Review on Employee Retention from a Multiple Perspective

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Abstract. The development of human resources management has undergone tremendous changes along with the development of management science in general. In the contemporary time, labor force has been seen as human capital whose value has been skyrocketing at the exponential rate. In business world, it is unanimously admitted that the worst headache for managers today is how to retain the right employees. Finding the ideal person for every workplace position has become an increasingly difficult task. The retention of top employees has become every manager’s concern. This paper aims at discussing this issue from different perspectives and finding workable solutions for this issue.

Status Quo

“Losing your best employees to other companies? Having to work harder and longer because your co-worker went to a better job with "more opportunity" [1, 2, 3] Is it possible to stop the bleeding before you too become "burned out" and depart for greener pastures [4, 5]? This is the phenomenon happened in many firms and organizations nowadays and quite a number of managers complain that they are losing their best employees [6]. They have been trying all means to prevent this phenomenon from happening again, but it seems that it is rather difficult for them to do so [7]. How to retain employees, especially the right or best employees has become a hot topic for contemporary managers [8].

The Root cause of why so many mobile employees in contemporary workplace?

It would be much easier to solve the problem of employee retention if managers can dig out why their beloved employees choose to divorce with their firms and organizations [9, 10, 11, 12]. Once the reasons have been found out, correspondent measures can be taken to redeem the situation and that will also ring a bell for managers to reconsider and improve their employment policies [13, 14, 15]. Therefore, it is key point to dig out the reasons why employees choose to leave rather than stay in the firms [16, 17].

Human beings are creatures with blood and flesh. This feature has determined that they are not like machines or tools. When a machine goes out of work, it is much easier to find out what was going wrong, but it is not as simple as this to dig out what has been going wrong with employees [18]. This might be the most difficult thing for managers to do but it is not absolutely impossible. As long as thoroughgoing and painstaking investigation has been done, managers are able to figure out some inkling.

Why employees choose to leave rather than stay in the organization must have their own reasons, which might be accounted for either subjective or objective conditions [19, 20]. Managers must keep in mind that when employees choose to leave, they must have undergone a very careful consideration, if there is still no alternative, they have to choose to leave. We might consider the reasons for their leaving from the following aspects.

From the Economical Perspective

We may take it for truth that human beings are material-oriented animals. Under such an assumption, employees may judge their own value according to how much they have been paid. If they are underpaid, they will think that their ability and worthiness have not been recognized and
they have been under-weighed. Under such a kind of psychological impulse, they will have a low morale in work and be rather passive and unenthusiastic while working\textsuperscript{21}. Therefore, it is very important that managers play fair pay policy. It is easy said than done to have exactly fair pay measures in real life actually, especially for those work, which contains much brain than hand, as performance that involves much more brain cannot be quantified and some of the mind work may take years to know their concrete benefit\textsuperscript{22}. Therefore, it is important for management to have a carefully designed comprehensive and flexible salary mechanism. For those employees who really matter much for the development and growth of the firms and organizations, a good and effective way to imitate the SEMCO model\textsuperscript{2} has been proposed—that is, let the employees set their own salaries\textsuperscript{23}. While employees set their own salaries, they themselves also have a scale in their heart, they know how much they are weighing and at the same time they also know that it is not graceful but actually shameful if they overestimate their ability and set a too high salaries\textsuperscript{24}. This is probably more true to those who are scholars, technicians and learners. What is more, salaries are also governed and leveraged by government pay law and the standards of professions. Managers should not fear too much that their employees will rob them if employees have the autonomy to set their salaries\textsuperscript{25, 26}. The evidence has shown that SEMCO model is effective and has generated a fantastic outcome. But it is not always working as one of the world famous HR expert\textsuperscript{4} stated “Pay increases made to retain employees after they have made a decision to leave are only effective for nine to 12 months,” so managers cannot regard pay increase as a panacea to retain employees.

\textbf{From Work Environment Perspective}

Some employees leave the firms and organizations because they do not like the environment where they work, especially the humane environment. Employees spend quite a numbers of hours every week in their workplace, so it is important that they love the environment where they stay and perform the activities. Thus, a kind of atmosphere where there is full of minute consideration, friendship, harmony and cooperation should be created. It may be easy to overcome the natural environment like, a shabby office and simple facilities, but it is difficult for employees to put up with the surroundings where there are tense and unfriendly humane environment\textsuperscript{27}. A fresh and energetic work team or group is key for employees to work diligently and efficiently. Much emphasis has been laid on whom they work with. If employees work with those they admire, love and respect, they will cooperate very well in work and achieve a great performance. This requires managers to establish a constructive and harmonious humane environment for their employees, such as get-together between different divisions, birthday celebration in the whole companies, etc. once employees have the feeling of being at home while they are at workplace, they will love the firms where they work as they love their homes, thus belonging and membership will be established and high performance will be guaranteed.

\textbf{Charismatic Leadership Can Attract Employees to Stay}

Quite substantial evidence shows that a leader with charming charisma plays an important role in retaining employees, as employees pay much attention to the question of whom they are working for\textsuperscript{28}. Qualified managers should have the following leadership features:

1) They should learn to operate without the might of the hierarchy behind them.
2) They should know how to compete in a way that enhances rather than undercuts cooperation.
3) They have the ability to operate with the highest ethical standards.
4) They have a dose of humility sprinkled on their basic self-confidence, a humility that says that there are always new things to learn. It will be a disaster if managers show before their employees that they are persons of knowing all.
5) They should develop a process focus—a respect for the process of implementation as well as the substance of what is implemented.
6) They must be multifaceted and ambidextrous, able to work across functions and business units to find synergies that multiply value, able to form alliances when opportune but to cut ties when necessary, able to swim equally and effectively in the mainstreams and in the new-streams.

7) They must gain satisfaction from the results and be willing to stake their own rewards on them. If managers really have a leadership of the above characteristics, employees will be proud of having worked for them and will surely maintain their belonging with the firms. But at the meantime, it must be admitted that there are no unitary standard for a qualified manager to follow to the letter and employees may also have different tastes on what kind of managers they like. Therefore it is not easy to be a manager and very hard to be liked by all the employees as managers have to be scrutinised and reviewed by their employees.

From Employees Personal Perspective

Quite a number of employees choose to leave the firms where they work not because that they are not satisfied with their pays, benefits, work environment, but because of their personal reasons like family problems.

It is key point for managers to adopt a policy of empathy- managers should try to think. Today employees have the freedom to roam. Even though employers have become quite considerate and appreciative of their employees, employees still leave, which costs employers plenty. In order to arrive at a solution to retaining valued employees, some leading edge work done in the field of psychology may be an effective way. Quite a number of studies reveal how each employee will seek to regularly gratify their needs in one of four distinct ways. The first way is to better understand the meaning and significance of one's own life - to understand how it's unique. This group engages their diplomatic awareness to inspire and mentor. A second way is to seek mastery and self-control to be universally knowledgeable and competent in whatever they undertake. They prefer to engage their skills and strategy of design. A third way is to seek membership or belonging to a group and solidify this alliance by fulfilling responsibilities or duties for the group. They emphasize planning and logistics in their interaction. The final group needs the freedom to act according to the needs of the moment so as to make a unique impact on others or the situation. They use their tactical intelligence to solve real time problems.

Conclusion

How then can valuable employees be stopped from walking away, or worse, being fired? Organizations must plan to use the personality diversity of the members in the group in planning group direction. When a work group can identify the different values based perspectives it contains, the group can plan on using those differences to better conduct its planning and problem solving.

Numerically under-represented personality temperaments can be brought to the forefront to help guide the group beyond the "we've always done it that way" mentality. In addition, the inclusion of these "other points of view" in the group's action plan will allow for all members to identify with their piece of the group's plan for success. Previously, only those in the majority or who are on the boss' side could contribute.

By allowing for differing perspectives to be recognized in problem solving or process improvement, the entire group wins by moving out of "group think" traps. Additionally, the individual wins by seeing his or her solutions used to solve problems plaguing the team. Individual ownership and empowerment is then only a short step away.

We've all been on athletic teams or involved in groups that were just plain fun to be on because we contributed to the group's success. Wasn't it hard for you to leave that team or group? Don't make it easy for your employees to leave, make it hard- it's possible to plan on getting them involved. It is time to build a plan to incorporate personality diversity into your company's future if you want to all retain your employees and capture their ideas.
Reference

[16] Robertson I, Smith M. Motivation and Job Design, IPM. 2005


