Employee Retention Strategy Policy  


# Validated for use by

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POLICY STATEMENT:

Human resources are the most valued assets for an organisation. It is imperative for the organisation to recognise their contributions and motivate them so that they continue working with it.

This employee retention policy reflects (Name of Organisation’s) belief in its long-term engagement with its employees.

PURPOSE:

This policy focusses on the strategies that the organization may utilize to ensure its employees continue to work with it.

SCOPE:

This policy is applicable for all employees in the organization.

DEFINITIONS:

* Employee retention
* Employee turnover
* Resources

ELIGIBILITY CRITERIA FOR BEING RETAINED:

The general criteria for being retained would depend on the performance and the criticality of the resources.

It would the organisation’s discretion to retain such resources depending upon the impact to the business following their exit.

STRATEGIES TO RETAIN:

(Name of the organisation) has designed the following strategies to reduce employee turnover.

EMPLOYMENT BOND/CONTRACTS:

1. The organization may sign employment contracts/bonds with certain roles while hiring them, depending on the criticality of role.
2. Such an arrangement would ensure that the people employed on those specific roles continue working with the organization as per the defined time.
3. Generally, these bonds/contracts would also contain a penalty clause in case of violation of any terms. This can be used by the organization to safeguard its position.

PERFORMANCE RELATED PERKS:

1. The organization recognizes and rewards the employees based on their performance.
2. The rewards and recognition policy of the organization may include:
3. Performance bonus/incentives
4. Spot rewards
5. Letter of appreciation from the senior management
6. Career advancement opportunities
7. Similarly, the performance appraisal policy must be designed objectively to ensure that the performance standards are chosen correctly so that it is properly aligned to the R&R policy.
8. It must be ensured that all these policies must provide the due recognition to the deserving employees without much delay.
9. However, it would be the discretion of the organization to decide on the rewards and performance perks for its employees.

MATCH YOUR COMPETITORS:

1. To retain, the organization may give a counteroffer to those employees who are leaving.
2. The counteroffer can be made, only after knowing the offer the employee has received from the competitor organization.
3. This also would also require the organization to conduct an in-depth analysis of the offers and the hirings that are being made by its top three competition.
4. This exercise would prepare the organization to deal with sudden contingencies and help retain the employees.
5. It would however be the discretion of the organization to decide on the counteroffer after the analysis.

RETENTION BONUS:

1. Retention bonus can be another way to retain the employees.
2. The organization can pay an additional amount, in form of retention bonus to the employees after they complete a defined length of service.
3. This length of service must be clearly mentioned in the appointment letter if the organization decides to give retention bonus.
4. This retention bonus may be the part of the salary structure of the employees.

EMPLOYEE ENGAGEMENT INITIATIVES:

1. Employees stay in an organization when they develop a sense of belongingness. This can be developed only when employees are highly engaged.
2. Organisations can retain employees when they create effective engagement for them.
3. The organization may implement one or many such initiatives listed below to drive employee engagement.
   1. People friendly policies
   2. People first culture
   3. Learning opportunities
   4. Work life balance
   5. Employee well-being
   6. Attractive compensation
   7. Employee benefits
   8. Training managers
   9. Employee experience
   10. Mentorship and coaching
4. Each of these initiatives can be developed as a separate policy as per the organisation’s needs.

REHIRE EMPLOYEES:

1. The organisation may adopt a strategy to rehire the people who had quit in the recent past.
2. The incompatible with the new work environment may cause people to again seek employment with their former employees.
3. Having a policy to again include such talent can help organisation retain them in the longer run.
4. Such a rehire policy must clearly define
5. the grounds of rehire,
6. any fixed time period of employment (if applicable) after rehire
7. grounds of dismissal, and
8. conditions for not hiring in future(if applicable)

RESPONSIBILITY TO IMPLEMENT:

1. The decision to retain will be taken by the concerned reporting manager or head of the department.
2. The decision must be then communicated in writing to the HR department.
3. The HR department will then take appropriate action as per this policy to retain the employee.

Approved by:

Date of approval:

Revisions

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