

Employee Retention – Key to Success

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The white paper discusses ‘Employee Retention’, one of the key fundamentals that are necessary for success of an ITES company. The white paper discusses some of the pointers necessary for retaining key employees in an organization; these have been exercised and are in-practice for continuous growth of HyTech group of companies.

Measurements of Company Success

Before we discuss why key employee retention is important for any company’s sustained growth, let us first look at the parameters that measure any company’s sustained growth.

Any company’s growth and success is ensured by following parameters that are important for sustained growth of the company:

- Customer satisfaction
- Employee Success and Satisfaction
- Empowerment of Employees
- Quality, Integrity and Discipline

Customer Satisfaction is an important indicator in company’s success and continuous growth. It is not only important for companies to be able to generate new business opportunities but also ensure that they have satisfied existing customers. A satisfied customer not only provides good feedbacks to the account manager during the development of the project, it can also provide to good references that is helps in forming business relationships with new customers.

Employee Success and Satisfaction is another important indicator of company’s success. Growth of an employee in the company should be well aligned with the growth of the company. A company cannot sustain growth if its present employees are not satisfied with their

growth path in the company and are therefore looking for better opportunities in the company. Any work needs to be motivated with passion if we need quality work. Passion can be generated only when the employees are satisfied with their self growth and hence can work for the growth of the company.

Empowerment of Employees is also a key element that measures a company’s success. Maintaining a hierarchy in any company is important; however it is equally important if the employees are empowered to follow a culture where there is no hesitation in placing their view points for discussion and it is easy to have two-way communication. A healthy work environment is indicated if the growth of employee is governed by his / her performance and not by other external factors.

Quality, Integrity and Discipline are other key factors for a company’s growth. Quality in work comes from the maturity of the processes followed in a company whereas integrity and discipline becomes integral part of the company work culture.

Importance of Employee Retention

Andrew Carnegie, famous industrialist of 19th century who is known for having built one of the most powerful and influential corporations in US once commented, “Take away my factories, my plants; take away my railroads, my ships, my transportation, take away my money; strip me of all of these but leave me my key people, and in two or three years, I will have them all again.”

Even in today’s new era, these words are very true. Retaining key people in a company provides following advantages:

- Strong Knowledgebase: Retaining key employees ensure that we are keeping those people on board who have very good knowledgebase about the company and its processes. This helps in managing day to day activities seamlessly.
- Experience: By retaining key employees, the company ensures that there is good amount of experience on board that helps in avoiding normal pitfalls or overcoming with experience.
- Add stability: In addition, retaining employees provide stability to the company. By seeing a group of retained employees, new employees have more confidence of receiving a healthy working environment in the organization.
- More productivity: It has been observed that employees tend to work harder if they have a feeling of security and they feel they are going to stay in the company for long time.

Potential Reasons for employees to leave organization

Key employee retention is critical to the long term health and success of company. Retaining our best employees ensures customer satisfaction, product sales, satisfied coworkers and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning:

Following are some of the potential reasons for employees to leave an organization.

- Salary
- Lack of challenge or growth
- Lack of recognition
- Loss of faith in manager/supervisor for providing opportunities for self-growth
- Lack of trust in senior management
- Overall low job satisfaction

What do employees care for?

Having looked at the importance of employee retention and reasons for employees to leave an organization, let us now look at what are the factors that play an important role in employee retention.

Employees care the most about interesting and challenging work, open, two way communication and opportunities for growth and development.

Appreciation: Employees look for appreciation for their work. An employee who feels appreciated and valued in an organization is known to contribute more than his/her counterparts. Appreciations come by providing frequent feedbacks, respecting employees and their contributions to the company efforts.

Growth: All employees look forward to growing in their job responsibilities. Providing framework where an employee can see that he is growing is necessary. A good company or a good manager is one they can help employees grow with consistent focus on performance and results.

Relationship with manager / supervisor: Manager / supervisor being the interface of the employee with the company, how good this relationship is becomes important in an employee's retention in a company. It becomes manager's responsibility to provide frequent feedbacks, make employees feel valued in the company. A manager fails when he/she is unable or unwilling to develop the ability to manage and value employees; all this can then have a negative impact on their innovation and consistency in providing services.

Value System

For developing a healthy company culture and policies for company, following are few points that needs to be remembered.

- Satisfied employees clearly know what is expected from them every day at work.
- People leave managers and supervisors more often than they leave companies or jobs
- The ability of the employee to speak his or her mind freely within the organization
- Transparency in work assignments
- Employee skill enhancement is company enhancement.

To enable a company to provide an healthy environment to employees, following are few of the value systems adopted by organizations.

Feedback Process: Employees like to know how they are performing. Feedback processes help in developing their knowledge and skills.

One popular feedback process that generally organizations prefer implementing for better growth is 360 degree of feedback process.

360 degrees of reviews is a review process where all employees provide feedback to their reporting manager, co-workers, and supporting staff. This enables us to motivate staff by providing constructive feedback. 360 degree feedback helps in personal and career development for the employee undergoing this review process. Method of collecting data, maintaining the confidentiality of it and tabulating it are key elements in deciding the success / failure of the feedback process.

Empowerment Culture: An empowered culture ensures that the employees are productive and happy. Such kind of healthy cultural environment facilitates in personal as well as organization growth. And this can be done by (a) showing respect for employees and their contributions made to an organization (b) having confidence in employees by sharing with them the larger vision, goals

and direction (c) provide information to them for making decision.

Performance Tied to Customer Satisfaction: For a service provider in a competitive market, it becomes necessary to focus on quality delivery and customer satisfaction to achieve sustained growth with long term vision. Some organizations put customer satisfaction as one of the elements in deciding the performance of the employee. This ensures that quality delivery and focus on customer satisfaction becomes an integral part of the company culture and work environment.

Rewards System: Rewards and incentives boost an employee's motivation to work efficiently and productively. Reward systems include monthly rewards like "Employee of the month" or annual rewards like "Employee of the year" whereas incentives and bonuses can be tied to projects or year end stock options and cash bonus.

Training based on Feedback: Feedback helps in determining performance issues for every employee and helps in developing training structures and tools for enhancing employees' performance.

It has been a long and successful journey and the company has been able to achieve these successes due to the contributions of a winning team - a team with innovative ability, creative mind and entrepreneurship attitude. And the success of an emerging company certainly depends on the formation and success of its team members.

About the Article

This article is a study on the importance of employee retention for the emerging companies' success and growth. With the current NASSCOM achievement that has recognized HyTech Professionals among the top 3 "Exciting Emerging Companies to work for" in India, HyTech



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Professionals' co-founder Vishal Gupta shared his views on fundamentals that lead to the current success.

About HyTech

HyTech Professionals was established in the year 2003 with a vision and mission to

provide high quality, cost effective solutions to its customers. The primary focus was on customer satisfaction and on forming long term, mutually beneficial relationships with the customers. One of the main principal that company believes is that the customers for HyTech includes clients, employees, partners and vendors.

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