



Research Paper

EMPLOYEE RETENTION with reference to FHPL

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Abstract

Employee retention is a critical concern for FHPL (Family Health Plan Insurance TPA Limited), as high turnover in the competitive TPA sector leads to increased costs, loss of knowledge, and reduced service quality. This abstract focuses on developing a robust retention strategy by analyzing industry-specific drivers of employee satisfaction and dissatisfaction, including compensation, career development, work-life balance, leadership, and culture. It argues that effective retention at FHPL requires a holistic approach built on competitive compensation and recognition, clear career growth opportunities, a supportive and inclusive work environment, effective leadership, and initiatives promoting work-life integration. By focusing on these strategic pillars, FHPL can reduce attrition, cultivate a stable and experienced workforce, enhance operational efficiency, and solidify its market position, leading to improved client satisfaction and sustainable organizational growth.

I.INTRODUCTION

Employee Retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. It is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee

retention is beneficial for the organization as well as the employee. Effective employee retention is 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. Retention of key employees is critical to the long-term health and success of any organization. It is a known fact that retaining the best employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning, and deeply embedded organizational knowledge and learning. Employee retention matters, as organizational issues such as training time and investment, lost knowledge, insecure employees, and a costly candidate search are involved. Hence, failing to retain a key employee is a costly proposition for an organization. Various estimates suggest that losing a middle manager in most organizations costs up to five times his salary. Corporate is facing a lot of problems in employee retention these days. Hiring knowledgeable people for the job is essential for an employer, but retention is even more important than hiring.

Definition:

The organizations want to hold the valued employees. Many approaches are used in this regard. The one approach sees success in rewards the second in making jobs more valuable (training and advancement). The relationship between the employee's job performance and their retention also differ significantly

with organizational culture values. The cultural effects were stronger than the combined influences of the labour market and the new employees' demographic characteristics.

Retain employees:

Motivation is necessary for work performance because, if people do not feel inclined to engage themselves in work behavior, they will not put in necessary efforts to perform well. However, performance of individual in the organization depends on variety of factors besides motivation. It is therefore desirable to identify various factors. For instance, employees' knowledge and skills are important performance drivers. Another factor is the company's ability to retain its employees with attractive benefit packages. Motivation is a prominent tool to retain employees with greater compensation packages. Companies have now realized the importance of retaining their qualitative workforce and retaining their quality performers, contributes to productivity of the organization and increase morale among employees. Middle and top management plays a vital role in the people dimensions of the organization. The organization culture in a long run converts to organizational ethics and people feel reluctant to leave by making it as a stepping stone when appreciation

and rewards in form of compensation awaits them in comparisons to the market trend. In view of the description given it is necessary to examine the facts as how to retain them. There are four basic factors that play an important role in increasing employees' retention.

Research Methodology:

The scope of this study is confined to Family Health Plan Insurance TPA Ltd. The study throws light through valuable suggestion to decrease attrition level in the organization. This study can help the management to find the weaker parts of the employee feels towards the organization and also helps in converting those weaker part in to stronger by providing the optimum suggestions or solutions. This study has a wider for scope in any kind of organization since "attrition" is general one and makes the employees to put forth their practical difficulties and need factors in the organization. This study can help the management to know for which the reason employees tend to change their job, through dissatisfaction factors faced in the organization and also helps to recover by providing the optimum suggestions or solutions.

II.LITERATURE REVIEW

Muhammad Hassan (1): Employee retention is the vital challenge in all

organizations. This papers focus on one industry that is the leather industry of Pakistan which is facing the same problem of retention of employees due to many reasons. As Leather industry is the third largest export earning sector in Pakistan so these reasons are discussed in detail. The turnover rate in Leather Industry of Pakistan is around 25 – 30% annually, its observed that mostly second line managers change their job's for high salaries offer, recognition, authority and also to seek for more knowledge and to get more competitive edge in terms of processing; In tanneries its critical and alarming because of the process and article secrecy. In order to achieve competitive advantage, maximum utilization of resources and to get organizational efficiency employees must be retained in a true spirit in order to cope with all these conditions. In this paper the authors tried to know the reasons behind this dilemma that how employees can be retained and some suggestions were given to deal with it. One edge of this paper is that one of the author belongs to the same industry i.e. leather industry.

Tammy C. Morse (2): Humor has been in existence since the beginning of time. Some even claim that humor is the best preventive medicine for stress

management and good health. If humor is good for living productively, can it also be good for employee retention and/or employee satisfaction? The purpose of this conceptual and practical paper is to explore the extent to which the use of appropriate humor relates to employee retention and satisfaction, which can enhance the commitment, cohesiveness and performance of a company's workforce. Another objective is to explore and emphasize the importance of humor and employee retention in the workplace. The paper provides practical recommendations for today's managers and offers a focus for future researchers to empirically test the use of humor and its relationship to employee retention and employee satisfaction.

Muhammad Umer (3): Investigate the impact of variables (career development, supervisor support, work environment, work life balance) on employee retention. A total of 50 interviews were taken from managers of different BPO organizations in Pakistan. Graphical Analysis is indicating that these variables have significant and positive impact on employee retention. Very less research have been done about employee retention in business process outsourcing, especially in Pakistan. So,

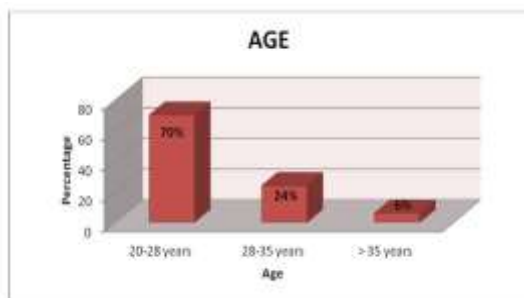
these findings will provide some insights to BPO's managers to make policies about employee retention in Pakistan.

Ruslan Gurtoviy (4): We model deferred compensation as a share of an uncertain future profit granted by a financially constrained employer to her employee in mutual agreement. Deferred compensation serves as a retention mechanism, helping the employer to avoid bankruptcy. The optimal combination of cash and deferred payments that a firm can use to retain qualified personnel depends on the cost of new credit and bankruptcy risk: If interest rates are greater (smaller) than the ex-ante odds of bankruptcy, the employer will to defer compensation (pay in cash) to the employee. The employee always improves his position in the labour market if imminent bankruptcy is avoided.

III. DATA ANALYSIS AND INTERPRETATION

1. Existing (or) Working Employees:

S. No	Age	No of Respondents	Percentage
1	20 years to 28 years	35	70
2	28 years to 35 years	12	24
4	Above 35 years	3	6
	Total	50	100

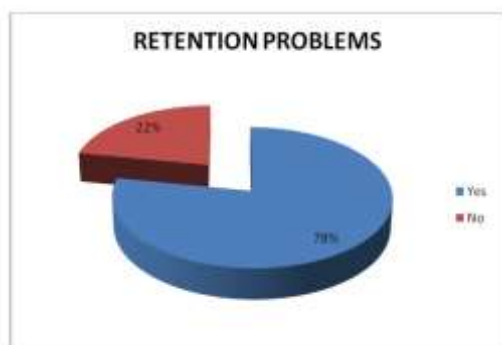


INTERPETATION

The above table shows that 70 percent of the respondents are between 20years to 28years of age, 24 percent of the respondents are between 28years to 35years and 6 percent of the respondents are above 35years.

2. Do you know any specified Retention problems in your organization?

S. No	Retention problem	No of Respondent	Percentage
1	Yes	39	78
2	No	11	22
	Total	50	100

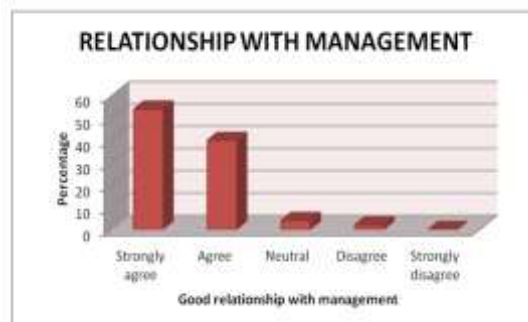


INTERPRETATION

The above table shows that 78 percent of the respondents are having retention problems, and 22 percent of the respondents are not having retention problems.

3. Relationship with management

S. No	Relationship with management	No of Respondent	Percentage
1	Strongly agree	27	54
2	Agree	20	40
3	Neutral	2	4
4	Disagree	1	2
5	Strongly disagree	0	0
	Total	50	100



INTERPRETATION

The above table shows that 54 percent of the respondents Strongly agree in good relationship with management, 40 percent of the respondents Agree in good relationship with management, 4 percent of the respondents Neutral in good relationship with management, 2 percent of the respondents Disagree in good relationship with management.

4. Rewards & Recognition

S. No	Rewards And Recognition	No of Respondent	Percentage
1	Strongly agree	12	24
2	Agree	11	22
3	Neutral	6	12
4	Disagree	13	26
5	Strongly disagree	8	16
	Total	50	100



INTERPRETATION

The above table shows that 24 percent of the respondents Strongly agree with rewards & recognition, 22 percent of the respondents Agree with rewards & recognition, 12 percent of the respondents are Neutral with rewards & recognition, 26 percent of the respondents Disagree with rewards & recognition and 16 percent of the respondents Strongly disagree with rewards & recognition.

5. Association between employee retention and the selected demographic variables

Demographic Variable	Yes	No	Total	Chi square	DF	P-value	Inference
1. Age in years							
a) 16-25 years	21	14	35	8.33	2df	0.0014	Accept H0
b) 26-35 years	05	07	12				
c) >35 years	03	00	03				
Total	29	21	50				
2. Gender							
a) Male	08	08	16	0.0043	1df	0.8414	Accept H0
b) Female	20	13	33				
Total	28	21	49				
3. Marital Status							
a) Married	00	08	08	2.498	1df	0.8414	Accept H0
b) Unmarried	20	13	33				
Total	20	21	41				
4. Salary in rupees							
a) 10001-15000	10	13	23	1.339	2df	0.5014	Accept H0
b) 15001-20000	07	05	12				
c) >20001	00	03	03				
Total	17	21	38				
5. Educational Qualification							

6. Work environment

S. No	Work Environment	No of Respondent	Percentage
1	Strongly Influenced	5	10
2	Moderate	29	58
3	Not Influenced	16	32
	Total	50	100



INTERPRETATION

The above table shows that 10 percent of the respondents are strongly influenced by work environment to leave, 58 percent of the respondents are moderately influenced to leave and 32 percent of the respondents are not influenced to leave.

7. Job Satisfaction

S. No	Job Satisfaction	No of Respondent	Percentage
1	Strongly Influenced	3	6
2	Moderate	5	10
3	Not Influenced	42	84
	Total	50	100



INTERPRETATION:

The above table shows that 6 percent of the respondents are strongly influenced by job satisfaction to leave, 10 percent of the respondents are moderately influenced to leave and 84 percent of the respondents are not influenced to leave.

IV.FINDINGS

Chi-square test was computed between dissatisfaction with pay and age, at 5 percent level of significance and degree of freedom 4. Table value was 9.4877 and the calculated value was 6.715, it was lesser than the table value. So there is no significant association between dissatisfaction with pay and age. Hence hypothesis H₀ is accepted. Chi-square test was computed between dissatisfaction with pay and gender, at 5 percent level of significance and degree of freedom 2. Table value was 5.9914 and the calculated value was 0.386, it was lesser than the table value. So there is no significant association between dissatisfaction with pay and gender. Hence hypothesis H₀ is accepted. Chi-square test was computed between dissatisfaction with pay and marital status, at 5 percent level of significance and degree of freedom 2. Table value was 5.9914 and the calculated value was 1.613, it was lesser than the table value. So there is no significant association

between dissatisfaction with pay and marital status. Hence hypothesis H₀ is accepted. Chi-square test was computed between dissatisfaction with pay and salary, at 5 percent level of significance and degree of freedom 4. Table value was 9.4877 and the calculated value was 15.98, it was greater than the table value. So there is a significant association between dissatisfaction with pay and salary. Hence hypothesis H₀ is rejected and H₁ is accepted. Chi-square test was computed between dissatisfaction with pay and education qualification, at 5 percent level of significance and degree of freedom 2. Table value was 5.9914 and the calculated value was 6.073, it was greater than the table value. So there is a significant association between dissatisfaction with pay and salary. Hence hypothesis H₀ is rejected and H₁ is accepted. Chi-square test was computed between dissatisfaction with pay and experience, at 5 percent level of significance and degree of freedom 4. Table value was 9.4877 and the calculated value was 4.720, it was lesser than the table value. So there is no significant association between dissatisfaction with pay and experience. Hence hypothesis H₀ is accepted.

V.CONCLUSION

The research has a humble attempt in identifying the causes of employee retention and come up with a few suggestions. The management should identify the problem, appreciate the need to resolve it, identify the factors and contributing to the problem and behave in ways that would either eliminate the casual variables or reduce their influence on the problems. Though slow, the process of concretization is sure to produce the desired results conducted in proper ways. Employees comprise the most vital assets of the company. In a work place where employees are not able to use their full potential and not heard and valued, they are likely to leave because of stress and frustration. They need transparent work environment to work in. In a transparent environment where employees get a sense of achievement and belongingness, where they can best utilize their potential and realize their skills. They love to be the essential part of such organization and the company is benefited with a stronger, reliable work-force harboring bright new ideas for its growth.

VI.REFERENCES

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