even if they change jobs, they will not get a very high increment on their salaries or raise on their perquisites as all global companies offer more or less, the same amount of pay and the same kind of perquisites such as a car, free travelling and holidaymaking opportunities, stock options, an apartment, excessive house rent allowance, cell phones, etc.

4.2.7 Job Transfers /Promotions within the Company

Many big companies that are engaged in a wide array of businesses follow this policy scrupulously. So, when their employees want a pay raise or a promotion or want to use their talents more productively, these companies encourage them to change jobs across horizontals, to take up new roles in new departments of the company. This helps companies to retain experienced and

efficient workers and helps the workers to feel motivated because they can use their skills innovatively in new areas of business while remaining in the same company. This strategy is mutually beneficial for both the employee and the company (employer). Some employees get so used to the environment of a particular company that they do not like to leave it even if they want to enhance their skills with a better job.

Company does not offer any options of internal transfer and promotion to these employees; they are forced to leave the company in an attempt to improve their prospects. So, shifting these employees to a newer and a higher paying job in the same environment is the best thing that a company can do to retain them as well as help them to improve their skills and advance in their careers.

4.2.8 Reward Creative Employees

You must give recognition to diligent employees and employees who go out of their way to increase company profits and company sales turnovers. Employees, who are creative, take bold decisions and who try to do things differently. You must motivate your employees and reward them if they do things well. This provides them with the necessary impetus and zeal to excel at their work. They will also feel more loyal to you if you entrust them with greater responsibilities. Making an employee to feel wanted and important, automatically it gives a boost to their feelings of loyalty towards the company.

Praise Your Employees for Their Strengths.

Nishchae Suri (2008) HR Managers should gauge what employees can do best. Employees should always be egged on to do what they can do well. This makes them feel confident and helps them to earn the respect of

their colleagues, subordinates and superiors. So, instead of punishing employees for their weaknesses, HR Managers should always praise employees for their strengths. Such HR approaches are bound to yield results in the form of augmented employee-loyalty and consequently, it will result lesser employee attrition rates.

4.2.9 Company Plans Rewards and Awards

Meyer (2003) Employee contributions in mainstream company activities and areas such as sales, marketing, profits, the development of financial and company forecasts; the attempt to decrease downtime through newer and more sophisticated production techniques; strategic management that can help to place the company in a better light vis-a-vis its competitors; and brand building; there should also be awards for employee attendance; employees' contribution towards office decor; employees who take the initiative to improve the different aspects of the cafeteria and the pantry; employees who work to improve the company's environmental policies and image; and employees who encourage the company to participate in social work activities.

4.2.10 Democratic and Ethical Towards Your Employees

Monappa, A (1998) 'Corporate governance' and 'accountability' are not mere buzzwords of the 21st century; they are also words that are as important as words like 'profits' and 'sales turnovers'. Due to the large number of accounting scandals that have taken place in giant multinational companies over the last decade or so, business ethics, corporate governance and accounting standards and practices of companies are presently under the keen scrutiny of corporate and financial whistleblowers and watchdogs.

If there is no transparency in a company's policies towards its various stakeholders, which includes its employees, it is not likely that employees will want to stay in such a company over a long period of time. Transparent and ethical employee-management and corporate policies make employees feel loyal to the company as they mean that the company has a democratic approach towards its employees and encourages the latter to voice their own concerns so that the concerns may be addressed and solved.

4.2.11 External Agency Execute Valuable Internal Assessments

Companies generally assign this task to an external agency such as Gallup poll or AC Nielson or Org Marg or any other agency so that the assessment may be as honest and as bias-free as possible. Each employee is given a questionnaire, which he or she has to fill out. Employees are told specifically not to mention their names anywhere on the questionnaire or on the answer script so that they can remain anonymous and so that they can freely write the truth without any fears of being penalized for their candid opinions. This procedure encourages employees to speak out honestly about what they dislike and like about their company.

Punia, BK & Anju Dahiya (2006) The feedback generated through this process is very valuable for the company as it helps HR Managers understand key aspects of corporate policies, the effects of such policies on the employees, what needs to be changed, what practices need to be done away with. Such a procedure provides a platform through which corrective measures can be taken as it is somewhat like an audit. According to the feedback given, HR Managers can implement new procedures and policies which may help to boost employee morale and hence loyalty.

4.2.12 Foster Teamwork

Managerial policies in a company should be such that synergy through teamwork is encouraged. Employees stand to gain a lot from synergistic teamwork. Teambuilding is a core aspect of good management. Employees can share their grievances and concerns in a team better.

Purang & Pooja (2006) Teambuilding creates a healthy workplace atmosphere. Instead of finding lone employees brooding over their own problems and vitiating the workplace atmosphere, you will see teams discussing their problems openly and frankly. If people are allowed to give vent to their frustrations, they end up feeling better and working better. Hence, you should always support teamwork and teambuilding if you want to retain your employees. Never be threatened by teams. Never equate teams with unions. No. If you allow teamwork to flourish in your company, you will find that employees are less willing to participate in negative and destructive union activities.

4.2.13 Conduct Exit Interviews

When employees are leaving, always conduct exit interviews with them. Frame the questionnaire in a way so that employees can be frank about why they want to leave and can give their true opinions about the company they are leaving. Exit interviews often help HR Managers to assess gaps in HR policies, to see themselves, their HR policies and the company in the true and actual light.

4.2.14 Treat Your Employees like Family

You cannot work alone, without them. If you have to move ahead, you have to move ahead together, on the basis of mutual trust and

cooperation. The happiness of your employees, therefore, is of paramount importance and you should be sincerely concerned about their welfare. If you have to work together, you will have to see into their care and concern. A company that is successful always has employees who are happy. You can study the most successful companies of the world to verify this fact.

4.3 Soft Ware Industry in India

The growth of the Indian software industry has been a phenomenal success when measured against standard indicators such as growth in sales, generation of employment and exports, and especially when contrasted with the performance of other industrial sectors in India. Even measured against successful new exports of software such as Israel and Ireland, the Indian software industry stands out in terms of the volume of employment created and the indigenous nature of its growth.

The Indian IT software industry consists of a large and growing number of firms. There is an association which regulates the industry on a voluntary basis. This association is the National Association of Software and Service Companies (NASSCOM), the premier trade body and the chamber of commerce of the IT software and services industry in India. NASSCOM's member companies are in the business of software development, software services, software products, IT enabled/BPO services and e-commerce. Many of these firms entered the industry during or just before the era of economic liberalization in the late 1980s.

India seems to have found the opportunity in the IT revolution as an increasingly favored location for customized software development. India's success is new liberalization policies. India has provided immense opportunities to its industries.

Success story of India's Software Industry is a step in the same direction. The Software Industry, which is a main component of the Information Technology, has brought tremendous success for the emerging economy. India's young aged manpower is the key behind this success story.

4.4 OVERVIEW ON INDIA'S SOFTWARE INDUSTRY

Software Industry, in just a few years, has grown to US\$ 1 trillion, employing millions of professionals worldwide. HR practices play a significant role in shaping, influencing, and enhancing the capability of the employees in the industry. This is because the provision and utilization of physical and tangible assets to meet the organizational goals will depend solely on the capability, knowledge and skill of Human Resources.

With a global explosion in market-opportunities in the IT sector, the shortage of manpower both in numbers and skills is a prime challenge for HR professionals. The Indian Software Industry suffers from a shortage of experienced people and attracting them is a key to HR challenge. There is a need for integrating HR strategy with business strategy.

The strategic HR role focuses on aligning HR practices with business strategy. The HR professional is expected to be a strategic partner contributing to the success of business plans, which to a great extent depends on HR policies pertaining to recruitment, training, and reward. Human Resources are the drivers and value creators of the industry. Therefore attracting, training, motivating and retaining are the critical success determinants.

The IT industry is a service industry. The quality service offered to individuals and organizations will determine the success of an organization.

This leads to the fact that the creativity, innovativeness, knowledge and skill of the employees are important assets.

4.5 STRENGTHS OF THE INDIAN IT SECTOR

- a. Highly skilled Human resource
- b. Low wage structure
- c. Quality of work
- d. Initiatives taken by the Government (setting up Hi-Tech Parks and implementation of E-governance projects)
- e. Many global players have set-up operations in India like Microsoft, Oracle, Adobe, etc.
- f. Following Quality Standards such as ISO 9000, SEI CMM etc.
- g. English-speaking professionals.
- h. Cost competitiveness.
- i. Quality of telecommunication infrastructure.

4.6 Weaknesses of Indian IT sector

- a. Absence of practical knowledge.
- b. Death of suitable candidates.
- c. Less Research and Development.
- d. Contribution of IT sector to India's GDP is still rather small.
- e. IT development concentrated in a few cities only.

4.7 HUMAN RESOURCE MANAGEMENT FUNCTIONS OF IT SECTOR

4.7.1 Planning

It is the conscious determination of future course of action. It involves planning of Human Resources requirements, determining projects and programs, setting policies, changing values, attitudes and behavior of human resources and assessing their impact on the organization.

4.7.2 Organizing

It is the process of division of work into convenient tasks or duties. It involves defining the relationship between Human Resources Department with other departments in a way, which will lead to effective attainment of organizational goals and objectives.

4.7.3 Directing

It involves motivating, commanding, leading, activating and tapping potential of human resources, of human resource department and other departments, for recurring willing and effective co-operation of human resources towards organizational effectiveness.

4.7.4 Controlling

It is the process of identification of actual results namely expected / desired results and correcting identified deviation, if any. It involves checking, verification and comparison of performance of Human Resource Management function with organizational plans, standards and directions and making necessary corrective actions, as required.

4.7.5 Recruitment

Recruitment has become an important subsystem in HR especially in the IT industry because the major asset of a company is Human Resources, it is important that quality people join an organization. It is very essential to tune the recruitment process in a manner that the company is able to get the talent available.

4.7.6 Performance Management

After recruiting the right person there is a need to manage the performance of the employees. It is essential to create a performance culture wherein opportunities are provided for enhanced performance.

4.7.7 Training

In the IT industry training takes new connotation. It will not be just identifying training needs and giving the required training. It is foreseeing and anticipating the requirements and develop suitable training so that the employees are well equipped to handle the challenges beforehand.

4.7.8 Reward System

The IT industry is one of the high paying industries. Since it is also very competitive, vying with each other to attract the best talent, offering the best possible compensation package to their employees.

4.7.9 Human Resources Acquisition

It includes recruitment, selection, induction and placement of appropriate and adequate number of Human Resources based on their overall suitability for the organization.

Human Resource Acquisition involves the following:

- a. Location and attraction of Human Resources and developing appropriate Sources.
- b. Stimulating candidates to offer themselves for selection, for ascertaining their suitability for employment in the organization.
- c. Assigning the selected candidate on the job for which he has been selected.
- d. Acclimatizing the selected candidate to the culture, practices, policies and personnel of the organization.

4.7.10 Compensation and Benefits

It entails providing adequate, equitable and fair remuneration to the human resources. It includes:

- a. **Wage and Salary:** It is the most important component of compensation, whether on piece rate or time rate basis, whether paid daily, weekly or on monthly basis.
- b. **Incentives:** They are the financial inducements linked with productivity.
- c. **Fringe Benefits:** They are the benefits to meet contingencies of life and for Motivation, e.g., canteen, loan facility, medical benefits, accident insurance, uniform, company transport, company stores, etc.
- d. **Social Security Benefits:** They are the long-term impact benefits viz. PF, ESI, gratuity, maternity benefits, dependent's

benefits, retirement benefits. Such benefits may be voluntary or statutory or mix of both.

- e. **Perquisites:** They are the benefits/accruals paid to facilitate job performance or for retaining human resource talents in the organization viz. company car, club membership, free housing, paid vacations, ESOPs, paid study leave, sponsored higher study, etc.

4.7.11 Occupational Safety and Health

It includes suitable work design (Ergonomics) for reducing occupational hazards, proper working conditions, proper work schedules, proper safety training, proper safety measures, formulation and implementation of safety policy, safety administration, accident prevention, safety program, etc. Health management involves maintenance of physical, mental and social well-being of Human Resources. It also includes preserving personal efficiency and prevention from various types of health hazards like chemical, biological, environmental and psychological, and occupational diseases.

4.7.12 Integration and Maintenance

It involves developing alignment of individual and organizational goal i.e. to integrate decisions about Human Resources with decisions about the results, the organization is trying to obtain. It requires building strong Human Resources Management relationship for better performance. Communication, empowerment and participation in decision-making and stress reduction facilitate integration and maintenance.

4.7.13 Employee Relations

It involves good relations between management and human Resources (operatives in particular) through proactive approaches to discipline management, grievance management, dispute management, disciplinary interview, etc. Employment relations concerning work, work place, policies, rules, mediation, awards and trade union practices must be based on accommodation of each party's interest, values and needs based on principles of mutual trust, respect and super ordinate goals

4.7.14 Human Resource Management Information System

Human Resource Management Information System performs the following important functions

- a. Enabling:** This allows Human Resources to access HR information easily, analyze the impact of proposed HR changes on budget and organizational structure and initiate and submit requests for Human resource action electronically (internet/intranet based) for paperless and automated workflow process.
- b. Empowering:** This enables Human Resources to enroll or change options for various employee benefit programs, self-nomination for training/learning Opportunities and make individual development plan.
- c. Support multiple functions:** It provides traditional Human Resources support process and non-human resource functions into the system viz. Tracking personal property issued to individual employees.

- d. Saving money:** It saves money by eliminating redundant data entry into multiple systems, reducing paper work and eliminating non-value added work by Human Resources practitioners.

Thus, Human Resource Management Information System can increase Competitiveness, transaction processing, reporting capability and Human Resource System integration.

4.7.15 Human Resources Policy

It guides the course of action intended to accomplish Human Resource objectives and plans in order to uphold fair play, justice, objectivity, enthusiasm and loyalty of Human Resources. Human Resources Policy seeks to define philosophies and values of the organization on how people should be treated and dealt with.

4.7.16 Career and Succession Development

It includes a set of programs designed to match an individual's aspirations, competence and drive with current and / or future career opportunities in the organizations. Human Resource Management should ensure strong top management commitment in commensuration with corporate strategic goals. This requires effective dissemination of opportunity information, training and development, job rotations/grooming and use of scientific assessment tools and techniques.

4.7.17 Training and Development

It involves activities designed continuously to improve the performance and harnessing potential of existing Human Resources for meeting present and future organizational requirements and individual

growth aspirations. This requires continuous adaptation of human resources to changes – internal as well as external in the most efficient and effective way.

4.7.18 Performance Management

Performance management may be defined as continuous improvement of employee performance through management process wherein individual development, learning, counselling, accountability, ownership and mutuality bears highest organizational priority. It involves following three steps as discussed below:

- a. **Performance Planning:** It is the process of specifying goals jointly by Appraisers (Managers) and Appraisees (Employees), identifying the desired level of performance (standards) and developmental plans to perform as expected. It focuses on individual results and helping the employee develop strategies and secure and make optimal utilization of required resources.
- b. **Performance Managing:** It is the process of working towards the Performance expectations established in the performance planning stage. Actual performance is reviewed on periodic basis to assess whether everything is on track or results are exceeding expectations. In case of under-performance, appraisers need to coach the employee on ways to correct the Deficiencies and make continuous monitoring of the improvement efforts and improvement achieved.
- c. **Performance Appraisal:** It is the process of review of performance of the past performance cycle. The analysis of

past performance provides the basis for planning next cycle's expectation. At the same time, it closes the loop of the current cycle. Employees know what is expected of them and what they must do to achieve it. It is the systematic evaluation of individual potential for development. The results of performance appraisal can be used for training and development decision, compensation decisions, mobility decisions, etc.

4.7.19 Total Quality Management (TQM)

Total Quality Management is a continuous process of improvement through involvement of Human Resources, recognizing that customer needs and business goals are inseparable. Total Quality Management entails process orientation, team concept, and customer driven outcome, OD interventions and informed and trained Human Resources, in the context of Human Resource Management. It is the management model for creating value through total employee involvement. Total employee involvement requires: employee empowerment, team activity, rewards and recognition schemes, Employee's education and training, Publicity and promotion of employee efforts. In fact, all quality systems namely Kaizen, JIT, benchmarking, organizational re-engineering, six sigma, ISO 9001: 2000, etc. are people-dependent processes and HRM can help imbibe and sustain internalization of 'Quality Consciousness' for increased organizational benefits/competitiveness.

4.7.20 HR Consultation

Rather than telling line management what they can or cannot do, Human Resource Management can render more helpful assistance in finding

developed employee competence, distinctive organizational cultures, management process and systems. The organization's Human Resource Management policies and practices must fit with its strategy in its competitive environment. The primary action of Human Resource Management is to translate business strategies into Human Resources principles and practices. Thus, Human Resource strategy results in superior organizational performance by simultaneous consideration of both external (business strategy) and internal (consistency) requirements.

4.7.21 Human Resources Outsourcing

Organizations are facing increasing competitive pressure and they are reaching for ways to remain focused, flexible and competent. Human resources function is now under increasing pressure to contribute more to business and outsourcing provides better organizational efficiencies by not spending too much time on activities with too little value.

Thus, there is a moving from 'transactional' to 'strategic' – occurring in Human Resources. Thus, Human Resources outsourcing provides the opportunity for organizations to put the administrative burden of Human Resources transaction in the hands of an outsider.

4.7.22 HR Mergers and Acquisitions

Modern business organizations operate in an environment of corporate / business mergers and acquisitions. Human Resource Management helps the organizations to maintain and uphold morale, loyalty and workforce stability of employee at the time of corporate/business mergers and acquisitions because of fear, uncertainty and distrust prevails in the minds of all Human Resources.

Human resources are critical in the software industry. Human resources are not only the drivers and principal value-creators but also they are the intellectual property of the industry. Therefore attracting, training, developing, appraising, compensating and rewarding is the critical factors. Keeping in view of their importance, it is thought necessary to study HR practices in software industry.

4.8 CONCLUSION

As the economy improves and firms look to build their talent employees strength, it is only logical that Senior Leaders, Managers and HR Professionals will increasingly look at retention as a major business imperative. A key challenge during recruitment is differentiating candidates who do well in interviews and candidates who will do well in the actual position. Often they can be mutually exclusive.

The goal for any recruitment strategy should be to attract a top performer who will stay with the company for as long as possible. In order to hire those “near perfect” individuals, an ideal role profile should be created. If a company spends quality time, energy and focus to create such a profile, it becomes much easier to source qualified candidates who will successfully fill the position.

The HR Department alone cannot reduce turnover. For significance, positive change, company leaders must establish distinct retention processes and programs within all levels of an organization. After finding the right people, it is management’s primary role to take responsibility for the success of their employees including leading people towards performance goals and targets.