### INTERVENTIONS IN HUMAN RESOURCES RETENTION

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### **Abstract**

Keeping the organization's best employees is one of the main purposes of human resources and management companies. Through the work, top employees are those who bring the highest sales, customers and quality products. In other words, they ensure the success of the company. However, if management does not appreciate business services, which would be why these experts did not find a better job in another organization? To counteract this momentum, the human resources department can use a set of "retention techniques" presented in this paper. Along with these techniques, there are ways of avoiding / resolving conflicts arising, so as not to generate conflict situations unsolvable and would result in leaving the institution for reasons other than professional.

Human resources is very complex and the techniques and methods used in working with people are very large, different, however, applicable only in certain situations. Therefore, each specializing in human resources has to fold the situation and be able to recommend the best solutions for top management to get best results.

How we select the right people and why we should help the most ambitious employees to develop their career are things whose importance becomes evident when a valuable employee resigns. Unfortunately, it is too late!

**Keywords:** human resources, retention, motivation, salary.

**JEL Classification:** A12, J53, K41

Scholastically speaking, to maintain function is to ensure that those working conditions of employees as deemed necessary to determine to remain in the organization.

It is well-known fact that key actors in a company's success are the quality of human resources. Given this, the work of human resources is extremely important to provide the company with valuable employees to contribute to achieving its objectives.

Maintaining human resource refers to the administrative aspects of human resource management: employment contracts, wages, employment protection, etc. Activity management personnel must comply with strict legal rules designed to protect the interests and health of employees.

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A company's ability to retain, preserve and develop human capital creates a positive perception in the human resources market, a perception that propelled the top employer brands. A high rate that helps to attract top professionals who will contribute through their company's success.

Staff retention is the opposite of staff turnover. Retention means retaining those employees who share the company values, proving their expertise in business and an appropriate moral profile.

Maintaining human resources is closely related to their satisfaction, so one way to reduce turnover and thereby to increase staff retention, is control over the correspondence between expected rewards and satisfaction of their employees, which can reduce the problems caused by fluctuation. Another way to eliminate the fluctuation is improving selection in employment, but to dismiss.

A better orientation of employees can reduce turnover. Workers who are given opportunities for training and retraining, which are placed on job matching their training, are less inclined to leave the organization. If people receive more general information on company performance which is desired of them, will think that's good or not remains. If individuals believe that they have the chance to be advanced, will leave the organization. Consequently, internal promotion and career planning can help keep employees in the organization.

In addition, a fair payment system can help prevent turnover. Studies have shown that determined job satisfaction is strongly influenced by the feeling of paying employees to be paid correctly compared with others inside or outside the organization. An employee who is paid less than another worker on a job with similar requirements may leave the organization if he was offered a better alternative. In extreme cases, when a shortage of skilled employees, companies to be competitive, can spend a lot of improvement. Such situations have led to "return the funds agreements" where employees leave the organization in a given period.

In Romania, apparently due to low labor costs, turnover is high, owners and managers that neglecting the losses caused by continuous 'go come' employees. Principle if not better, hire another 'is absolutely wrong and prove managerial incompetence. Moreover, raises questions on personnel selection practices (often hasty), the capacity of the drive and motivation and thus the prosperity of the company.

Another component of the process of maintaining human resources is to maintain a low stress.

Stress management is to: a. Identify the causes which produce and measures such as: - changing individual responsibilities (reducing or increasing them) - the empowering tasks - agreeing employee objectives - providing training appropriate (eg in time management techniques), how we select the right people and why should we help the most ambitious employees to develop their career are things whose importance becomes evident when a valuable employee resign. Unfortunately, it is too late!

After investing considerable amounts of time and money in recruiting and training employees, companies must ensure that they become productive and loyal. Losing an employee with experience often translates into additional costs that the company must embrace and to cover fragmentation relationship with customers, team cohesion or weakening efforts to recruit new staff are just a few.

Moreover, statistics show that with the retirement of so-called Baby Boomers, available workforce in the United States will drop almost by half - from a total of 76 million people, only 44 million - will decrease to extend worldwide. It is easy to realize that the burden of companies to retain valuable employees is becoming increasingly challenging.

Motivating and retaining employees but requires strong managerial skills to facilitate a system working properly: as fit company needs employees, so they need and are given the tools and conditions to achieve daily attributions. An equally important aspect is also a performance-based compensation plan that reinforces loyalty to the company employees and to encourage it to make a significant contribution.

Likewise acting and a good communication system in place designed on the one hand, fluidifica exchange information to achieve tasks and, secondly, to give every employee the opportunity to give and receive feedback on work it takes. Identify frustrations that employees can accumulate and solutions for their elimination are also steps that such a system can facilitate communication.

Equally, employees are assessed to recognize the value and appreciate their efforts are. Sometimes, the assessment, involvement in important decisions and trust that is granted, weighing more than a financial reward for the employee received a foul and oppressive work environment.

Undoubtedly skills and knowledge they hold those responsible for human resources will determine success in creating an atmosphere where employees feel motivated and remain loyal to the company.

Staffing & Career Development, a course supported by Florin Petrescu (Citibank) during 2007-2008, (Citibank), extensively discuss issues of staff retention, among other key issues related to the Staffing and Career Management, giving participants both a clear definition of concepts involved and concrete examples and models with a large application development.

Retention, recruitment and selection, training and employee development are among issues that managers will face this year, but the HR teams. Thus, having announced wage estimates, the Hay Group experts have made us a cold shower again, announcing that 70% of companies surveyed will have problems with employee retention.

According to the study 'Compensation and Benefits' conducted by the Hay Group company, the challenges they will face more than 50% of companies surveyed are: retention (the proportion of 70%), selection and recruitment, training and employee development system motivation and performance management. "Retention is a fundamental problem today, but we can not say that a particular sector is more

affected than other.

Monetary values that are part of salary package still matter, but not the only motivating factor. What we want to emphasize is that the salary itself is a poor tactic general remuneration strategy, because it is very easy to copy by competitors. Rewards intangible non-financial are more difficult to reproduce and it is unique, here is the real difference ", says Alina Popescu, Manager of Research Division of Remuneration, Hay Group Romania.

The study reveals an annual salary increase of 15.7% for levels of 15.5% for management and workers, justified by the fact that 69 percent% of companies reported difficulties in recruitment for certain jobs, leading wage increase. It is not coincidence that Tataru Florin, National HR Director Vel Pitar, expect an even larger increase in wages for workers, given the acute shortage of trained personnel. Traditionally, the baking industry was an industry with a lower salary levels than average, but I do not think the labor market leave us many options on this issue. Moreover, the Romanian, I think most often these are unsustainable wage increases (in terms of labor productivity) and we risk losing one of the important benefits that the country has potential killers struggle to attract investment: costs low ', said representative Pitar Vel. Also, experts estimate that the Hay Group management positions will focus on variable reward systems, based on financial performance, market and operational. This is true when implementing a performance management system, solid and transparent.

Taking into account the pressure on wage growth, Michael Dragoi, HR Manager Arctic raises the stakes. 'A possible renegotiation of the minimum wage can bring new elements in wage equation. Therefore, an approximately 18-20% salary increase for 2008 is not a surprise. Regarding the electronics industry, lack of skilled workers in the labor market, increasing competition and diversifying methods of attracting and recruiting specialists will cause wages to at least follow the same trend ", says HR manager of Arctic. And because I brought about the shortage of people, Alina Popescu, Division Manager Remuneration Studies, Hay Group Romania, noted that the labor market in Romania is still not attractive for skilled workers, although progress has been made by both authorities and by companies, the latter must be understood that the recruitment process and to focus on continuous training.

A possible answer to the question "have problems with retention?" Would be: "Try retention bonus!". Generally companies that have high turnover of employees begin by identifying whether a problem primarily related to wages and then to protect this fluctuation, providing a retention bonus. 'In 2007, the number of companies reported that they offered such a bonus for specialists increased by 10% compared to 2006', says Alina Popescu. Thus, as the wage issue is resolved, companies moving to implement programs such as Performance Management and Evaluation and leadership capacity. 'These are companies that have reached a certain maturity and understood that management styles have a huge impact on organizational culture and climate and an environment increases the company's total results. Moreover, management style has a large impact on an employee's decision to

leave the company 'representative complement Hay Group.

Retention is also on the agenda of Michael Dragoi, HR Manager Arctic, which argues that salary is one of the most important factors in employee retention, but not far from the only lever that can be used to retain valuable people in the company . 'To emphasize the importance of becoming more fluid which methods should have in companies, will give the example of a colleague at another company, newly arrived in Romania, which asks for the Romanians willing to change their work for only 20 euros in addition to wage 'representative complement the Arctic.

Money is not far from a prime motivator of employees. This was confirmed in a recent study done on 1500 people.

The key is the manager. Roxana Rotaru, Human Resources Manager, Orange Romania has a different view regarding the reasons why many employers do not Reuss retain employees in companies, bringing it to the fore in his role of manager and reasons. It believes that retention is primarily a task manager and depends largely on the experience of his special skills SSI to treat: be proactive, by allocating the time to listen and understand their employees or reagent. 'Trying for years to create a diverse work environment, to motivate and recognize different employee performance: competitive for those who need challenges for those who appreciate a stable predictable environment with development opportunities and career progression or different ways of recognizing individual worth. Manager bears primary responsibility, however. It is the main motivational factor for people in the team ', complements the Orange representative.

Regarding staff turnover size, Delamode company faces a fluctuation of about 6% for the whole company, the biggest fluctuation of personnel registered in the storage department. 'The difficulty of finding workers in this segment, both numerically and qualitatively, and required a greater attention to creating a structure based on fixed element (salary) plus other variable factors. This structure comes to ensure proper retention and rewarding employees in this department ', says Ioan Vlad, HR Director Delamode.

Moving in the bakery, we find that the company currently Vel Pitar highest turnover of staff positions requiring unskilled and poorly trained staff and the reasons are varied. 'One of the specific problems we face is the loss of qualified personnel specialized in bakery industry. Training system no longer fails to generate potential candidates, while existing qualified staff are approaching retirement or switching industries more profitable and less physically demanding ", says Florin Tataru.

And telecommunications companies are staffing fluctuations. Orange is the case where customer service department has the highest rate of departures. According to Roxana Rotaru, Director of Human Resources, the reasons for these departures are clear: the work is complex and requires a series of specific skills and stress level is high. Also, young people working in this department are the labor market more flexible. They have very high ambitions and expectations and are willing to change what they're not much easier.

It is noted that the strategies of motivation and retention of employees vary depending on the industry, said company policy and HR department, but also the degree to detect the true needs of the employee. Wage tends to remain the engine that determines the number of employees to start each morning to office, but not the only piece of mechanism.

One of the factors most positive effects on employee retention performance is developing a relationship based on trust between employer and employee. This trust is often reflected in the package of compensation and how it is administered.

For a compensation plan to build relationships based on trust must have four supporting pillars: honesty, clarity, consistency, merit. It's harder than it seems at first sight to meet all these conditions. This is because due to circumstances change some of those characteristics may conflict with others:

- An activity in which to keep learning and freedom of choice tasks. Employees exploit learning opportunities that can develop and improve new skills. Also appreciates the opportunity to choose tasks where appropriate.
- Flexible working hours and leisure time. Employees that the employer worth their free time it provides. Flexibility of working hours to enable them to balance between work and personal life balance.
- Personal recognition. People like to feel that they need and that their work is appreciated. However employees report that their boss rarely thank them for the work they submit.
- Increased autonomy and authority in relation to their work. Greater autonomy and authority shall send the employee that the organization has confidence in him that they act independently and without the others.
- Time spent together with his manager. When managers spend time with their employees instead of two phenomena:
- 1. The first of them: a manager's time is precious because employees have a sense of recognition and validation.
- 2. The second phenomenon: the manager supports employees to listen to them, answer their questions and provide advice.

Those who participated in this study said that money is indeed important but less important than those above.

Researchers have discovered that there are seven areas that make a difference in retention of personnel, namely: work environment, work content, development opportunities, compensation and awards, organizational culture, relationship with managers, relationship with colleagues.

For many organizations, employee retention topic performance is down to one thing - compensation.

Companies say that "to keep your best employees, you must pay well. To a certain extent this is true, but only in negative terms. If employees are not paid performers well, leave.

But paying him well not only means that remain in the organization.

The compensation is a factor of satisfaction, satisfying and motivating.

Changing this compensation is a temporary effect on the employee and no one claimed the long term.

Study of "Employer of Choice" performed by Daedalus Millward Brown in collaboration with Catalyst Solutions shows that two out of three employees with higher education are affected by measures taken recently by the companies they work as a result of recession. Eliminating bonuses, restructuring processes and even lower wages are relatively common phenomena encountered lately organizations in Romania. employees are affected indirectly by reductions in budgets and development of organizations in which they work.

Concern for the future is even greater. Thus, 3 of 4 employees graduate is expected to cost reduction actions that affect them directly or indirectly. In an attempt to reduce costs, expect top managers rather restructuring processes, while employees without managerial positions believe that the restructuring will take place near elimination of low salaries and bonuses.

The study was conducted in March 2009 on a sample of 1158 employees with higher education by age 45 years. The sample is nationally representative for the population studied.

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Changes made in the organization	%
Budget cuts were made (professional development, marketing,	44.7
research, rewards, etc.)	
Bonuses were eliminated	30.5
Restructuring took place	30.2
Low wages	19.1
A number of employees/all personal is working part-time	9.0
Some staff entered technical unemployment	8.6
None of the above	30.2

Source: Daedalus Millward Brown and Catalyst Solutions Base: 1158 graduate of employees younger than 45 years

Since budgets were already set for 2009, concern about the low budget increase not decrease significantly from already established budgets. Percentage of employees with higher education who believe that they will take place in organization actions to reduce personnel costs in return is significantly higher than that of employees already exposed to such actions. Thus, 39.2% believe that there will be restructuring, 38.3% believe that bonuses will be removed and 25.8% think that wages will be deducted from her organization.

Predominant concern in small firms is related to low wages, while the biggest concern of those working in large firms is related to the restructuring plan.

There is also a major discrepancy between top management and employees with non-managerial positions with regard to perceptions of future activities to reduce costs in the organization: top management sees as rather reduce costs through restructuring, while non-management employees expect wage reductions and the elimination of bonuses.

## Fields and companies analyzed:

Softwin, IBM, Google, Siemens, Hewlett Packard, Route 66, Nokia) - Telecom Romtelecom, Cosmote, Orange, Zapp/Telemobil, UPC/Astral, GTS Telecom, Media Sat) - Professional/Media (Media Pro, Ringier, Intact, Realitatea, Catavencu, Deloitte & Touche, Price Waterhouse Cooper, Leo Burnett, McCann Erickson, Ogilvy, Ernst & Young, KPMG Romania, Accenture, Genpact) - FMCG (Danone, Friesland, Cadbury/ Kandia, Excellent, Kraft Foods, Heineken, Ursus Breweries, InBev Romania/Interbrew, Pepsi, Coca-Cola, Nestle, Ferrero, McDonald's, Unilever, Procter & Gamble, Henkel, Oriflame, Avon, Sarantis/Elmiplant, Beiersdorf/Nivea, Farmec Romania, Colgate-Palmolive) Financial/banking (Raiffeisen Bank, Millennium Bank, BRD, BCR, ING, CEC Bank, Banc Post/Eurobank EFG, Banca Romaneasca, Alpha Bank, Credit Europe Bank, Unicredit Tiriac Bank, Banca Transilvania) - Pharmaceutical (Sensiblu, Help Net, A&D Romastru/Wyeth, Pharmacies, Pharma, Bayer Zentiva/Sicomed, Glaxo Smith Kline (GSK), Ozone Laboratories, Pfizer, Roche Romania, Sanofi Aventis) - Distribution/Retail (Carrefour, Auchan, Billa, Mega Image, Kaufland, Selgros, Real, Cora, Plus, Metro) - Construction/building materials (Holcim, Lafarge, Cement Carpat/Heidelberg, Dufa Deutek, Policolor, Kober, Lasselsberger, Cesarom, Fabryo) - Auto (Dacia, Renault, Romcar, Tiriac Auto, Porsche Romania, Toyota, Automobile Bavaria, Iveco, Pro Truck, Mercedes) - Other Industries (Petrom, Rompetrol, OMV, Lukoil, MOL, JTI, Philip Morris, British American Tobacco (BAT)) [1]

#### Conclusions

Motivating and retaining employees but requires strong managerial skills to facilitate a system working properly: as fit company needs employees, so they need and are given the tools and conditions to achieve daily attributions. An equally important aspect is also a performance-based compensation plan that reinforces loyalty to the company employees and to encourage it to make a significant contribution.

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