

A Study on Talent Retention Practices: Fostering Employee Retention

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Abstract

How to retain employees is one of the biggest problem that plague companies in the competitive marketplace. Not too long ago, companies accepted the "revolving door policy" as part of doing business and were quick to fill a vacant job with another eager candidate. Nowadays, businesses often find that they spend considerable time, effort, and money to train an employee only to have them develop into a valuable commodity and leave the company for greener pastures. Fast moving markets require fast-moving organizations that are continually refreshed with new talent. But no one likes to see talent leave; when a good employee walks, the business takes a hit. The solution is attractive, effective, compatible talent retention practices. The study was conducted primarily to evaluate the current human resource retention practices of companies in automobile sector. The research identified the core elements of human resource practices, which strongly influence the decision of employees to retain in the organization. The results indicate recruitment and selection, training and development, compensation packages, working environment, recognition and rewards and leadership are significantly related with employee retention policies practiced by the organization.

Keywords:

Talent Retention, Employee, human resource retention practices.

Background of the study

In today's competitive knowledgebase environment, human capital is considered to be one of the key resources for the overall success of the business. Each and every dynamic venture continuously, therefore, strives to get and retain the best talented employees for its organization

In order to create a successful company, employers should consider as many options as possible when it comes to retaining employees, while at the same time securing their trust and loyalty so they have less of a desire to leave in the future. Hiring good people is tough, but keeping them can be even tougher. Open competition for other companies' people, once a rarity in business, is now an accepted fact.

Introduction

It is a major challenge for organizations to retain skilled employees once they have been hired and trained. In addition to reasons like lack of growth opportunities, low pay packages and inability to adapt to the organization, high turnover has also been identified as a cause for low retention. The ease with which employees can now change jobs, move and change functions and industries, has reduced employees' loyalty towards organizations. The corresponding costs to the firm with regard to employees' quitting the organization and the subsequent hiring or replacement of employees can be quite significant in terms of personal, work-unit, and organizational readjustments. According to Get Les Mckeown's (2010-11) in his book named 'Retaining Top Employees', published in HBR series has defined employee retention as:

“A systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs.”

“Fostering long lasting relationships with employees begins with right recruitment practices and ends with effective retention tools adopted by an organization.”

Employee retention is a process in which the management with a definite understanding of the importance of employees devises a plan of action to encourage the staff to remain with the organization for a long period of time. Intelligent employers always realize the importance of retaining the best talent. Retaining talent has never been so important in the Indian scenario; however, things have changed in recent years, given a chance employees are prone to move from one organization to another. Corporate are facing the problem of employee retention at this time of economic revival. Greer, R Charles (2008) comments that company invest in their workforces when they pursue practices and develop programs that increase retention. By failing to make such investments, they incur the high cost of turnover. Accordingly there are sound practices that employees can follow in order to retain their employees. Organizations should have a proactive retention strategy which helps in reducing employee turnover. Retention must be part of the organization's DNA. Employee retention involves five major factors which should constitute in their strategies in the form of Talent Retention Practices:-

1. Recruitment & Selection
2. Training and development
3. Compensation
4. Recognition & rewards
5. Working Environment

6. Leadership

- **Recruitment & Selection:** It is the beginning of Retention program. An efficient and loyal employee selected will stay for long but a wrong decision will prove a selection error. The thorough recruit process along with an efficient selection program may avoid errors in future.
- **Training and development:** employees should be trained and given chance to improve and enhance their skills. Many employers fear that if the employees are well rained, they'll leave the organisation for better jobs. Organisation should not limit the resources on which org success depends. These trainings can be given to imp-rove many skills like; communication and technical, in-house processes and procedures improvement related skills, customer satisfaction related skills, special project related skills etc. The need for such trainings can be recognized from individual performance reviews, individual meetings, employee satisfaction surveys and by being in constant touch with the employees.
- **Compensation:** It constitutes the largest part of the employee retention process. Employees always have high expectations regarding their compensation packages. Compensation packages vary from industry to industry. So an attractive compensation package plays a critical role in retaining the employees. Compensation includes various aspects like salary and wages, bonuses, benefits, prerequisites, stock options, bonuses, vacations etc. setting up of a package must be done very effectively and efficiently.
- **Organization Environment:** It is not about managing retention. It is about managing people. If an organisation manages people well, employee retention will take care of itself. Organisation should focus on managing working environment to make better use of the available human assets. People want to work for an org which provides appreciation for the work done, ample opportunities to grow, a friendly and cooperative environment, a feeling of belongingness and commitment and that the org is second home to the employee. Environment includes culture, values, company reputation, quality of people in the org, employee development, career growth, risk taking, leading technologies, trust etc. An employee needs in an org learning environment which includes continuous learning and improvement of the individual, certifications and provision for higher studies etc. support environment which can provide support in the form of work-life balance. Work life balance includes flexible hours, telecommuting, dependent care,

alternate work schedules, vacations, wellness, medical etc Work environment includes efficient manager, supportive co-workers, challenging work, involvement in decision-making, clarity of work and responsibilities and recognition. Lack or absence of such environment pushes employees to look for new opportunities. The environment should be such that the employees' feels connected to the organization in every respect.

- **Leadership:** - A manager plays the role of a mentor and a coach. He designs and plans work. He is a link and should maintain good relations. Promote team work, not only among teams but in different departments as well. This will induce competition as well as improve the relationships among colleagues. An employee should be recruited if there is a proper place and duties for him to perform. Otherwise he'll feel useless and will be dissatisfied Try to make the current employees stay instead of recruiting new ones.
- **Support:** Lack of support from management can sometimes serve as a reason for employee retention. Employers can also provide valuable feedback to employees and make them feel valued to the org. employees can also be supported in their personal crisis by providing personal loans during emergencies, child care services, employee assistance programs, counseling service, etc. employers can also support their employees by creating an environment of trust and inculcating the organizational values into employees. Thus employers can support their employees in a number of ways by providing feedback, by giving recognition and rewards, by counseling them and by providing emotional support.

Literature Review

- **Albrecht & Andretta (2011)** extended previous research findings by pointing toward a comprehensive understanding of how empowering leadership, empowerment and engagement inter-relate to influence affective commitment and turnover intentions among employees. The results indicate that when employees perceive that their leaders and managers have an empowering style of leadership they will feel empowered. Such feelings of empowerment lead employees to feel motivated and engaged and also lead to feelings of connection and belongingness to their organization. Furthermore, when employees experience such affective commitment they will be less inclined to entertain thoughts of leaving the organization. Findings further suggest that empowering leadership, empowerment and engagement provide the enabling conditions for employees to experience affective commitment and the propensity to stay engaged in their organizational context. Importantly, the results go some considerable way toward explaining the influence that empowering leadership may have on important outcome variables such as affective commitment and turnover intentions.
- **Priyanka Rawal (2011)** concluded that despite increased globalization and fluctuating economic times of jobs, most employers are now struggling hard to keep good workers who are expecting more from their management and can willingly shift if their needs are not met. If an organization succeeds in managing its people well, employee retention will take care of itself. She further in her paper introduces that focus on managing the work environment so as to effectively utilize the available human assets is the need of the hour. Organizations should create an environment that fosters ample growth opportunities, appreciation for work accomplished and a friendly co-operative atmosphere that makes an employee feel connected and retains him in the organization. Thus working environment is one of the major factor comprising of autonomy, recognition, appreciation, authority, friendly relationship, facilities, flexible working hours etc favoring retention of employees which should be included in the retention practices of a firm.
- According to **Arjit Bose (2011)**, exit interviews are recognized in many companies nowadays and are used as a valuable tool for increasing employee retention. Employee turnover is a serious concern and through exit interview reasons can be analyzed for why employees leave any organization. These reasons can be further taken care off for increasing retention of employees. There are different types of employees working in a company with varying behaviors. These diversities lead to different needs and when not satisfied lead to turnover and problems in retention. Thus by having a discussion in the form of exit interviews one can take care of the problems that are reducing retention of employees. Also **V V Ramani and Usha Raghunandan(2008)** in their article 'Managing Attrition Level in Organization' concluded that, an Exit interview conducted with a right attitude towards ascertaining the true cause of an employee's voluntary exit would definitely help the management in taking corrective measures to avoid such exits in future.
- **Paul Michelman (2011)** in his paper 'Why Retention Should Become a Core Strategy Now' concludes by suggesting the companies to build a culture of retention. For all the myriad approaches companies take to promote loyalty among their employees, one universal truth is that employees are more likely to stick it out in tough times when they feel that they are treated with

integrity. According to him many workers prefer to stay with their current employer if their manager presents them with opportunities to grow, develop their skills, and position themselves to move forward in their careers. Thus interpersonal relations with the boss and his leadership skills will be an effective practice in increasing retention of employees. On the part of the leader he has to provide opportunities to his subordinates and learn as much as he can about his employees.

- **Kirti Naik (2011)** in his paper 'Philosophy of Motivation: A Strategy to Retain Manpower', has focused on the aspect that those organizations, that care for long term relationship with the employees and consider them as partners, in progress will certainly work out ways and means to create a heaven, where apart from money the employees get lovable and caring fraternity, time to satisfy their individual needs and aspirations and recognition for performance. Thus a participative style of leadership and a participative environment fosters loyalty and commitment among the employees which retain them in the company. Such an environment boosts up the morale and satisfies psychological needs of the employees increasing employee retention.
 - **M D Verma & Sujata Nagaraj (2011)** discussed that an organization that makes adequate provision for its employee's personal growth thereby enabling them to move further up in the organizational hierarchy can be rest assured of long term commitment from its employees. He also focused on the issue that work life balance is a successful tool for managing & retaining talent; through work – life balance practices. As WLB contributes towards flexible working arrangements it helps in reducing absenteeism. It reduces stress and builds productivity. There is improved morale, job satisfaction, motivation and commitment. It enhances positive attitude. Coaching and mentoring aid in creating a better retention culture, various stress management techniques can be taught through a well developed training program. These various strategies will help to manage the diverse culture leading to loyalty – commitment and retention.
 - **Timothy Butler and James Waldroop (1999)** in their paper “Job Sculpting; The art of Retaining your Best People” printed in HBR series of books (2010 – 2011) highlighted that only if their jobs fit their deeply embedded life interests – that is, their long-held, emotionally driven passions, employees will retain for a longer period of time. They introduced the concept of job sculpting, the art of matching people to jobs that resonate with the activities that make them truly happy.
- Managers don't need special training to job sculpt, but they do need to listen more carefully when employees describe what they like and dislike about their jobs. Once managers and employees have discussed deeply embedded life interests – ideally, during employee performance reviews – they can work together to customize future work assignments which will enhance employee morale and productivity leading to retention of employees. (job sculpting i.e. right match right person to right job)
- **Porter (2001)** in his study explained that in today's competitive knowledgebase environment, human capital is considered to be one of the key resources for the overall success of the business. Each and every dynamic venture continuously, therefore, strives to get and retain the best talented employees for its organization.
 - An empirical study revealed that about 80% of global business leaders believe the human resource management (HRM) as more important today than they were before, and 68 percent believe retaining talent is more important than acquiring new blood (**Accenture, 2001**).
 - **Fitz-enz, (1990); Sheridan (1992)** explained that people often join a company or seek employment within a particular industry, because they find its culture appealing. Since people join an organization partly because they are attracted to the culture and structure, this is where retention management begins. Research has shown that employees' retention depend on organization culture and policies. Corporate culture is described as the invisible forces that encourage employees to exist in a business organization
 - Employees want to work under the supervisor who has the ability to properly distribute the duties and responsibilities among the employees, who can give right direction and who can create creative way for doing the job (**Risher and Stopper, 2002**). Research finding suggests that leadership enhances organizational commitment (**Allen 1996; Podsakoff et al., 1996**). Therefore, it appears that leadership behavior has a positive influence on turnover intention.
 - The absolute success of any business organization greatly depends on the employee-performance which can be enhanced only through proper training. Training is considered the most effective weapon to develop human resources that help them cope with changing environment (**Goldstein, 1991; Wetland 2003**).

Objectives of the study

- To analyze the current Retention practices of the automobile company.
- To find out major factors affecting employee retention.
- To measure the significance of these factors and its impact on employee retention

The variables selected for the study are recruitment and selection policy, training and development policy, compensation package, working environment, recognition and reward policy and leadership role.

Research Methodology

For the purpose of measuring the objectives following methodology is adopted.

Data Collection

Primary data- Through structured questionnaire designed on the basis of objectives of the study.

Secondary data – Collected through various publications in management journals and internet which is restricted to the conceptual framework of the paper only.

The final sample of 299 employees was selected by using Simple Random Sampling method. Employees from middle and top level were selected for the study. A structured self designed questionnaire was used. The data for the

questionnaire was collected from the employees of middle and top level employees of both the companies. A few managers were interviewed to get further insights into retention practices. The questionnaire was simple, easily comprehensible and consisted of questions focused on various factors related to retention practices. The questionnaire was designed on 5 point likert scale (Strongly Agree to Strongly Disagree). To test the objectives 52 questions were incorporated into the questionnaire for the purpose of the study. The reliability (0.942) and validity (99.7%) of the questionnaire was found to be on a higher side. For theoretical framework information was gathered from the previous research articles, books, journals etc.

Findings and Analysis

The data collected through questionnaire was analyzed through SPSS software (Statistical Package for Social Studies version 17.0). To achieve the objectives of our study and testing of the hypothesis Factor analyses was applied in order to find out the most relevant factors affecting retention and to gain an insight into importance of the variables. A set of 12 factors were derived. Factor analysis is a tool to minimize data into some components that explain the common variables under one heading. It is a technique to identify groups or cluster of variables.

Following table shows item wise mean and standard deviations.

**Table 1.1
Descriptive Statistics**

	Mean	Std. Deviation	Analysis N
1 Recruitment Procedure	3.98	1.063	299
2 Job Placement	4.00	1.093	299
3 Effective Selection	4.10	1.022	299
4 No Biasness in Selection process	4.34	.757	299
5 Effective Selection Process	4.29	.763	299
6 Effective Job evaluation and Specification	4.08	.985	299
7 Regular training and development policy	4.31	.794	299
8 Effective Identification of training needs	4.22	.873	299
9 Job inefficiency is improved through training and development programs	4.10	.897	299
10 Career advancement on the basis of competency	4.03	.943	299
11 Effective change management through training programs	4.16	.884	299
12 Opportunity for further studies and learning	4.05	.947	299
13 Employee growth and development enhances retention	4.16	1.015	299
14 Training programs influence employee retention to a great extent	4.21	.661	299
15 Competitive salary in industry	4.04	1.035	299

16 Adequate compensation in commensurate to education and qualification & experience	4.02	1.163	299
17 Provision of non monetary facilities	4.16	1.069	299
18 Dissatisfaction affects employee retention	4.10	1.440	299
19 Effective employee welfare programs	4.10	1.039	299
20 Rewards are given as incentives	4.04	1.094	299
21 Individual efforts are suitably rewarded	4.07	1.077	299
22 Effective performance and satisfaction is due to regular salary and increment policy	4.15	.769	299
23 Encouragement through incentive and reward policy	4.20	.752	299
24 Desirable salary structure	4.09	1.115	299
25 Loyalty, honesty adequately rewarded	4.06	1.097	299
26 Conducive climate for learning	4.25	.848	299
27 Turnover is quite low	4.06	1.123	299
28 Vast scope for innovation & creativity	4.18	.959	299
29 Given authority to work	4.20	.908	299
30 Good working environment	4.17	.916	299
31 Trust on subordinates and bosses	4.07	.920	299
32 Discipline	4.18	.942	299
33 Integrity	4.17	.943	299
34 Working culture positive	4.21	.926	299
35 Effective communication of policies	4.19	.920	299
36 Autonomy	4.16	.924	299
37 High Job engagement	4.03	.893	299
38 Long term welfare policies	4.17	.938	299
39 Job Security	4.17	.871	299
40 Voice opinion without fear	4.11	.981	299
41 Effective communication system	4.19	.982	299
42 Health and safety measures	4.25	.902	299
43 Performance is appreciated & recognized	4.08	1.086	299
44 Superior is technically competent	4.31	.874	299
45 Support and help from superiors	4.18	.959	299
46 Team work	4.30	.834	299
47 Regular feedback	4.04	1.151	299
48 Participative leadership style	4.24	.953	299
49 Effective counseling	4.09	1.056	299
50 Mentoring	4.04	1.121	299
51 Effective conflict management	4.17	.989	299
52 Togetherness	4.18	.979	299

Total Variance Explained

The table namely 'Total Variance Explained' shows actual factors that were extracted. The “% of variance” column tells us how much of the total variability (in all of the variables together) can be accounted for by each of these questions (factors). It may be observed from the table that Q1 accounts for 31.028% of the variability in all 52 variables, and so on. In the present analysis we have

followed most frequently used Kaiser's criterion to find number of principle components to be retained in the study. According to this criterion only those components should be retained whose latent root or Eigen values are greater than one “Extraction Sums of Squared Loadings”, shows factors that met cut-off criterion (extraction method). In this case, there are five factors with Eigen values greater than 1 and they all together cover a total of 71.85% of the variation.

Table 1.2
Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	17.694	34.028	34.028	17.694	34.028	34.028	8.967	17.244	17.244
2	3.005	5.778	39.806	3.005	5.778	39.806	8.749	16.825	34.069
3	2.870	5.519	45.325	2.870	5.519	45.325	3.843	7.391	41.460
4	2.430	4.673	49.998	2.430	4.673	49.998	2.859	5.498	46.958
5	2.130	4.096	54.094	2.130	4.096	54.094	2.424	4.662	51.620
6	1.627	3.128	57.223	1.627	3.128	57.223	2.185	4.202	55.822
7	1.575	3.028	60.251	1.575	3.028	60.251	1.651	3.175	58.997
8	1.449	2.787	63.038	1.449	2.787	63.038	1.469	2.826	61.823
9	1.334	2.565	65.603	1.334	2.565	65.603	1.435	2.759	64.582
10	1.144	2.200	67.803	1.144	2.200	67.803	1.343	2.584	67.166
11	1.068	2.054	69.857	1.068	2.054	69.857	1.235	2.376	69.542
12	1.039	1.998	71.855	1.039	1.998	71.855	1.203	2.313	71.855
13	.983	1.890	73.745						
14	.915	1.760	75.505						
15	.845	1.625	77.130						
16	.750	1.443	78.573						
17	.733	1.409	79.982						
18	.632	1.216	81.198						
19	.609	1.172	82.370						
20	.604	1.161	83.531						
21	.551	1.060	84.591						
22	.532	1.022	85.613						
23	.517	.993	86.607						
24	.464	.892	87.499						
25	.447	.859	88.358						
26	.441	.849	89.207						
27	.405	.779	89.986						
28	.378	.728	90.714						
29	.367	.705	91.419						
30	.351	.674	92.094						
31	.328	.632	92.725						
32	.326	.628	93.353						
33	.298	.574	93.927						
34	.277	.533	94.459						
35	.263	.506	94.965						
36	.254	.489	95.455						
37	.250	.481	95.936						
38	.227	.437	96.372						
39	.215	.413	96.786						
40	.198	.381	97.167						
41	.186	.357	97.524						
42	.174	.336	97.860						
43	.159	.305	98.165						
44	.147	.283	98.448						
45	.130	.250	98.698						
46	.128	.246	98.944						
47	.119	.230	99.173						
48	.112	.216	99.389						
49	.093	.180	99.569						
50	.087	.168	99.737						
51	.074	.142	99.879						
52	.063	.121	100.000						

Extraction Method: Principal Component Analysis.

A rotation method gets factors that are as different and helps us interpret the factors by putting each variable primarily on one of the factors. Out of various methods the “Varimax” is the most common used rotation and is also used in the present study. The rotated solution gives the factor loadings for each individual variable in the dataset under study. Which are use to interpret the meaning of (i.e. make up names for) the different factors.

The table 1.6 contains the information same as that of component matrix the only change is it obtained after the rotation. It may be noted that from this table that factor loadings less than 0.1 have not been displayed because these loadings are suppressed due to less importance. Based on these loadings it may be concluding that (from table 1.7):-

Factor 1 that came into sight was **HR Practices** (talent retention practices) with factor load of 8.967 and 17.244 % of variation. The factor is strongly loaded with variables like recruitment, job analysis, communication, career planning and development, compensation, job effectiveness and performance, fringe benefits, welfare facilities, reward structure and performance feedback.

Factor 2 that came into sight was **Working Environment** (job satisfaction) with factor load of 8.749 and 16.825 % of variation. The factor is strongly loaded with variables like conducive climate, innovation, creativity, job authority, effective working environment, empowerment, integrity, communication of policies and targets, and counseling, mentoring and interpersonal relationship.

Factor 3 that came into sight was **Recruitment and Selection** with factor load of 3.843 and 7.391 % of variation. The factor is strongly loaded with variables like recruitment procedure, right match with the job, selection process, effective job organization, effective selection, career development and training.

Factor 4 that came into sight was **Leadership** with factor load of 2.859 and 5.498% of variation. The factor is strongly loaded with variables like job safety and standards, efficient supervision, team work, participative leadership style and conflict resolution process.

Factor 5 that came into sight was **Training and Development** with factor load of 2.424 and 4.662 % of

variation. The factor is strongly loaded with variables like opportunity for training and development, need of training, effectiveness through training and development and policies for training and development.

Factor 6 that came into sight was **Compensation and Benefits** (monetary and non monetary) with factor load of 2.185 and 4.202 % of variation. The factor is strongly loaded with variables like Salary and pay, reward for outstanding performance, compensation management and monetary and non monetary benefits.

Factor 7 that came into sight was **Employee Engagement with** factor load of 1.651 and 3.175 % of variation. The factor is strongly loaded with variables like employee engagement, freedom to voice opinion, communication and level of engagement.

Factor 8 that came into sight was **Career Planning and Development with** factor load of 2.826 and 2.826 % of variation. The factor is strongly loaded with variables like opportunities for further studies, retention strategies, policies for career planning and development and management support.

Factor 9 that came into sight was **Employee counseling and mentoring with** factor load of 1.435 and 2.759 % of variation. The factor is strongly loaded with variables like effective selection, mentoring system, conflict resolution, problem solving and counseling.

Factor 10 that came into sight was **Healthy working relationship with** factor load of 1.343 and 2.584 % of variation. The factor is strongly loaded with variables like interrelationship, trust among the subordinates and colleagues, discipline, flexible rules and regulations.

Factor 11 that came into sight was **Job Security with** factor load of 1.235 and 2.376 % of variation. The factor is strongly loaded with variables like stable job, job security and effective selection.

Factor 12 that came into sight was **Flexible rules and regulations with** factor load of 1.203 and 2.313 % of variation. The factor is strongly loaded with variables like standards of discipline, rules of discipline, policies for safety and health.

Table 1.3
Component Transformation Matrix

Component	1	2	3	4	5	6	7	8	9	10	11	12
1	.671	.639	.348	.027	.048	.070	.008	.035	.099	.017	.019	.003
2	.098	-.284	.135	.857	.222	.164	.138	.116	.161	.028	.065	.132
3	.257	-.538	.505	-.393	.361	-.161	.273	.044	-.036	-.007	.025	-.013
4	-.270	.348	-.238	-.076	.822	.078	.228	-.046	-.010	-.049	.067	-.005
5	-.030	-.109	.041	-.247	-.026	.919	-.050	.221	.134	.009	-.100	-.001
6	.255	-.050	-.342	-.010	-.241	.169	.641	-.152	-.272	-.034	.455	-.109
7	-.446	.248	.356	.009	-.249	-.119	.452	.492	.187	-.201	.054	-.110
8	-.104	.078	.052	-.075	-.014	-.033	-.011	.289	-.224	.727	.260	.494
9	-.309	.100	.416	.067	-.090	.157	.151	-.700	.085	.363	-.019	-.179
10	.138	-.087	-.321	-.135	-.018	-.150	.141	.031	.820	.349	.014	-.118
11	.102	.008	-.132	.105	.018	-.030	.248	.211	-.313	.374	-.670	-.409
12	.028	.034	-.078	-.061	-.111	-.004	.363	-.219	.090	-.183	-.504	.708

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Interpretation and Conclusion

The factor analysis was applied on the questionnaire to churn out some factors that are of enormous consideration in Employee Retention.

Factor Extraction

The table namely 'Total variance explained' shows actual factors that were extracted. The eigen values associated with each factor gives amount of variance explained by a particular linear component. The “% of variance” column tells us how much of the total variability (in all of the variables together) can be accounted for by each of these questions (factors). It may be observed from the table that component 1 accounts for 34.02% of the variability in all 52 variables, and so on. Kaiser's criterion is most commonly used criterion for finding the number of principle components to be retained in the study; according to this criterion only those components should be retained whose latent root or Eigen values are greater than one. “Extraction Sums of Squared Loadings,” shows factors that met cut-off criterion (extraction method). In this case, there are twenty factors with Eigen values greater than 1 and they all together cover a total of 72% of the variation. Thus in totality 12 components or factors were extracted in the present analysis.

A rotation method gets factors that are as different from each other as possible and helps us interpret the factors by putting each variable primarily on one of the factors. Out of various methods the “Varimax” is the most common used rotation

and is also used in the present study. The rotated solution gives the factor loadings for each individual variable in the dataset under study. Which are use to interpret the meaning of (i.e., make up names for) the different factors.

The table contains the information same as that of component matrix the only change is it obtained after the rotation. It may be noted that from this table that factor loadings less than 0.2 have not been displayed because these loadings are suppressed due to less importance. The last table gives component transformation matrix. It contains the values of components that are computed on basis of factor loadings.

Thus we can conclude that Recruitment and Selection norms, Training and development, Compensation, healthy working Environment, recognition and rewards and strong leadership are all important in the decision of an employee to retain and should be taken care of at the time of formulating HR policies (Talent retention practices) followed in any organization. All the factors are important for an employee and dissatisfaction to any of them may affect his retention in the organization and should be taken care off. A blend of all these variables should be considered while formulation the policies of the company.

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