

## **“A Study Of Key Practices Adopted By Organizations For Creating An Innovative Culture To Retain Their Excellent Performing Managers”**

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### **ABSTRACT:**

It is important for every organization to retain people, especially good performing employees. But it is more difficult for the organization to retain ‘Excellent Performing Managers’. These are the special category of people on whom the success of the organization rests. Organizations are always on the lookout of such people. In fact, organizations appoint consultants for attracting such people. To retain such type of people, special incentives are needed. Organizations have to see that all sort of facilities are provided to them. All these facilities vary from company to company.

Every company try to offer better facilities and incentives to retain and attract such people within its budgetary means. Every company tries to have novel ideas to retain such people. Certain managers would like to have more monetary benefits, whereas others may, would like to have recognition and social status and opportunity for self-actualization. There are number of ways or incentives to be offered to managers to retain them. But this cannot be done in case of every manager. We have to follow the cafeteria approach. We have to identify those managers whose track record is excellent. Those who are inevitable (essential) to the organization, depending upon the utility, organization incentives are to be offered. Retention of Excellent Managers is vital from the point of view of the organization.

**KEY WORDS:** Retention, Incentives, Employee Well-being, Excellent Performing Managers

### **INTRODUCTION:**

“Our Asset walk out of the door each evening, we have to make sure that they come back the next morning” Narayan Murthy, Chief Mentor of Infosys.

“My employees are most important assets and when they go home in the evening, my net-worth drops to zero” a Software Billionaire in Silicon Valley (USA).

There was a partnership firm in USA doing very good business. On separation of business, one of the partners said, you take all the assets of the business, leave employees to me. This is the importance of human assets of the enterprise.

Human capital is not solely the people in the organization, it is what those people bring and contribute to organizational success. Human capital is the collective value of the capabilities, knowledge, skills, life experience and motivation of an organizational workforce. It is also called as intellectual capital. It would mean that knowledge, creativity, thinking of the people make. As per Gray Becker (Nobel Prize Winner), countries managing human capital better are likely to have better economic results.

There are various ways and means suggested for the well-being of employees. But these ways are suggested for everybody in the organization. It benefits not only all individuals in the organization but it makes organizations better place to work for. Evidence shows that people who achieve good standards of well-being at work are more likely to display a range of skills that will also benefit employers. In work places that are set up to foster well-being, people tend to be more creative, more loyal, and more productive and perform better in terms of customer satisfaction.

Improving well-being at work implies a more rounded approach which focuses on enabling employees to maximise their personal resources (in particular, with reference to creating a good work life balance), creating an organizational structure that enables employees to flourish and take pride in what they do, supporting people to function to the best of their abilities, both as individual and in collaboration with their colleagues, and producing a positive overall experience of work. Well-being is important for all. It motivates people, reduces absenteeism and reduces labour turnover. It has many advantages. It creates healthy behaviour among its employees to help staff maximise their physical and mental health. It enables employees to track and analyse nutrition, physical activity, sleep patterns and stress on daily basis.

It is important for the organization to retain the people, especially good performing employees. But it is more important for the organization to retain ‘Excellent Performing Managers’. This is the special category of people on whom the success of the organization rests. Organizations are always on the lookout of such people. In fact, organizations appoint consultants for attracting such people. to retain such type of people, special incentives are needed. Organizations have to have to see all sort of facilities are provided to them, all these facilities vary from company to company.

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### **NEED AND SIGNIFICANCE OF THE STUDY:**

In today's dynamic and competitive world, attrition and retention of employees is crucial aspect for the employees and the organizations as well. Due to number of reasons such as better work environment, high pay, better facilities, better security, etc., there is a high rate of labour turnover. Employers are getting difficulties in retaining good and trained manpower. It is still difficult for the organizations to retain Excellent, Performing Managers, who are essential for better organizational performance. It is imperative to study the reasons pertaining to the particular organization because the reasons differ from organization to organization. There may be certain reasons which relate to certain departments only. Some of the general reasons are better work environment, lack of well-being policies in sufficient degree and lack of initiatives in retaining excellent performing managers.

Therefore, for retaining employees especially the excellent performing manager is a challenge for the management which requires company to have better work environment, availability of well-being policies and initiatives that motivate employees to remain with the organization for sufficiently longer period of time. Organizations have to create such working environment in which employees would enjoy working and would get maximum job satisfaction. They will have a pride and potential working in the organization.

The research will be relevant both to the employees and the employer. It is important to the national economy and even for the global economy as a whole. Retention and well-being have not found desire attention so far. Findings of research will be helpful to the employees / excellent performing managers in a way that they would know why people leave the organization. They would also know authenticity of leaving the organization. what are the advantages of retention in an organization for longer duration? Organizations would analyse the reasons for attrition and also the cost of the attrition. Retained employees will have better communication among each other. They would know the capabilities of each other and as a team they would lead to the objectives of the company. Higher turnover disturbs the functioning of the organization. New employees are required to be trained. There is cost of selection of new employees. New employee may not get adjusted in the work environment. They may make mistakes which would be very costly even from the point of view of organization. Findings of research will be useful in giving directions and achieving higher performance in terms of increased and better quality output, higher sales, reduction in cost resulting better profitability.

This research has implications from the view point of society also. As employees form a major part of the society, satisfied employees will lead to peace in society. Unstable and unsatisfied class of employees will lead to the distortion in the society, because many families are dependent on the employees. Research will help to encourage happiness and ensures social commitments and relationship building among members. Considering the above it is the necessities of the hour to study the reasons of attrition and initiatives for retention of excellent performing managers.

### **LITERATURE REVIEW:**

Researcher has taken a review of number of books related to well-being. Researcher has also studied the relationship between well-being and employee engagement through different research papers. Researcher has also studied the impact of work environment and employee performance. He has also studied the relationship between work environment and productivity. Researcher has also studied the research papers relating to workplace environment and its impact organizational performance in public sector organizations. He has studied the literature of 'World Economic Forum' which is committed to improving the state of the world.

In one of the papers 'The workplace alliance investing in a sustainable workforce' prepared in collaboration with Boston Consulting Group, in the preface they said (Michael B McAlister and Robert Greenhill) 'we firmly believe that global collaboration of employers working together will deliver powerful insights and make workplace wellness part of the solution to the human capital challenges employers are facing today. The alliance has the potential to become a powerful contributor in the arena. For this reason, we are committed to further developing the alliance momentum increasing relevance and stabilizing sustainability of practices and seeking a path to closer integration in the working place wellness space.

### **OBJECTIVES OF THE STUDY:**

The main objectives of the study are as follows:

1. To study various reasons of attrition leading to employee turnover.
2. To find out various initiatives / key practices adopted by organizations to retain their excellent performing managers.

**FINDING OF RESEARCH STUDY:**

The researcher has also studied various organizations in and around Pune through administering questionnaire and discussions with company Head – HR to understand reasons of attrition and key practices adopted by these companies for creating innovative culture to retain their excellent performing managers and come across following findings:

**REASONS OF ATTRITION / EMPLOYEE TURNOVER:**

Employee Turnover: it is the joining & leaving employees of the company. There are two major reasons.

- 1) Employee related:
  - a) Job hopping tendency of employees
  - b) Too much ambition on the part of employee
  - c) Dissatisfaction from the present job and from the company.
  - d) Better option available elsewhere.
  - e) Home sickness is also one of the reasons.
  - f) Spirit of entrepreneurship
- 2) Company related:
  - a) Culture of the organization
  - b) Faulty HR policies
  - c) Poor leadership and supervision.
  - d) High expectations from the employee

Apart from above reasons, there are various other reasons for leaving the organization.

- 1) Tired of job – One of reasons for leaving the company is the employee is getting tired of doing the same job and losing interest in doing it.
- 2) Pay rise – This is true in case of young employees' movement. They resort to hopping the job with the expectation of higher salaries. Sometimes, in spite of the fact that company has given a fair rise in salary, they would show the last pay certificate to other company and ask for further hike in the salary and then they leave the company.
- 3) No suitable accommodation – In metro cities, it is difficult to get suitable accommodation with a reasonable rent.
- 4) Relation with boss / peer and subordinates – Some time colleague in the department do not accommodate a new person. He feels lonely and therefore forces to leave the company.
- 5) Trend to go outside country – Whether it is beneficial or not there is a craze among youngsters to go outside company for getting the job.
- 6) Transport problem – Sometimes employee get tired of traffic congestion & the time required to commute to and from the company.
- 7) Psychological problems – Employee may have certain family or psychological problems due to which he would like to leave the company. Sometimes, on account of immaturity or unable to take decision the employee leaves the company.
- 8) Non participation in decision making – Employee can do the job better when he has a role to play in decision making. It is moral obligation on part of employee to do the job which he himself is a part. When he is not involved in this process, he leaves the company.
- 9) Medical reasons – If employee suffers from discomforts like back ace, sufferings from eye site, disorder of brain, he leaves the company even if he has intensions to stay.
- 10) Philosophy of new generation – New generation has short sightedness. They have short term objectives. They do not think of long term benefits of life and thus they are doing the mistake of leaving the company.
- 11) Leadership – Company may not have good leadership. They do not have foresightedness in running the company. They do not have proper mission.
- 12) High expectations – Management may have very high expectations from their employees beyond their capacity and therefore out of frustration, employee leaves the company.

**INITIATIVES FOR RETAINING EXCELLENT PERFORMING MANAGERS:**

1. Work from home: Especially for ladies, it is important as they have to care for their children, parents, in-laws etc. this provides flexibility to them. They can look after their children and at the same time they can work for the company also. If they are given this facility, they will be more loyal to the company and can work with more devotion.
2. Offering a high value accommodation: Organizations offer high value accommodation in the form of big size furnished flat or bungalow in a posh locality. Organizations pays the EMI for that flat. There is an agreement between the concerned manager and the company, after successful service of certain number of defined years,

- that accommodation will get transferred in the name of the manager, subject to certain conditions, such as if the manager leaves the employment of that company, he will have to vacate that accommodation and will have to handover the possession of that accommodation to the company.
3. Offer partnership: In certain organizations, after certain number of years the concerned person is offered a partnership in the company, for example, A F Fergusson and Company, a chartered accountants firm. Certain consulting companies are also doing the same thing such as Mecanzy.
  4. High branded car: Company offer high branded car like BMW / MERCEDES etc. for use. Having worked with that company for certain number of years, ownership of that car would be handed over to the concerned manager, subject to certain conditions. Expenses incurred for fuel, maintenance and salary of driver will be paid by the company. These facilities would satisfy the ego of a person and the concerned manager will get the recognition as a high profile person.
  5. High amount of retirement pension: Everybody would like to have happy retirement life. Company can offer high amount of monthly retirement pension, which can satisfy all the needs of a manager. This would enable him to live life as happily as before. In anticipation of such pension manager can stay in the company up to the age of retirement. Everybody would like to live retired life with dignity and honour and high amount of pension would enable him to live desired retired life.
  6. Full medical reimbursement for self and family: It is medical expenses that worry a person. No one knows what would happen in future. If medical expenses are reimbursed in full by the company, concerned manager is rest assured and can work peacefully. He would also remain loyal to the company.
  7. Stock option: Company can offer stock option to the deserving manager, after a certain numbers of service with the company. In that case he becomes a part owner of the company. He can participate in decision making of the company like a shareholder. That motivates a manager to take judicious decisions. It will encourage him to spend less and less and earn a better return for the company. Take the example of Infosys, due to stock options, many employees of Infosys became millionaires.
  8. Sending a manager for overseas: Certain companies send the concerned manager abroad for some reason or the other. That satisfies his ego. The family and relatives of the manager feels proud of him.
  9. Tour programme for the family: Company can chalk out tour programme for the family as a whole. Such managers work with devotion. They hardly get any time to spend with family. Therefore, annually suitable programme can be chalked out by the company. That gives leisure to them. After tour they start with fresh and with more vigour.
  10. Membership of club: If somebody is interested in sport, then take a sports club's membership for the manager and ensure that he/she gets time to play; otherwise it will be of no use.
  11. Career opportunity: Try to understand the aspirations of each and every manager. Provide suitable opportunities for meeting their career goals. Send them for necessary training whenever required.
  12. Send the manager abroad with his family: If the company wants to send a manager abroad, then send him there along with his family for a week or so, let him study the environment there. He would study whether the atmosphere and the weather is suitable for his family.
  13. Medical advance and reimbursement of medical bills: In case there is a sudden illness is caused to the concerned manager or the member of his family requiring huge amount, company may arrange for medical advance and subsequently can reimburse the medical bills. Such manager would remain loyal to the organization also.
  14. Provide crèche (Day care): This is important for women. Company should provide day-care facilities for their children, so that they can concentrate on their work and they would not think of leaving the company.
  15. Payment in dollars: Many employees are eager to earn in dollars. You can pay them in dollars so that they will not get disappointed even if they are not sent abroad.
  16. Staying facility for PETS: At times, there may not be anybody to look after the pets. Company can provide such facility. In that case the concerned manager would be grateful to the company and will not think of leaving the company.
  17. Arrange for admission of the children: Admission to school / colleges is a big problem for the parents. Company should make a tie-up with good school / colleges so that children of the employees can get admission easily.
  18. Tie-up with hospitals: Company can make tie-up with hospitals so that in case of emergency, managers can get admitted to such hospital in case of illness and emergency.
  19. Provide large amount of PF and Gratuity: Company can provide large amounts in PF and Gratuity beyond the provisions of law. In that case managers are assured of their happy retirement life.
  20. Cafeteria: Provide a cafeteria in the company, which can cater to good food and drinks and provide energy to the managers to work with concentration.
  21. Lump-sum loan for purchase of furniture: Such loan can be provided by the company and it should be based on grade of the employee. Such loan should be either interest free or bearing a small rate of interest.

22. Medical treatment abroad: If certain treatment is not indigenously available, arrangement must be made by the company to send the manager or his family member abroad for medical treatment and expenses thereof must be borne or subsidised by the company.
23. L.I.C. for Key Personnel: The important managers of the company must be insured with large amount equivalent 5 to 6 times of annual CTC, so that the manager would not be worried in case of any mishap happened to him.
24. Appoint them as director / chairman of some trust / society owned by the company: Company may own certain charitable trust such as school / hospital / co-operative credit society etc. Certain managers as per their utility may be appointed as directors etc. This will satisfy their ego.
25. Personal tour booking arrangement: It is not possible for the managers to find time to book for their personal tours. Such personal tours of managers may be booked by the company.
26. Recognition and praise: The good work done by the managers should be recognised and praised from time to time.
27. House servants: Important managers should be provided with servants for their family e.g. cook / driver / sweeper / gardener.

Apart from various practices followed to motivate and retain employees including excellent performing managers, well-being plays central role in creating flourishing societies. Focussing on well-being at work presents a valuable opportunity to benefit societies by helping to feel happy, competent and satisfied in their roles. It is revealed that people who achieve good standards of well-being at work are likely to be more creative, more loyal, and more productive and provide better customer satisfaction than individuals with poor standards of well-being at work. Improving well-being at work focuses on helping employees to strengthen their personal resources, flourish and take pride in their roles within the organizational system functions to the best of their abilities, both as an individual and team. They are helping employees to have positive overall experience of work. It is interesting to know as to how to foster the well-being at work.

There is positive association between good health (including healthy behaviours) and well-being. Employers should help their staff to achieve good health by encouraging physical activity; supporting healthy eating and trying to ensure that work does not get in the way of good sleep and vitality. Getting the work life balance appears to be effective way of avoiding one of the greatest predictors of stress at work. It may be possible to maximise overall organizational well-being using a fixed salary budget by paying staff fairly. It appears likely that organizations can adopt certain approaches towards job security in order to help their staff to achieve higher levels of job satisfaction working with employees to ensure that they have a sense that the job is available, has also been shown to imply greater job satisfaction as well as higher levels of morale.

By ensuring good levels of job-fit and skills used by creating opportunities to staff to develop new skills, employers will be positioned to create high levels of employee satisfaction with their jobs and their development at work. By investing time in helping employees to take greater control over their work, staffs have been shown to perform better and with greater job satisfaction.

By taking steps to improve relationship at work with a particular focus on relationships between staff and managers and by encouraging positive feeling it appears to be possible to improve not only job satisfaction, but also life satisfaction.

## CONCLUSION:

There are number of ways or incentives to be offered to managers to retain them. But this cannot be done in case of every manager. We have to follow the cafeteria approach. We have to identify those managers whose track record is excellent. Those who are inevitable (essential) to the organization, depending upon the utility, organization incentives are to be offered. Retention of Excellent Managers is vital from the point of view of the organization. It is essential for the company to stay into the competition. It is also necessary for maintaining competitive spirit in the organization.

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