

## AN EMPIRICAL EXPLORATION: MANAGERIAL RETENTION IS THE STRATEGIC PERSEVERANCE OF EMPLOYER BRANDING

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### **Abstract**

*The cost of employee turnover is from 40--100% of an employee's annual salary, when we consider lost productivity, recruiting costs, training costs, reduced efficiency in transition and time. Employee's shortages continue to escalate. Each and every day good employees quit their employers for better jobs elsewhere. Today's managerial force is different. Top Management must take responsibility for their own employee retention. If they don't, they could be left without enough good managers. A wise employer will learn how to attract and keep good employees, because in the long run, these will make or break a company's reputation. What's Different? Managers must be trained and prepared to be collaborative, supportive, and nurturing of their people and make them understand what it really takes to retain employees. Manager's turnover involves being sensitive to people's needs and demonstrating the various strategies. Managerial turnover is running wild in today's tight employee market; however, the companies that keep their employees have found that what matters most is not the pay, benefits, or perks, but the quality of the relationship between employees and their direct superiors.*

### **Introduction**

Staff turnover is probably the single biggest problem facing most Indian (and worldwide) organization today. India is particularly hard hit because the general feeling of being an "abundant" supplier of skilled professionals, which may have caused a feeling of complacency India, is also in a unique situation compared to many other countries. It has established a worldwide reputation for the availability of high quality professionals and companies in India have the added dimensions of competing the overseas market for talent that is becoming scarce, in India

Complexities of modern organization are apparent from changing technology, increasing size of the business, large volumes of production, greater emphasis on specialization, stress on cutting down the costs of production, improving the quality of product, enhancing market share and efficient leadership. This in turn speaks of increasing need of human resources in the organization at all the levels that will enable to reduce wastage of material, time, and energy on the part of the personnel leading to increased production, better quality of product, and reduce cost per unit. This shows that, if an organization wishes to accomplish the objective of stability, profitability, and growth; and to increase organizational effectively in terms of productivity quality and better customer orientation, then it requires well developed, committed and efficient people on the job Therefore, the development of people needs a special attention.

### **Review of Literature**

This Research attempts to seek the causes of Organizational Turnover. The problem of organizational turnover of manager retention is an expensive one for the business in India, but actually all over the world .though there has been much discussion over the years as to just what the real problem is, what it might be, and what business practitioners and observers think .senior managers are always the key performers in an business. What they do, reflect the objective, plans, policies and progress of an organization. Professional managers spend less time trying to manage and more relating to colleagues. Scott Foresman,' He says, "A man should not be appointed if he is more interested in the question: 'Who is right?' than in the question: 'What is right!' Private and public sectors put forth: "A manager, if he is honest and has professional values, will operate within the parameters decided by the society. He is not to question why, but to optimize the results through minimal inputs and maximal output." The Human resource has tremendous effect on an organization for a business; the greatest asset or expenditure is the human resource of that enterprise. Alfred Marshall said long ago, that the most valuable of all capital is the one that is invested in the human beings. Robert Half feels, "companies that establish an enlightened policy of hiring smart people, retaining and training them, will be poised to flourish in the difficult years ahead because

their people will be the best, who will stay and grow with them and will demonstrate a brand of loyalty that is vital to long term success”. ‘Good people make good companies’. Therefore it is widely approved that the success of an organization relies ultimately on the way people are retained. Managers are key point in the organization, which retain the business in the organization with success and team of good people.

### Objectives

The purpose of the study is to examine and evaluate the current rate and effects of managerial turnover in selected private sector enterprises, which represent various industries in India. The entire study aims at guiding the Indian industries as regards the repercussions and the problems arising there off in particular, the study aims at following.

1. To identify the causes of managerial turnover.
2. To determine whether the growth of Industries has affected total number and status of the middle level managers.
3. To study the impact of change over on the careers of managers.
4. To examine the co-relation between organizational restructuring and managerial turnover.
5. To determine the standards for calculating the cost of executive turnover.

### Importance and Role of Managerial Personnel

When the executives in the corporate sector were asked one question: “If you are given a magic wand and there was one thing you would want to changed, that would give you a cutting edge in the marketplace resulting in increased productivity and profits, what would that be?” The reply was almost unanimous. They all felt that if people had better attitudes they would be better players and improve loyalty. It is rightly said, that one should ‘bet on the jockey not on the horse.’ With the competitive expansion of various industries, one of the extremely important factors contributing to the success of an organization is the managerial personnel. It is the managers, executives, and administrators who change the destiny of a concern. They decide the success of an organization. Observe the picture

Figure 1.1



Managers

(UNTEAMED)

(TEAMED)

As shown in the figure 1.1 an organization has 9 managers, (the 9 dots), who are to be teamed together and retained for the betterment of an organization, certainly bearing in mind the cost effectiveness (line represents the resource – use of maximum four lines), without leaving any of them unhappy – (i.e. by not lifting the pen-point once started off for covering all the points). The only way to achieve it is – getting out of the normal structure and way....

It takes lot of efforts to retain good people but the results of the same do pay positively in the long run. The riddle gave me an insight to know the need and importance of managerial personnel and analyses their behavior, specially the high fliers. People are something India has plenty of. But ask any C.E.O., his biggest problem is getting the right people and retaining them. A peculiar point that can be noted is, on one hand we observe growing downsizing, whereas on the other the CEO's of a company struggle to find and retain efficient Managers. In both the situations, cost analysis gets affected. Human resource has tremendous effect on an organization for a business; the greatest asset or expenditure is the human resource of that enterprise. Alfred Marshall said long ago, that the most valuable of all capital is the one that is invested in the human beings.

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Adaptability, sense of identity, capacity to test reality, (suggested by Bennis in 1966) overall performance, productivity, employee satisfaction, profit and withdrawal are based on turnover or absenteeism. Across today’s unpredictable business landscape, the financial health, competitive position of companies (large and small), depends on securing and retaining the best people possible Finger – Keepers approach is needed by the companies against those, which fail to find good personnel and land up to be the loser – weepers.

Human being what they are, find it hard to remain loyal hence the gnawing fear of betrayal stalks the company’s management today even more than before. Apart from the personnel being pressured to increase their performance during work, companies too are obliged to retain their personnel.

Until the late 1980s, recruiters looked down upon frequent job-hopping as a negative disposition and a propensity to unsteadiness on the part of an employee. In other words, it was construed as an inability to stick to one assignment and a consequent failure of an employee to evolve a well-defined role profile for him/her. Thereafter this whole idea had a redefinition. Changes in jobs were perceived to highlight the high desirability of a professional in the job market. Loyalty no longer remained a prerogative of employers. It became gloomy with the acceptance of candidates who had short stints in various concerns. Information on value of human resources is useful for the decision making in an enterprise.

### Hypothesis = By Assuming

1. The changing times are witnessing reducing importance of middle level managerial personnel.
2. The Tendency of High flying among managers, in general, is on an increase.
3. Unlike early Eighties, money is no more the major cause of turnover for managers.
4. Companies are still indifferent towards the managerial turnover problems and costs involved in the same.
5. There is attitudinal change towards the negative outlook about executive turnover.

A manager is the principal factor in determining the productivity of the work force. Viability of a business organization and consequently economic wellbeing of the nation depends to a large extent on the efforts of the managerial class. No companies, large or small are ever defined by the board-rooms, products, services, marketing plans, but by the brains behind the crucial decisions required to operate logos or other tangible manifestations of doing business. They are defined by the people they have; considering this, one realizes how the high executives turnover rates and its study becomes crucial to any business.

To study the various effects of high attrition rates, varied industries were studied. Responses of the managers from different sectors of the industries are shown in the following diagram. (Percentage wise)

Type of Industries Fig- 2



While analyzing the results for the purpose of findings, the forms were sent across different companies from various industries. Satisfactory and complete responses were collected from 100 respondents as shown in the table 1.1 below.

Table 1.1

Sr. No.	Type of Industry	No. of Responses
1.	Finance	22
2.	Marketing	20
3.	Service	22
4.	Production	25
.5	Others	11
6	Total	100

While studying 22 responses were collected from finance industry, 20 responses were collected from marketing industry, 22 responses were collected from service industry, 25 responses were collected from production industry, and 11 responses were collected from other industries.

### Findings

Here are the top ten reasons for executive turnover. These are results of a research conducted by interviewing or gathering and analyzing data from the questionnaires filled in by the managers from various sectors. The analysis has been done on the basis of the priority wise answers given by the managers approached in the private sector from various industries at different levels of management.

1. Lack of Prospects
2. Lack of career opportunities
3. Lack of Promotional opportunities
4. No job satisfaction
5. Improper working conditions
6. Lack of monetary incentives
7. Lack of other incentives
8. Causes of inconvenience
9. Family problems
10. Lack of Authority

For all generations, the most important reasons for remaining at a present employer were opportunity for career advancement (30 percent); work environment/corporate culture (25 percent); and balance provided between personal and professional life (24 percent). Only 21 percent cited financial reward and acknowledgment as the cause.

This can be shown by following table.

Sr. No.	Reasons	Percentage
1.	Career advancement	30
2.	Work environment/corporate culture	25
3.	Balance between personal and professional life	24
4.	Financial rewards	21
	Total	100

### Reasons for leaving

The results of these questions showed that plans to leave a current job were strongly with dissatisfaction with the five factors.

1. Job satisfaction
2. Promotion prospects
3. Degree of responsibility
4. Interpersonal relationships
5. Salary

During these phases in life the causes of turnover also keep changing depending on the variables functioning strongly at those moments.

### Attitudes and Expectations of High-fliers

- “Cannot see a future in the Organization”,
- “To prevent stagnation”,
- “To further personal development,”
- “Lack of goal congruence

The 40 + bosses are reluctant to quit since they know they are unwanted thus leaving the subordinates frustrated for lack of career opportunities forcing them to switchover. Apart from the various aspects covered so far as the roots of turnover, yet another area of concern is the ‘AGE.’ Well, these instances certainly have a lot to do with the turnover rates of managers. The assumption that the past experience will help in the future is much of a discontinuity today. Rather many opine that the 45 + have spent the first formative years of their work-life, a decade plus, in the pre-liberalization era and hence have a completely different mindset. They bring too much of baggage from the past. These arguments explain why the 45 + are being shunned more in the new economy. The discontinuity is the most in the areas like telecom, information technology.

### The following reviews often act as a solution to the various attitudinal problems that arise during expectation – performance conflict.

1. The performance review
2. The salary review
3. The career planning review
4. The promotion review

It is not merely the expectance, but the efforts are often governed by the killer instinct to achiever it and the result is always a contribution of returns expected and the returns wanted.

### Managers of today look forward to the following areas

- ❖ Good working conditions
- ❖ Feeling ‘in’ on things
- ❖ Appreciation for the work done
- ❖ Promotion and growth opportunities    Understanding of personal problems    Job security
- ❖ Interesting work
- ❖ Today’s executives are vibrant, and open to learn while performing.

### Suggestions

PERKS, PROMOTION, PROSPECTS, POSITION, and POWER ARE THE 5 P’S the efficient managers are waiting as a millennium’s gift. Respect; Recognition, and reward are the basis of their stability. It is suggested that managerial mobility can be controlled by way of perks, incentives and listening their problems etc. They are those very people; company needs the most when things turnaround and competition heats up. Retaining good employees hence keeping the good ones is still essential.

- ❖ Respect all the good ones.
- ❖ Empower the talented executive.
- ❖ Compensate them to their efficiency.
- ❖ Maintain good relationship

#### **Basic structures to include**

- ❖ Health programmers: Self and family, Accidental, Life
- ❖ Performance Rewards: Stock Options, Bonuses, Individual
- ❖ Salary Allowances: basic, fringe, perquisites.

#### **Job structure shall include**

- ❖ Retention of Talent
- ❖ Attracting of Talent
- ❖ Saving for Executive

#### **Conclusion**

It is analyzed from the Research that earlier money was the major cause of turnover of managers but right now money is no more major cause of turnover of managers there are so many other reasons also responsible for turnover for managers.. From the responses of managers it is also tested that companies are yet indifferent towards the managerial turnover problems. a policy should be drafted and strategy should be developed accordingly.

This study concludes lot of reasons for managerial turnover like growth and development, growth of IT, dissatisfaction with previous jobs, personal reasons and reason for retaining their present job like career advancement, corporate culture, balance between personal and professional life, financial rewards etc. Many of the companies are not aware of the mobility of managers & equilibrium of turnover is achieved when as many good people join and some few go whereas actually the bad people many of them go . Due to flying of managers the organization outsource someone work for them. This results invest more time, money training and trust which is also loss of organization. It can be seen from the study that turnover of companies has increased from 5% to 20 % and this turnover of the managers is been accepted by 70% managers and 30% managers were not aware of managerial mobility. This shows or means that HR is not coordinating or not responding the professional responses about retaining the present job and their satisfaction with HR.

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