
IMPACT OF RECOGNIZING EMPLOYEE CONTRIBUTION ON EMPLOYEE RETENTION

Dr. Sweta Prasad

Jamshedpur Women's University,
Jamshedpur.

Abstract:

As we all know that for any organisation human resource plays very important and vital role in accomplishment of predetermined goals but nowadays, it has become the most crucial issue to retain its talented and skilled workforce. Reasons due to which most employees leave the organisation are lack of appreciation & recognition, improper compensation, motivation, lack of job satisfaction etc. Hence, the purpose of this paper is to find out the impact of 3 R's namely Respect, Recognition and Reward as well as the importance of employee appreciation and identifying individual contribution on the retention of talented workforce in the workplace which boost up the morale and performance of the employees. The study reveals that corporate leaders should adopt different approaches to retain talented employees, minimise voluntary employees' turnover and to reduce the attrition rate in the workplace. Employee contribution should be recognized, he should be given respect if he deserves, he must be rewarded for his extraordinary effort, proper motivation and effective talent management are few factors need to be focused. Still many organisations don't understand the deep connection between employee respect, recognition, reward and retention of workforce due to which they lose their good talented employees.

Keywords:

Employee retention, 3 R'S, Motivation, Human Resources, compensation.

Introduction:

In today's competitive world, many business sectors are facing a great problem that is retention of the talented employee. We all know success and progress of any business depend upon the workforce.

Lots of benefits can be derived from the retention of employee. More the duration of service, the employee will be more experienced, knowledgeable, skilful and engaged, which will be of great help for any organisation in achieving short term & long-term goals, boost their confidence level and enhance their productivity. There is a symbiotic relationship exist between employee recognition and employee retention. Employee turnover disrupts smooth functioning of the organisation. To reduce the attrition rate corporate leaders, have to rethink and search for different ideas and approaches to recognize and retain their talent workforce. This study will focus on the impact of employees' recognition and retention at the workplace.

Employee Recognition:

Employee recognition was defined by the Australian Office of the Commissioner (2011) as “a return on an employee’s effort dedication at work and result”. It is the way to keep the employees connected with their job. Employee recognition is one of the best techniques to win and conquer the heart of the employees through proper appreciation and acknowledgement of their contribution for achievement of common goal of the organisations. Employee Recognition is very important and it leave lots of impact on employee retention. It makes the employee feel as if he is very important part of it and the work is appreciated. Level of moral and motivation of employee is raised due to which loyalty towards the organization is an enhanced. Employee will be very happy due to supportive and conducive work environment as they are of great advantage for organisation and time to time managers should also remind them as they play important part of the organisation.

Employee Retention:

In common parlance, if we want something to retain for long time then you have to be very careful while utilising it and must be handle with care. In business context, retention of employee means to retain the talented employee by adopting different strategies for their recognition, motivation, job satisfaction etc. so that employee can continue their job in the same organisation for the long time without having any grievances. In other word, it is an organizational ability to prevent employee turnover or the number of people who leave the job either voluntarily or involuntarily. Employee retention cuts the expenditure of hiring and training of new employee. There are different policies regarding retention of employee through which the needs of the employee is taken care but better opportunity with good packages force people to move ahead and grasp the opportunity. To retain the critical talent is tough task for the organisations. In the present situation, most talented with some unique quality is in demand of the corporates and to retain them becomes a big challenge in front of the business sectors.

The industry is going through a major shift and across all aspect digital has created a major impact in our life. Leaders across all the industry truly reflect the priority towards talent is changing big time. If there is one thing, which constantly create a mix sense of opportunity & threat to all the corporate leaders across the industry is just how to retain and engage a Talent in this challenging time. When the employee retention & retaining the right talent is a key for every organization. According to research done by Oracle Netsuite, “it costs U.S. businesses more than \$1 trillion a year to replace employees who voluntarily decide to leave their jobs.”

Retaining Talent has been moving through competitive intervention through monetary and non-monetary interventions. Driving retention through monetary intervention, one-way focus is retain talent based on the skills and the competitiveness by making competitive pay out, Right role right pay based on skills, experience and contribution, while this alone will not address the challenge till the time, we uplift and do something which is more deep in nature and help us to do things beyond compensation. I’m talking about building a competitive & safe culture, which allow each and every individual to thrive and help them to unlock their potential. So, every individual can outperform and contribute for the success

of the organization. Creating a culture of recognition, which is more open, receptive in nature & rewarding. It was concluded that it is the peak time for the leaders to take some major steps to enhance the employee's retention level.

R's: Respect, Reward & Recognition:

Maximum number of working populations believes that 3 R's (Respect, Reward & Recognition) are of utmost importance in order to retain employee only handful believes that monetary benefits are more important for employee retention. Rewards program will be successful only when it is linked with organization's objectives and it is clear in the mind of employee what is expected from him/her in their jobs. Each & everyone loves to get respect, humiliation by employer, demotivate the employees due to which they decide to take strong step that is to leave the job.

There is a misconception in organization that employee can be motivated by monetary benefits due to which many sectors focus on offering financial benefits to the employees still they fail to retain the talent so, it is not suitable in all situations. There can't be single solution for all circumstances & situations. There are two types of motivators – Monetary & Non-Monetary. Time to time management should focus on both the motivator as per the requirement, if they really want to stop brain drain from the organization. High performing employee seeks recognition, respect as well as financial benefits. It works as a self-fulfilment which keeps them motivated so that they can give their best performance. In absence of proper reward and recognition, organisation not able to retain the talented workforce for a long time.

Research Methodology:

The main aim of the study was to determine the impact of employee contribution on retention. The objectives of the study are as follows: -

- a. To identify different retention strategies in the workplace.
- b. To establish the relation between employee contribution on retention
- c. To study impact of employee recognition on retention.

Descriptive and Exploratory method was adopted for the study.

Impact of Employee Rewards and Recognition on Retention:

- a. When employee is recognized for their work, efforts and skills , they feel motivated to do the same thing again & again.
- b. A sense of loyalty is developed among the employee, when they are valued and get respect for their work.
- c. Employee is more satisfied with their job as it clear in their mind that the hard work is not going to be unnoticed. He is happy with the working condition and ready to take more challenges with positive attitude.

- d. Now, there will be good bonding and relation with their superior. Proper appreciation and acknowledgement assure full support of the superior which helps in establishing better relation with superior.

Conclusion:

Interaction with multiple leaders across IT, Banking and service Industry, reflect how Industry is going through up in Value chain. A shift from a Talent provider or Talent Staffing mindset to building capability, Build and design solution, integrate the solution and doing a higher end work like consulting, to solve complex business or customer problems. All these we can drive and this is only possible through the Talent workforce, which is at the centre of the business to drive all the key business priorities.

Most of the Industry is going through a great resignation & the rate at which attritions has shoot up in last couple of quarters has been very alarming for the industry. On an average, it is seen that more than 35%-40% attritions across all the Industry, which has created immense pressure to all the business stakeholders. A larger and complex delivery programs and all transformation agenda, we can drive only through Talent. The focus on retaining and engaging talent has been one of the key priorities for the business to drive all the key business outcomes and Goals.

This is not only human resources team, while business is equally responsible to drive the culture of recognizing talent and Building more immersive talent for every employee is key to drive retention through action-oriented engagement programs. Creating a culture to recognize and retain talent through robust engagement program, which will be at the centre to create an avenue for everyone to thrive and recognize their contribution, will have a direct impact on retention and reduce the turnover or attrition.

Building a rewarding and engaging culture, which focus on recognizing each and every individual, who are contributing meaningful for business and engagement, will directly impact on retention and long-term commitment and association of an employees with the Organization.

Building the culture of Respect, Recognition and Reward is a very holistic view to create a strong engagement program for an organization to harvest the culture of appreciation. Appreciation is a very powerful tool for all to shift the perspective & create an engaging workplace for an individual to thrive and success in their career journey. It was experienced that in the context of business and the engagement, which every organization is driving to retain and engage Talent. In a most testing times, when management got stuck and in mid a lot of crises, team and people with whom they are working to make things better in the context of business shift, be the game changer and manage the crises, appreciation and recognize people contribution is a most meaningful approach to shift the perspective and add fuel on fire for people to drive with more energy to lead from front to accept any challenge in this changing business time. The current demand in business on excellence in delivery on time and above customer expectations. Many business sectors will be able to lead this, if they have an engage workforce, which will help us to drive all the key priorities.

At last, Companies should understand that success of the organization is totally dependent on retaining talented & skilful employee. It is good for the business unit, if an effective retention approaches based on 3 R's is implemented. Employee will not leave the job, when there is good relation with the immediate boss. This study reveals that motivational factors are unique to everyone.

References:

1. [https://www.abacademies.org/articles/employees-retention-strategies-and-organizational-performance-14752.html#:~:text=\(2020\)%20found%20that%20employee%20retention,the%20service%20for%20a%20long.](https://www.abacademies.org/articles/employees-retention-strategies-and-organizational-performance-14752.html#:~:text=(2020)%20found%20that%20employee%20retention,the%20service%20for%20a%20long.)
2. <https://www.netsuite.com/portal/resource/articles/human-resources/employee-retention-benefits.shtml>
3. <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/managingforemployeeretention.aspx>
4. <https://www.hifives.in/understanding-the-impact-of-employee-rewards-and-recognition-on-employee-turnover/>
5. https://www.tutorialspoint.com/employee_retention/employee_retention_importance.htm
6. <https://www.managementstudyguide.com/importance-of-employee-retention.htm>
7. <https://www.bizcatalyst360.com/respect-recognition-rewards-and-responsibility-the-essential-pillars-of-progress/>
8. <https://www.saviom.com/blog/employee-recognition-programs-types-benefits-and-best-practices/>
9. <https://www.slideshare.net/JabilCircuitInc/respect-recognize-reward-25393338>
10. [https://blog.vantagecircle.com/reward-and-recognition-program/.](https://blog.vantagecircle.com/reward-and-recognition-program/)