

FACTORS INFLUENCING EMPLOYEE MOTIVATION AND RETENTION IN AN ORGANIZATION



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WHAT IS EMPLOYEE RETENTION?

- **Retention is all about keeping good people and how you manage them.**
- **Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project.**

RECIPE FOR RETENTION

R - EMUNERATE COMPETITIVELY

E - NCOURAGEMENT AND EXPECTATIONS

T - RAINING AND DEVELOPMENT

A - NNUAL REVIEW CYCLES

I - NFORM AND INVOLVE

N - URTURE RECIPE FOR RETENTION

EFFECTS OF RETENTION

- **The cost of turnover.**
- **Loss of company knowledge.**
- **Interruption of customer services .**
- **Turnover leads to more turnovers .**
- **Goodwill of company .**
- **Regaining efficiency.**
- **Declines in productivity**
- **Significant costs in replacing these professionals**

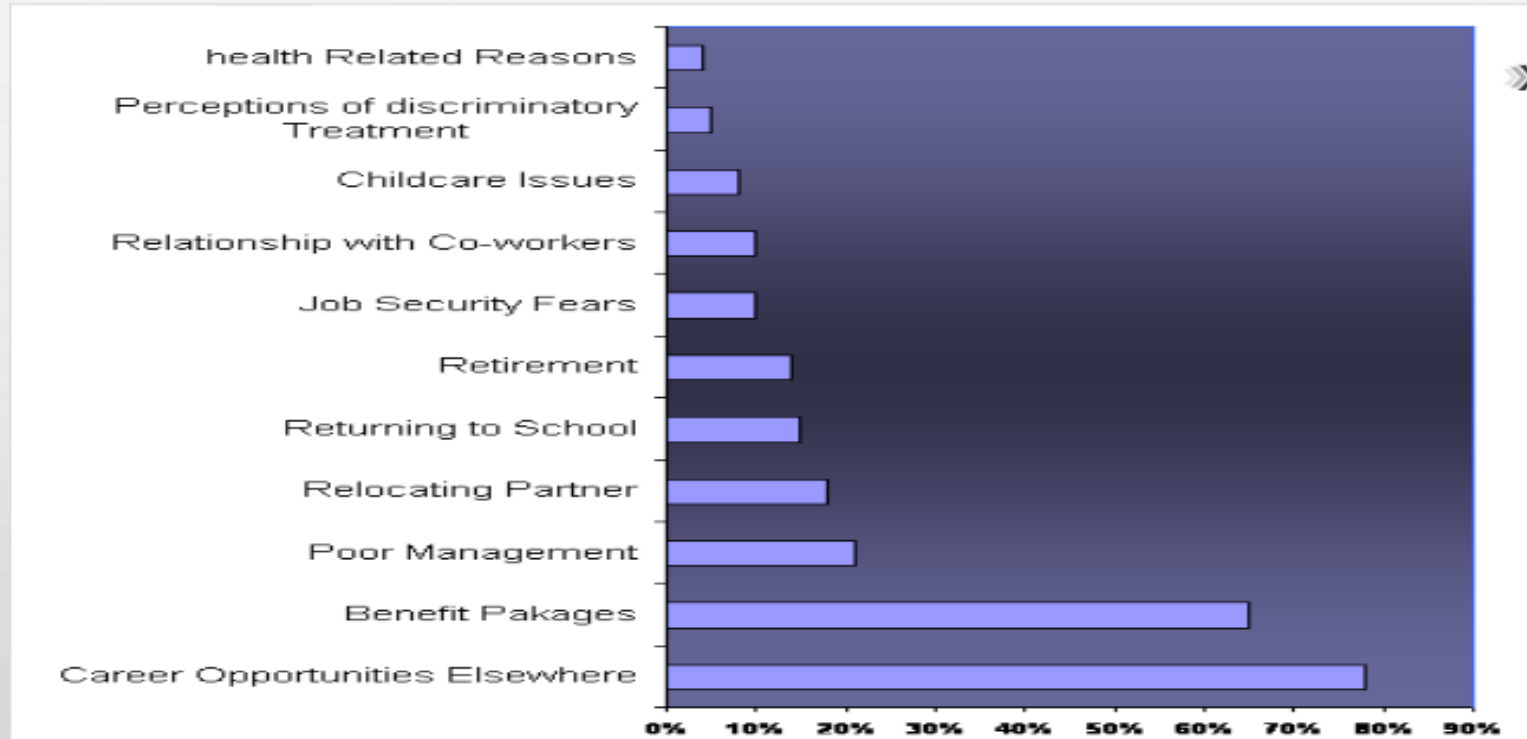
WHAT MAKES EMPLOYEE LEAVE ?

- **Job is not what employee expected.**
- **No growth opportunities .**
- **Lack of appreciation.**
- **Lack of trust and support.**
- **Stress from overwork.**
- **Compensation.**

CONTD.....

- **New job offers.**
- **Job and person mismatch**
- **For higher education**
- **Misguidance by the company**
- **No personal life**
- **Uneasy relationship with peers or managers**

WHAT EMPLOYEES LOOK FOR ?



- **Recent studies have shown that “limited praise and recognition” was ranked as a primary reason employees leave their jobs - not money**
- **Challenging work**
- **Learning oriented relationship with superiors, subordinates and colleagues .**
- **Competent leadership**

Attritive Factors

Compliance

Control

Rigid Norms

Abrupt changes

Unexciting Job

Unjust Discrimination

Unrealistic deadlines

Lucrative offers

Poaching

Bad Succession plan

Retentive Factors

Brand Image

Talent utilization & Job satisfaction

Good culture

Organization Environment

Credibility

Transparency

Empowerment

Responsiveness

Compensation

Good succession plan

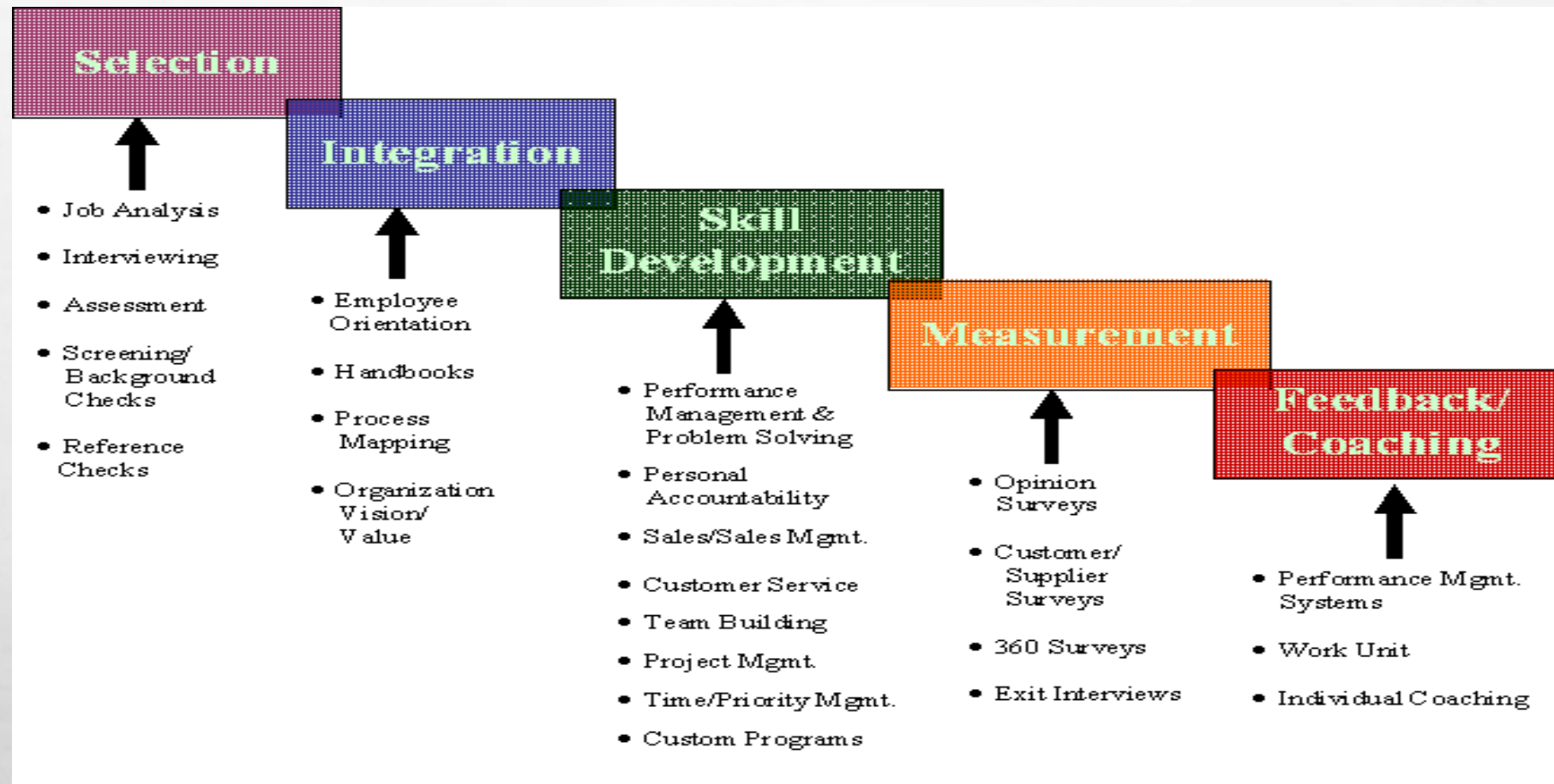
REASONS WHY AN ORGANIZATION IS NOT ABLE TO RETAIN THE EMPLOYEES

- **Performance goals are unclear**
- **The personal touch is missing**
- **Reward systems are not transparent**
- **No career planning**
- **Goal setting process is not scientific.**
- **No communication around total value**
- **Perceived equity of reward systems is low**
- **People don't get integrated**

RETENTION STRATEGIES



RETENTION MODEL DIAGRAM



RETENTION STRATEGIES THAT ORGANIZATIONS USE

TRAINING PROGRAMMES

- **Organizations should design training programmes that match employee competencies with current trends.**
- **IBM set up a career centre where career development programmes were emphasized.**

EFFECTIVE MENTORING

- **Effective mentoring another reason for turnover is lack of effective mentoring skills. Employees get demotivated in the absence of proper mentors.**

CHALLENGES

- **Employer should help employees to prove their worth and bring out their talent potentials, and avoid cost point.**

AUTONOMY

Autonomy giving employees responsible tasks, while giving them the freedom to work in their own style and motivates them to stay on.

GOOD RELATIONSHIPS

- **Healthy relationships among the line members and staff members inspire employees to stay on in any organization.**

MONITORY PACKAGE

- **Good monitory package compensation plays an important role in attracting, motivating and retaining employees.**

SOME OTHER MEASURES...

RECOGNIZING EMPLOYEES

- **“Certificates of recognition”**
- **“Job well done” card**
- **Wall of fame**
- **Recognition voice mail**

MAKE WISER CHOICES WHEN HIRING EMPLOYEE

- **Consider the corporate culture into which employee must fit .**
- **Doing so will ensure that not only will the employee match the company's expectations but also company will match the employee's expectations.**

COMMUNICATE EFFECTIVELY WITH YOUR EMPLOYEES

- **Encourage your workers to share their concerns within the organization. This fosters openness and trust between all parties involved.**

EFFECTIVE AND ETHICAL LEADERSHIP

A well-known study stated that:

- **39% of workers said their supervisor failed to keep promises.**
- **37% indicated their supervisor failed to give credit when due.**
- **31% said their supervisor gave them the "silent treatment" during the past year.**
- **27% report their supervisor made negative comments about them to other employees or managers.**
- **24% indicated their boss invaded their privacy.**
- **23% said their supervisor blamed other to cover up personal mistakes or minimize embarrassment**

PROVIDE ALTERNATE WORK SCHEDULES

- **Provide alternate work schedules some companies have implemented programs for flexible hours, telecommuting, job sharing, four-day work weeks, and transportation subsidies.**
- **This allows employees to gain greater control over how, where, and when they work which leads to better work/life balance and helps to retain them**

TYPES OF EMPLOYEE RETENTION STRATEGIES

- **LOW LEVEL STRATEGIES**
- **MEDIUM LEVEL STRATEGIES**
- **HIGH LEVEL STRATEGIES**

LOW LEVEL STRATEGIES

- **Appreciating and recognizing a well done job**
- **Personalized well done and thank-you cards from supervisors**
- **Congratulations e-cards or cards sent to spouses/families**
- **Voicemails or messages from top management**
- **Periodic days off for good performance**
- **Rewards(gift, certificates, monetary and non monetary rewards)**
- **Providing workforce conveniences**

CONT...

- **Organize get together for watching football, hockey, cricket matches organize picnics and trips for movies etc**
- **Sports outings like cricket match etc indoor games**
- **Occasional casual dress day**
- **Occasional parties**

MEDIUM LEVEL STRATEGIES

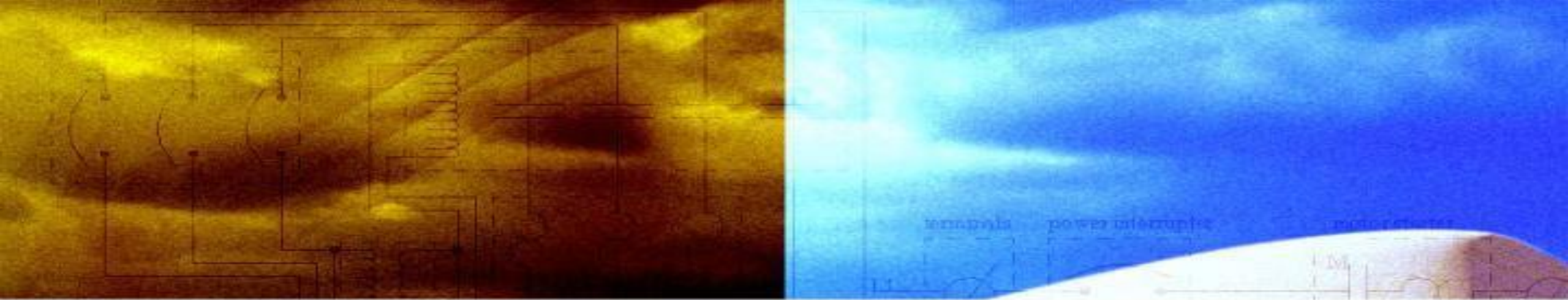
- **Providing training and development and personal growth opportunities**
- **Professional skills development**
- **Individualized career guidance**
- **Personal loans for emergencies**
- **Medical care reimbursement**
- **Providing conveniences at workplace**

HIGH LEVEL STRATEGIES

- **Develop flexible schedules**
- **Part-time schedules**
- **Extended leaves of absence**
- **Develop support services**
- **Understanding employee needs**
- **Appreciate new ideas and reward risk-taking**
- **Show support for individual initiative**

CONCLUSION

- **The basic purpose of these strategies is to increase employee satisfaction , boost employee morale hence achieve retention .**
- **It requires understanding their needs which can drive satisfaction and high performance in them, and then use his knowledge to create an intrinsically motivating work experience, by doing this organization can become what we say in true words , retention worthy.**



Motivation



***What motivates
your employees?***



***Shouldn't you
find out before
they run away?***

MOTIVATION

It is the process of arousing behavior, sustaining behavior & channeling behavior in a specific course. It explains why some people work hard to deliver while others perform poorly.

WHY MOTIVATE?

- **Motivation is generally what energizes, maintains, and controls behavior.**
- **Motivated employees will retain a high level of innovation while producing higher-quality work at a higher level of efficiency.**
- **The opportunity cost in motivating employees is essentially zero.**

FACTORS AFFECTING MOTIVATION OF STAFF

Motivation of employees is affected by:

- 1- The individual needs.**
- 2- Job specifications.**
- 3- Work environment.**



INDIVIDUAL NEEDS:

The needs of an individual are important motivators. It is the individual needs only which make the person work with enthusiasm & interest.

Two significant individual needs are:

A) Need for power:

B) Need for achievement:

JOB DESIGN

- **Job design is another motivator to satisfy, signify and give value to employees encouraging them to perform well.**



WORK ENVIRONMENT

- **It is seen by behavior modification theorists that employees perform positively if environment is favorable which is made by democratic leadership style, peer group interaction....etc.**



MOTIVATIONAL TECHNIQUES

Positive reinforcement: Annual reward for better performance in the form of money, recognition, praise, promotion etc.

Constructive criticism: Some staff members improve their behavior in order to avoid any other criticism at work.

PUNISHMENT

- **Withhold reward or promotion so as to change the behavior of staff. Scolding in front of others or humiliating should be avoided**

- * **Making the staff participate in different activities** which give them affiliation, acceptance and recognition.
- * **Giving feeling of personal responsibility** or keeping interactions. The newly appointed staff should be left independent but be observed closely.



MOTIVATIONAL THEORIES

Can be classified into at least two groups :

- content theories
- process theories



CONTENT THEORIES

In general content theories emphasize individual needs or the reward that may satisfy those needs.

There two type of content theories:

Instinct : Inherited tendencies that cause an individual to behave in certain ways.

Need:



NEED THEORIES:

Maslow	Alderfer	Herzbreg
Self-actualization	Growth needs	Motivating factors
Esteem needs		
Belongingness (social needs)	Relatedness needs	Hygiene factors
Safety needs	Existence needs	
Basic needs		

PROCESS THEORY EXAMPLE

VROOMS EXPECTANCY THEORY:

Expectancy theory argues that work motivation is determined by individual beliefs regarding effort – performance relationship and work outcomes.

COMPONENT OF EXPECTANCY THEORY

1- Expectancy :

Expectancy is the probability that work effort will be followed by performance accomplishment.

2- Instrumentality :

Instrumentality is the probability that performance will lead to various work outcomes.

3- Valence :

Valence is the value given to the individual due to various work outcomes

MANAGERIAL IMPLICATIONS:

- **To influence expectancies, managers should select people with proper abilities, train them well, support them with needed resources, and identify clear performance goals.**
- **To influence instrumentality, managers should clarify performance reward relationships and confirm these relationships when rewards are actually given for performance accomplishments.**

EFFECTS OF MOTIVATION

- 1- Job Satisfaction:**
- 2- Organizational Commitment**
- 3- Job Involvement**
- 4- High Performance**
- 5- Reduced Absenteeism**
- 6- Reduced Turnover**





HOW KFC RETAINS ITS EMPLOYEES

- **FLEXIBLE WORKING HOURS**
- **SALARY**
- **OTHER FRINGE BENEFITS**
- **OPPORTUNITY TO DEVELOP A CAREER**

MOTIVATING FACTORS

- **WORK ENVIRONMENT AND THE WORK ITSELF**
- **EXCELLENT SUPERVISOR RELATIONS**
- **COMPANY RANKING AND COMPANY MATTERS**
- **RECOGNITION / APPRECIATION**
- **BETTER DEVELOPMENT AND GROWTH RATES**
- **PAY AND BENEFITS**

THANK YOU

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