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## 3E. Retention

After filling the vacancies with new recruits, the next HR challenge is to keep the productive employee in the company.

### 3E.1 Turnover

Employee turnover is the rate at which an employer gains and loses employees. Simply put, it is “how long employees tend to stay”? High turnover may be harmful to a company’s productivity if skilled workers are often leaving and the worker population contains a high percentage of new or inexperienced workers.

Most labour turnover occurs in the first six months of employment, so helping new employees to feel part of the organization can minimize labour turnover costs and improve organizational profitability and competitiveness. Impressions formed by new employees within their first 60 to 90 days are lasting, with the first day being particularly crucial.

Refer to section 3D.3 Orientation above for details about minimising labour turnover of new employees through orientation.

### 3E.2 Why employees leave?

Employees leave for a variety of reasons. For example:

- ✦ Difficulty to fit into the culture of the company
- ✦ Job responsibilities do not match what was described/promised during the interview
- ✦ Bored/unchallenged by the work itself
- ✦ No clear working knowledge of the purpose of their own role
- ✦ Cannot see contribution of work to the company’s business goals
- ✦ Cannot see management’s recognition of employee’s job performance
- ✦ Not enough support given during the first month in the job - this could mean no orientation or no on-the-ground support e.g. guide to workplace, health, safety and hygiene issues or introduction to “frequent contacts” which could help them build the relationship and to help the new employees settle into the job and the new environment
- ✦ Poor managerial and/or supervisory skills, act with no integrity, play favoritism etc.

In order to encourage employees to stay in the company, the employer should understand the needs of the employees, knowing and addressing the issues that valued by employees, for example:

- ✦ recognition of achievements and contributions
- ✦ fairness at work
- ✦ trust in employees
- ✦ care for employees’ wellbeing
- ✦ concern for employees’ development
- ✦ feeling of involvement and participation in the company’s future plans

To minimize costs on recruitment which is costly, you will have to keep the turnover rate of the company at a healthy level.

Happy employees are more productive than disgruntled or unhappy ones. Encouraging employee involvement and input fosters loyalty and respect. Having a positive attitude is always good business.