CHAPTER V
CONCLUSION AND RECOMMENDATIONS

The summary of findings based on data analysis and discussion is summarized here:

V.1 Environmental Factors

i. The mean rating for working conditions and resources is 3.60 out of 4 which indicates a majority rating of “excellent”.

ii. The mean rating for flexibility in work/time is 2.91 out of 4 which indicates a majority rating of “often”.

iii. The mean rating for recreational / leisure facilities is 3.62 out of 4 which indicates a majority rating of “excellent”.

iv. The mean rating for reputation of the company is 3.12 out of 4 which indicates a majority rating of “good”.

v. The mean rating for contract agreement is 3.33 out of 4 which indicates a majority rating of “excellent”.

vi. The mean rating for communication flow in the company is 3.06 out of 4 which indicates a majority rating of “good”.

vii. Flexibility in work / time and Communication flow in the company are the environmental Factors that require greatest attention for improvement.
V.2 Training and Development Factors

i. The mean rating for on-the-job training is 2.79 out of 4 which indicates a majority rating of “good”.

ii. The mean rating for off-the-job training is 3.03 out of 4 which indicates a majority rating of “good”.

iii. The mean rating for coaching / mentoring by superiors is 2.54 out of 4 which indicates a majority rating of “good”.

iv. The mean rating for learning opportunities is 3.31 out of 4 which indicates a majority rating of “good number”.

v. The mean rating for career advancement is 2.72 out of 4 which indicates a majority rating of “good”.

vi. Coaching / mentoring by superiors and Career advancement are the training and development factors that require most attention for improvement.

V.3 Organizational Culture and Strategy

i. The mean rating for recognition, reward and incentives is 3.10 out of 4 which indicates a majority rating of “good”.

ii. The mean rating for HR policies for employee management is 3.06 out of 4 which indicates a majority rating of “good”.

iii. The mean rating for employee empowerment is 1.73 out of 4 which indicates a majority rating of “not visible”.

iv. The mean rating for motivation levels is 2.49 out of 4 which indicates a majority rating of “needs more improvement”.

v. The mean rating for company’s value systems is 2.60 out of 4 which indicates a majority rating of “satisfactory”.

vi. The mean rating for equal treatment and fairness is 3.51 out of 4 which indicates a majority rating of “always”.

vii. The mean rating for exit interview is 3.52 out of 4 which indicates a majority rating of “always conducted”.

viii. Employee empowerment (powers in decision-making) and Motivation Levels are the organizational culture and strategy variables that require most attention for improvement.

V.4 Job-Specific Factors

i. The mean rating for occupational stress and other stress is 3.11 out of 4 which indicates a majority rating of “always”.

ii. The mean rating for relationship with immediate boss is 3.30 out of 4 which indicates a majority rating of “good”.

iii. The mean rating for nature of job assignments is 2.98 out of 4 which indicates a majority rating of “good”.

iv. The mean rating for role clarity is 3.12 out of 4 which indicates a majority rating of “excellent”.

v. The mean rating for job enrichment is 3.59 out of 4 which indicates a majority rating of “excellent”.

vi. The mean rating for job life span is 2.81 out of 4 which indicates a majority rating of “good”.
vii. The mean rating for performance appraisal and feedback mechanism is 3.19 out of 4 which indicates a majority rating of “excellent”.

viii. The mean rating for job opportunities in similar companies is 3.60 out of 4 which indicates a majority rating of “plenty”.

ix. Job Life span (job security) and Nature of job assignments are the job-specific variables that require the most attention for improvement.

V.5 Involuntary Attrition

The mean rating for involuntary attrition is 79.72 out of 108 which indicates a majority rating of “high”.

V.6 Functional Personal Factors

i. The mean rating for management of goals / targets is 3.15 out of 4 which indicates a majority rating of “good”.

ii. The mean rating for skill levels is 3.42 out of 4 which indicates a majority rating of “excellent”.

iii. The mean rating for ability to multi-task is 3.01 out of 4 which indicates a majority rating of “excellent”.

iv. The mean rating for functional personal factors is 9.59 out of 12 which indicates a majority rating of “very high”.

V.7 Dysfunctional Personal Factors

i. The mean rating for retirement and savings plan is 3.50 out of 4 which indicates a majority rating of “excellent”.

ii. The mean rating for loans and other personal assistance is 3.20 out of 4 which indicates a majority rating of “good”.

iii. The mean rating for relations with peers is 3.45 out of 4 which indicates a majority rating of “excellent”.

iv. The mean rating for influence of family problems / issues on work is 3.49 out of 4 which indicates a majority rating of “always”.

v. The mean rating for perception of Job in terms of social recognition / status is 3.44 out of 4 which indicates a majority rating of “excellent”.

vi. The mean rating for perception of job in terms of value (treatment as work partner) is 3.35 out of 4 which indicates a majority rating of “good”.

vii. The mean rating for dysfunctional personal factors is 20.43 out of 24 which indicates a majority rating of “very high”.

V.8 Voluntary Attrition

The mean rating for dysfunctional personal factors is 30.02 out of 36 which indicates a majority rating of “very high”.

V.9 Behavioural Intentions

The mean rating for behavioural intentions is 2.97 out of 4 which indicates a majority rating of “probably continue in the job”.
V.10 Demographic Influences

i. Males dominate female amongst respondents.

ii. There is significant difference between male and female with respect to perception about

iii. There is no significant difference between male and female with respect to perception about

iv. There is association between gender and behavioural intentions of employees.

v. Respondents in the age group of 31 to 40 years dominate other age groups.

vi. There is significant difference between age groups with respect to perception about Environmental Factors, Job Specific Factors, Functional Personal Factors and Voluntary Attrition.

vii. There is no significant difference between age groups with respect to perception about Training and Development Factors, Organizational Culture and Strategy, Involuntary Attrition, Dysfunctional Personal Factors and Behavioural Intentions.

viii. Environmental factors: Above 40 and up to 30 years age groups are homogeneous while those in the age group of 31 to 40 years is separate.

ix. Job-specific factors: Each of the age groups are separate.

x. Functional personal factors: Each of the age groups are separate.

xi. Voluntary attrition factors:31 to 40 and above 40 age groups are separate while those in the age group up to 30 years share characteristics of both groups.

xii. There is association between age groups and Behavioural intentions of employees.

xiii. Graduates dominate amongst respondents.
xiv. There is significant difference between graduates and post-graduates with respect to perception about Environmental Factors, Training and Development Factors, Organizational Culture and Strategy, Job Specific Factors, Involuntary Attrition, Functional Personal Factors, Dysfunctional Personal Factors, Voluntary Attrition and Behavioural Intentions.

xv. There is association between education and Behavioural intentions of employees.

xvi. There is no significant difference between income groups with respect to perception about Behavioural Intentions. There is significant difference between income groups with respect to perception about Environmental Factors, Training and Development Factors, Organizational Culture and Strategy, Job Specific Factors, Involuntary Attrition, Functional Personal Factors, Dysfunctional Personal Factors, and Voluntary Attrition.

xvii. Environmental factors: Below INR 20000 and INR 20000-40000 income groups are homogenous while those in income group above 40000 is separate.

xviii. Training and development factors: INR 20000-40000 and above 40000 income groups are homogenous while those in the income group below INR 20000 is separate.

xix. Organizational culture and strategy factors: Below INR 20000 and INR 20000-40000 income groups are homogenous while those in the income group above 40000 is separate.

xx. Job-specific factors: Below INR 20000 and INR 20000-40000 income groups are homogenous while those in the income group above 40000 is separate.

xxi. Involuntary attrition factors: Below INR 20000 and INR 20000-40000 income groups are homogenous while those in the income group above 40000 is separate.

xxii. Functional personal factors: Below INR 20000 and above 40000 income groups are homogenous while those in the income group INR 20000-40000 is separate.
Dysfunctional personal factors: Income group INR 20000-40000 and below INR 20000 are separate while above 40000 income group share characteristics with both groups.

Voluntary attrition: Above INR 40000 and below INR 20000 income groups are homogenous while those in the income group INR 20000-40000 is separate.

There is association between monthly income and Behavioural intentions of employees.

There is association between marital status and Behavioural intentions of employees.

Respondents who had served up to 2 years in current company dominate others.

There is association between service in current company and Behavioural intentions of employees.

Respondents who had a total work experience up to 5 years dominate others.

There is association between total work experience and Behavioural intentions of employees.

V.11 Structural Equation Modelling

i. The positive coefficient implies that for every 0.661 unit increase in job-specific factors, there is 1 unit increase in involuntary attrition.

ii. The positive coefficient implies that for every 0.769 unit increase in organizational culture and strategy factors, there is 1 unit increase in involuntary attrition.

iii. The positive coefficient implies that for every 0.501 unit increase in training and development factors, there is 1 unit increase in involuntary attrition.

iv. The positive coefficient implies that for every 0.543 unit increase in environmental factors, there is 1 unit increase in involuntary attrition.
v. The positive coefficient implies that for every 0.824 unit increase in dysfunctional personal factors, there is 1 unit increase in voluntary attrition.

vi. The positive coefficient implies that for every 0.458 unit increase in functional personal factors, there is 1 unit increase in voluntary attrition.

vii. The positive coefficient implies that for every 0.416 unit increase in involuntary attrition, there is 1 unit increase in behavioural intentions.

viii. The positive coefficient implies that for every 0.369 unit increase in voluntary attrition, there is 1 unit increase in behavioural intentions.
V.12 Conclusion

Organisations should aim at developing effective employee retention policies and practices which increases employee commitment level, loyalty and engagement. Employee commitment and involvement have impact on employee productivity and retention. Organisational culture and compensation have a significant impact on employee retention. Organisations need to design an integrated approach to employee retention which includes best retention strategies like conducive organisational culture, adequate competitive pay packages, non-monetary motivation and effective employee development programs for attaining competitive advantage in business environment.

V.13 Recommendations

V.13.1 Quality Working Environment

Organization’s working environment has a significant effect on an employee. Every employee should be able to relate with the work environment. Most of the organization forgets that unless a good understanding of the company’s policies and procedure is given, the employee feels strange and un-confident to do anything.

Recommended Strategies:

i. Provide better understanding about the policies, procedure, vision and mission of the company.

ii. Share and discuss about the financial and sales status of the company.

iii. Create an environment of honesty and integrity.
iv. Use the strategy of “work with fun”. This will help the employees enjoy the work and increase their performance.

v. Working environment is a major factor in companies like Google, Amazon, Microsoft etc. who follow work with fun strategy and so are able to retain people.

Environmental employee retention strategies address three fundamental aspects of the workplace: the ethics and values foundation upon which the organisation rests; the policies that interpret those values and translate them into day-to-day actions, and the physical environment in which people work. The overall goal is to make the company a place where people want to come to work.

A sampling of environmental employee retention strategies includes the following:

- Clarify your mission.
- Create a values statement.
- Communicate positive feelings.
- Stay focused on the customer.
- Be fair and honest.
- Cultivate a feeling of family.
- Promote integrity.
- Do not tolerate sub-par performance.
- Insist on workplace safety.
- Reduce the number of meetings.
- Make work fun.
These employee retention strategies all relate in one way or another to corporate culture. However, one environmental issue tends to stand out above the rest. More than ever, employees want a culture of openness and shared information. They want to know where the company is going and what it will look like in the future. How is the company doing financially? Where does it stand in the marketplace?

Employees insist on knowing how their specific jobs fit into the grand scheme of things and what they can do to help the organisation get to where it wants to go. If companies operate in an open environment where managers share information, there would be reduced turnover rates.

To assess culture's level of openness, questions need to be asked such as:

- Do employees know how the company is doing in key areas such as sales, financials, strategy and marketing?
- Does company promote open-book management (or something approaching it), or do they keep information a closely guarded secret among the top management team?
- Do employees understand vision, mission and values?
- Is there a values statement that clarifies and supports a culture of openness?
- Is performance feedback given on a regular basis or only at annual review time?
- Are individuals and departments encouraged to share information with each other?
V.13.2 Employee – Manager Relationship

Most of the employees do not leave the company but the Manager. This is because the manager is unable to create a good bond with subordinates. The best thing the manager can do is to listen to employees.

**Recommended Strategies:**

i. Manager should understand that every employee is different. Some are positive others are negative, some are open and some are shy, some may ask for opportunities others may wait till opportunities are given to them.

ii. Manager should treat every employee equally. He should not distinguish on the basis of caste, creed, colour, gender etc. Equal opportunities should be imparted to employees.

iii. Every person does not have same skills. So manager needs to give role that will be done well.

iv. Try to take employee grievances seriously before it becomes a serious issue for the company.

v. Create an atmosphere of fun. e.g. after the company has achieved a major milestone or sales target, hold public celebration or take employees on an outing or tour.

**Some top employee relationship strategies:**

- Use behavioural style assessment tools, such as Myers-Briggs or DISC, to help people better understand themselves and each other and communicate more effectively.
- Help employees to set life goals and get focused on where they want to go. Then help them to see how their goals match up with company goals and that they can achieve their
goals by staying with the company. If people believe they can achieve their goals and objectives by working in your organisation, they will think twice before going somewhere else to work.

- Whenever possible, get the family involved:
  - Write a letter of commendation and send a copy to the family.
  - Write a letter to the family thanking them for supporting your employee.
  - Have an open house. Invite the families for a tour to see what the spouse/parent does.
  - Hold social activities such as family picnics, holiday parties, special events.
  - Celebrate birthdays.
  - Take people out to dinner to celebrate an achievement.
  - Hold public celebrations when the company hits major milestones.

**Other employee relationship strategies** that impact employee retention:

- Build mentoring relationships with people to increase their emotional ties to the organisation.
- Be firm and fair. Avoid second-guessing employees.
- Celebrate longevity.
- Encourage humour in the workplace.
- Focus on building individual self-esteem.
- Stick up for your people.
- Give recognition strategically and deliberately.
Employee relationship strategies help to build a sense of family. In families, people have conflict and disagreements but they learn how to work them out. They stick together through good times and bad and support each other's growth. Families have an "all for one and one for all" mentality. It's a lot harder to leave a family than to leave somewhere where you just go to work.

V.13.3 Employee Support Strategies

Employee support strategies involve giving people the tools and equipment to get the job done. When people feel they have what they need to perform, job satisfaction increases dramatically. All employee support strategies stem from three basic principles:

- People want to excel.
- People need adequate resources to get the job done.
- People need moral and mental support from you and your managers.

Employee support strategies start with attitudes. Do managers see employees merely as cogs in a wheel, or as valuable resources that make the company go? Do they expect high performance or mediocrity from them? Believing that people want to excel rather than perform at minimum levels will lead them in a much more positive manner.

Information is another key area in employee support strategies. Let employees know what is going on. They should be given sales figures and some of the financials. Let them see performance measurements, particularly as it affects their jobs.
**Recommended Strategies:**

- Give people *productive* work to do.
- Provide challenges.
- Remove obstacles and barriers to getting the job done.
- Adjust jobs to fit strengths, abilities and talents.
- Keep the promises you make.
- Establish effective communication systems.
- Clearly define job responsibilities and accountabilities.
- Encourage people to take initiative.
- Encourage, recognize and reward creativity and innovation.
- Avoid micro-management.
- Reduce reporting requirements.
- When possible, offer job flexibility.

**V.13.4 Employee Growth Strategies**

Employee growth strategies deal with personal and professional growth. Good employees want to develop new knowledge and skills in order to improve their value in the marketplace and enhance their own self-esteem.

Organize and structure training so that it makes sense for the company and the individuals who work. Take time to explore employees' different needs and the best way to meet those needs. There are many ways to help people with personal growth that not only make a difference in their lives, but bond them more closely to the organisation.
Training and education can include:

- in-house curriculum for skills training and development
- outside seminars and workshops
- paying for college and continuing education
- CD/DVD, podcast and online learning
- cross-training
- having employees present workshops in their areas of expertise
- bringing in outside experts to educate employees about subjects that affect their personal lives.

Experts offer a real opportunity for employers to differentiate themselves and have a big impact on employee retention. For example, most people own a car. Yet, how many really know how to buy car insurance? Set up a brown-bag lunch that teaches people the ins and outs of car insurance and how to get the best buy.

When companies offer these kinds of learning opportunities, it sets you apart from other employers and shows that it truly cares about its employees. It is one thing to provide training that helps them to do a better job because company benefits from it. It is another thing altogether to offer education on how employees can improve their lives. It shows that companies care about them as people, not just as workers who can make money.

**Other recommended employee support strategies** include:

- Establish a learning culture.
- Create individual learning plans.
Encourage people to join professional and trade associations.

Invest in career planning.

Operate a corporate mentoring programme.

Provide incentives for learning.

Take advantage of internet learning.

V.13.5 Employee Compensation Strategies

Effective employee compensation strategies stem from one fundamental principle: money alone will not retain most employees. In the old days, companies essentially paid people for their time. Today, more and more companies pay for performance – in every position, not just sales. To retain employees, compensation plan needs to incorporate this trend.

Pay-for-performance plans come in a variety of shapes and sizes, but they all involve two basic activities: defining the job and checking performance against expectations. When people exceed expectations, bonus must be given. It helps to lay the plan out ahead of time so that employees understand company’s expectations and know what they have to do to get the bonus. Smart employers use a variety of hard (monetary) and soft (non-monetary) employee compensation strategies to make it difficult for other companies to steal their people away.

Recommended Strategies:

- Discuss total employee compensation (salary, benefits, bonuses, training, etc.).
- Design reward systems to stimulate employee involvement.
- Use flexible employee benefits to respond to a changing workforce.
• Offer stock options.
• Offer time off, sabbaticals and other forms of non-financial employee compensation.
• Provide childcare and/or eldercare.
• Provide employee assistance programmes.
• Arrange for discounts on purchases.
• Arrange for professional services.
• Fund fitness club memberships.

Employee compensation constitutes only one piece of the puzzle. If all the other pieces – the environmental, relationship, support and growth strategies – do not fit together into one interlocking whole, company will not be able to pay employees adequately.

V.13.6 Motivation through Feedback

Many people are unmotivated, not because they have a great reason to be, but rather because their leaders have not given them a great reason to be motivated and engaged. Many a times, employees try to contribute in a new task but end up being not motivated to continue. This is because their managers have no time to respond or provide feedback to their employees.

Recommended Strategies:

i. Manager should keep himself updated with subordinates’ activities.

ii. There should be a proper Performance Management and Appraisal system followed by HR Manager.

iii. If the performance of some employees is not up to the mark, the manager should try to find out the reason and put him through a training process.
iv. Manager needs to pay more attention to their employees.

v. Manager should get involved with the employees and participate in their career development plans.

V.13.7 Monetary Benefits

Money is not the only but a major motivator to retain employees. It acts as a stimulator that leads to more hours on work, better performance, healthy competition, quality work etc. Compensation of employees should be based on performance. The employees should be paid bonus, incentives etc. for achieving or crossing their targets.

**Recommended Strategies:**

i. Merit based pay

ii. Skill based pay

iii. Profit sharing

iv. ESOP – Employee Stock Ownership Plans

v. Fringe Benefits.

V.13.8 Special / Unique Strategies

Here are some unique strategies adopted by TCS to retain employees:

i. Choice of working in over 170 offices across 40 countries in variety of areas.

ii. Paternity leave for adopting a girl child.

iii. Discounts on group parties.
V.13.9 Recruitment and hiring

It is worth spending time and effort on recruiting. When there’s a good match between employees and your organization, retention is less likely to be an issue.

V.13.10 Orientation and On-boarding

It is worth having good practices in place. Treating employees right in the critical early stages of employment has been proven to enhance retention.

V.13.11 Training and development

Training and development are key factors in helping employees grow with your company and stay marketable in their field.

V.13.12 Performance evaluation

When employees know what they’re doing well and where they need to improve, both they and your organization benefit.

V.13.13 Internal communication

Effective communication can help ensure that employees want to stay with the company. Employees need to know - and be reminded on a regular basis - how the organization is doing and what they can do to help.
V.13.14 Termination and outplacement

Employees who leave on good terms are much more likely to recommend the company, and in doing so, help attract and retain future employees.

V.13.15 Work-Life Balance

During bad economic times, companies often expect their employees to do more work with fewer resources in less time. This can place an incredible amount of stress on workers. Companies that want to retain talented employees will make sure that the work-life balance at their businesses are well planned. Employers should be careful to give their workers enough time to complete their projects. They should also make sure to not overload them with too many jobs at once.

V.13.16 Track retention

If companies do not measure retention, it will not improve. If company does not know which line managers are doing well and which are not, they will not know who needs coaching. And if one does not know where they stand relative to their industry, then they are probably one of the worst.

V.13.17 Loyalty

Another element in a successful employee retention strategy is employee loyalty. True loyalty is not an enforced requirement but an earned response to the trust, respect and commitment shown to the individuals in your company. When company demonstrates loyalty to its employees, they will reciprocate with commitment and loyalty to the business. People do not
begin their employment with as loyal employees, but develop loyalty over time as they are trusted, respected and appreciated.

**V.13.18 Competitive advantage**

Another element in strategy to retain employees is competitive advantage. People want to work for a winner. What sets a company apart from its competition? How is company and its employees making a difference in the industry? in the community? and for customers? Clients and employees need to be informed about unique competitive advantage. If the product is similar to others in the marketplace, service is what that will distinguish.

**V.13.19 “Stay” Interviews**

In addition to performing exit interviews to learn why employees are leaving, companies must consider asking longer-tenured employees why they stay. Ask questions such as:

Why did you come to work here?
Why have you stayed?
What would make you leave?
And what are your non-negotiable issues?
What about your managers?
What would you change or improve?
Use that information to strengthen employee-retention strategies.

In summary the six key practices that organisations can implement with technology support to retain their top talent:
i. Recruit the right people in the first place.

ii. Improve the line manager’s ability to manage.

iii. Give employee’s constant feedback about clear, meaningful goals.

iv. Empower employees to manage their own careers.

v. Proactively drive talent mobility.

vi. Continuously measure and improve retention strategies.

V.14 Scope for Future Research

Research could be undertaken in the following topics in future:

i. Employee engagement

ii. Talent and Innovation Management

iii. Management of workforce / generational diversity

iv. Competence Inventory

v. Transformational development

vi. Quality of Life

vii. Creative and innovative HR practices

viii. Virtual Human Resource Management