

EMPLOYEES' RETENTION PRACTICES AS INTEGRAL PART OF HUMAN RESOURCES MANAGEMENT

Teodora Lazarova

Department of Management, VUZF University, Sofia, Bulgaria

Abstract

The following paper evaluates the importance of employee's retention for the organizational health. The article defines and suggest business practices to find, hire and retain the best talents in the organizations. The study highlights the importance of social and organizational factors as basis for the employee satisfaction and loyalty to the company. The author suggests and analyze the innovative retention practices used in the biggest companies and evaluates their importance for the employee's wellbeing and satisfaction. The article examines the expectations of the different generations working together and their vision about working places.

Key words: retention, satisfaction, efficiency, human resources, innovative practices

1. INTRODUCTION

Organizational climate and working conditions are considered as one of the most important indicators of employee satisfaction and commitment. Quality of working life, in turn, is the most significant component of quality of life - not only because of the fact that the largest relative share of time a person spends at work, but also because of the importance that experiences and success in the workplace have for general satisfaction, a sense of subjective well-being and the mental health of the individual. The quality of working life became the subject of research in the 1970s as part of occupational health research.

Despite the many definitions since then, popularity has gained the meaning that the quality of working life means the degree to which members of the organization can meet significant personal needs in the process of their work and as a result of their experience and experiences in it. The quality of working life is also a strong motivator for the commitment and long-term retention of employees in the organization. That is why, at the organizational and governmental level, strategies and programs are developed to improve the quality of working life and work organization, aimed at creating a working environment suitable for meeting individual needs and a good work-life balance.

2. CHARACTERISTICS OF ORGANIZATIONAL CLIMATE

Factors of the working conditions are grouped into three main areas physical, social factors and organizational. The physical factors are noise, vibrations, microclimate, radiation, and illumination. **Physical working conditions** as an area of control have long been clearly defined. For them there are hygienic norms, methods, and measurement, as well as rules and responsibilities for non-compliance. Essential parameters in them are the noise level, the vibrations, the peculiarities of the microclimate, the radiation, the illumination, etc., i.e. physical, and chemical parameters in the workplace. In case the work process and the conditions in which it takes place are harmful to human health and life, a mandatory procedure for reducing the harmful effects is followed. In general, it can be reduced to precisely determining the harmful factors of the working environment, as well as hygienic and ergonomic norms and rules. The methods and procedure for their control, collective and personal protective equipment and compensation for harmfulness should also be laid down. Finally, information, selection and training are needed to prevent harmful effects, as well as control to comply with the rules of precisely regulated structures and officials.

Ensuring safe and healthy physical working conditions reflects in a particularly clear way the different and often divergent interests that need to be influenced and that human resources management must

combine. The idea of ensuring safe and healthy working conditions should be among the priorities in the value system of every employer who strives to:

- Improving the use of working time by reducing sick leave (general and occupational).
- General satisfaction with the provided conditions at the workplace.
- Increasing labor productivity by maintaining the working capacity and health of workers.
- Reducing the risk of accidents at work.
- Raising the image of the organization by offering attractive working conditions.

In order to ensure safe and healthy working conditions in the organizations, it is necessary to allocate resources - financial, time and human, which is not always motivating, since the work is carried out. The explanation that "there are no means" to improve working conditions often masks the underestimation of these issues by the organization's management (which, of course, will be difficult to admit to everyone that ensuring safe and healthy working conditions is not among its priorities).

At the same time, the practice of prosperous companies reveals that they are constantly improving working conditions and implementing programs to preserve the health and ability to work of their employees. Research emphasizes that successful companies are constantly improving their working conditions, which reflects at least two things- the existence of an effective legal framework that directs the behavior of the employer in an appropriate direction and the high appreciation of these issues by the management, which understands that ensuring safe and healthy working conditions is part of the business.

Demands for a more innovative physical office environment have been growing in recent years (Schawbel, 2016). The companies aim to improve the overall experience of the candidates during the selection process and their experience subsequently in the organization itself. Keeping and retaining people in the organization is becoming key to organizational health. The information technology industry, on the other hand, is creating new rules different from the rules of physical working conditions. According to a survey by Workplace Trends in 2016, about 93% of companies identified a shared or mixed approach as a key characteristic of physical working conditions. They are set aside for increasingly hybrid teams, where physical office spaces do not exist, and employees work with remote access.

Employee productivity is the ability to perform a certain amount of work with a certain quality and in a certain time, is one of the essential factors for labor productivity in the organization. High working capacity of employees, other things being equal, means more efficient use of all organizational resources - equipment, technology, information, materials and more. In this regard, resources are being sought to neutralize fatigue in the performance of work tasks, to maintain high working capacity of people for a longer period of time, both during the working day and during the week, month, year.

The working capacity of employees is influenced by many factors, some of which are related to working conditions. The main characteristics of working conditions, influencing the mental health, and working capacity of a person, are the following characteristics of work (Shopov, 2003):

- Intensity and monotony of the work.
- The characteristics of the technical means.
- Sanitary and hygienic conditions.
- The regimes of work and rest.

Labor capacity and intensity are expressed by the amount of human energy (physical and mental) that is expended per unit time in the process of work. It is possible that the high intensity of a certain type of work is the result of high physical energy expenditure, and in another type of labor the energy expenditure is associated with great mental stress. In both cases, the high level of labor intensity leads to rapid fatigue and affects the performance of contractors. The monotony of work is expressed by the degree of repetition of uniform actions during the work shift. This leads to reduced ability to work and

attention and is often the cause of work errors or accidents. The work and rest regime includes the alternation of work time and rest time during the working day (week, month, or year). Irrational work and rest regimes can lead to increased fatigue and reduced working capacity of employees with all the ensuing effects on productivity and health of workers.

Behind each of these factors, rules, recommendations, and requirements have been developed, and for some of the parameters there are statutory norms that must be followed in order to preserve people's ability to work and health. Deviations from these rules, recommendations, and norms lead to a few negative consequences for people, which can be summarized as:

- Reducing the working capacity of employees for a certain period.
- Accidents at work, in which the health of the employees and their working capacity are damaged to a certain extent.
- Occupational diseases in which chronic illnesses occur, which in most cases end in premature retirement of workers.
- Organizational stress, which reflects some unfavorable (disease) changes in the physiological and psychological state of people caused by high mental load at work (Rusinova, 2005).

Negative effects on working conditions on the employees, which in turn affects the overall performance of the organization. Accidents at work and occupational diseases often lead to disability and severe and incurable diseases, which in turn affects the organization through high turnover and absences, low productivity, high medical costs, high compensation costs. The psychological impact, often expressed in the form of organizational stress, leads to dissatisfaction, apathy, confusion, and anxiety.

By improving working conditions, beneficial effects can be achieved in several areas:

- Reduction of absences due to illness and unexcused absences.
- Increasing productivity as a result of a relatively high level of efficiency.
- Reduction of costs associated with damage to production equipment in accidents at work.
- Increasing the image of the organization in society and the labor market with all the resulting beneficial effects on customers, suppliers, job applicants (Shopov, 2003).

In order to achieve these beneficial effects and the desired state of working conditions, organizations must set scientifically based rules, recommendations and requirements based on legal norms in this area. Working conditions should be analyzed and the problems to be solved should be outlined, as well as programs should be developed and implemented to improve these conditions. The logical beginning in the activity of forming safe and healthy working conditions is the good knowledge of the normative base in this field. And it covers both specific decisions that are tailored to the specifics of our country and the elements of global legislation in this area. Bulgaria has ratified several conventions of the International Labor Organization concerning the problems of working conditions. The ratified conventions on working conditions also have an impact on the content of the Bulgarian legislation in this area - various normative acts, among which the Labor Code is of major importance. Hygiene standards related to the preservation of physical health are well regulated, although control over them is not always at the required level. The same cannot be said of ergonomic norms and standards. They are related to the experience of mental stress, degree of job satisfaction or mental comfort.

Speaking of the physical working conditions, it is worth mentioning the perceptions that different generations have and expect from the material environment in the offices. It can be said that 2016 is the first year in which Generation Z becomes part of the work environment, while at the same time 1/3 of the generation of "millennials" (Generation Y) currently occupy various management positions. At the same time, 2017 is emerging as the year in which Generation Z takes its place, along with its requirements, expectations, and characteristic behavioral distinctions from previous generations (Schawbel, 2016).

A survey conducted by Morar Consulting in 2016 shows that 78% of Generation Z and "millennials" indicate that their expectations for physical conditions in the workplace are met and that their education has prepared them well for the challenges of the workplace. Regardless of the differences between the generations, the trend of the future, valid for all generations, is the pressure on companies to transform their physical offices, as well as the physical working conditions. They are expected to reward employees and stimulate flexible working hours by giving more freedom to employees.

The modern work environment of the new culture and the new type of offices were once used to attract and retain the best candidates. The modern view of the workspace imposes the idea that it is wherever we are and this tool to some extent loses its meaning and value. How to find and keep the best people? The location is in no way perceived as something that prevents people from developing or working together. Audio, video, and web connections help them work in teams, no matter where they are, and manage and coordinate projects in real time. The physical environment is changing. The shared office environment is becoming a new and well-functioning trend. Working from home is becoming one of the employees' jobs. The idea of "work is what we do, not where we do it" is gaining ground. The desire for a better work-life balance has an impact on the decision we make, as the need for flexible working hours and non-standard office spaces is increasingly recognized. There are even legal changes to work from home and flexible working hours.

A recent study by Frost and Sullivan (2017) shows that 57% of businesspeople value virtual work and collaboration very highly. All modern means of communication help for better coordination between people and teams, such as synchronization of calendars and sending notifications. These are just some of the communication tools that technological innovation offers. All these tools help us to look at our employer company with different eyes. Technology is not seen as a means of work, but as a way of communication that offers new techniques for coping and supporting work-life balance.

An interesting trend is that in recent years the workplace and the office have become an increasingly informal environment. With the advent of new generations of employees, more and more employees are working outsourced or practicing work from home, which makes the office a little more informal. In 2017, this trend even reached new dimensions. The U.S. Federal Bureau of Labor Statistics and Measurements estimates that 1/3 of American labor market employees work almost or entirely from their homes (BLS, 2017).

Finally, in the development of new trends is the health of the workplace, as well as the well-being of employees, which are emerging as one of the key measures to retain employees in organizations. Companies use various health programs to reduce the number of employees leaving, as well as to prevent the maximum possible health costs through appropriate prevention. A study by the American Psychological Association in 2016 (Science Daily, 2016) shows that less than half of employees in the American labor market indicate that their company supports individual health and promotes a healthy lifestyle. For comparison, the figures for 2017 show that the additional benefits related to health have increased by 58%, and for various sports activities - by 45%. Companies are increasingly realizing that stress in the workplace is one of the most important problems that employees face. This is one of the reasons they try to organize a more flexible and healthy work environment.

Usually we associate **organizational factors** with the bond and the relationship between employees, the leadership style in the organization, conflicts and cooperation in groups and the degree of compatibility and responsibility in the teams. Studies based on the problems of the **organizational climate** appeared at the end of the 19th century at the same time as the first experimental developments in the field of social psychology. Modern research shows that the organizational climate is an important characteristic of the organization and is determined by the way the members of the organization perceive it - and accordingly by the value attitude towards them. This characteristic most often contains an assessment of the degree to which the members of the organization are involved in the decision-making process, the degree of compliance of their efforts and the assessment of the leader, as well as the degree of awareness of subordinates for the organization. The overall organizational climate and its characteristics are key parameters in the study on staff retention and measures to deal with high levels of turnover in organizations.

Maintaining a motivating relationship with management because of the positive social climate supports the implementation process, as it sets the criteria and standards that employees must meet. The organizational climate provides the socio-emotional background of work and provides psychological comfort that stimulates work. The deteriorating social climate would be a source of dissatisfaction and low motivation and would therefore contribute to low performance. Then, when perceived as favorable, it removes dissatisfaction, but we cannot expect it to directly increase motivation and create job satisfaction.

The term "quality of the social climate" refers to the degree of general favorableness of the working environment for the individual. The main goal of most concepts dedicated to this topic is to develop such parameters of the positions and of the whole organization, which would be as good as possible for both the people and the economic health of the organization. A typical program for the quality of social working conditions includes many elements - open communication, a sense of fairness in evaluation and remuneration, attention to the needs of the individual for security in the workplace and a satisfactory career, participation in management. Other characteristics may include a sense of limitation experienced by employees, a sense of risk and challenge in setting tasks, the extent to which conflict is tolerated or resolved, a sense of "moving forward" in the organization as a whole, and a sense of dedication and belonging.

Over the years and with life and professional experience, management of the companies becomes more and more interested in the psychology of human relations in the workplace, carried out in a certain social microclimate. The notion that the social factors of the organizational climate such as group relationships, leadership style, conflicts and cooperation, degree of compatibility are extremely important for the mental health of employees is also gaining wide popularity. These factors can negatively affect mental health, triggering experiences of stress, depression, lack of mental comfort, job satisfaction and motivation.

3. STRESS MANAGEMENT

Stress is a result of the deteriorating social climate in the organization of work and is a factor influencing the mental and physical well-being of workers. It is a concept that describes the mental state of the person, formed because of all kinds of pressure to which life puts him. The concept of stress and the terminology associated with it was introduced by Hans Selye (1976) and has already received sufficient attention and analysis in the literature. The presence of stress is practically inevitable in any work environment and many of its elements are a natural product of the interaction of a healthy human personality with the environment (including organizational).

However, in their extreme forms, described in the specialized literature as "distress", this phenomenon leads to the accumulation of tension and to more or less permanent damage in the emotional and mental sphere and even in the physiology of the individual. Typical symptoms of stress are nervousness and tension, chronic anxiety, inability to relax, alcohol abuse, cigarettes, drugs, emotional instability, antisocial behavior. Obviously, some of these symptoms are permanent and irreversible, and this is one of the reasons why the fight against stress at the organizational level has a strong ethical component. A variant of the stress state is the so-called "burn-out", the victim of which are the most ambitious young professionals. The phenomenon occurs with long-term high levels of stress, which the body and psyche cannot cope with and is characterized mainly by deep emotional exhaustion, helplessness, lack of interest in work.

There are usually more than one factors causing stress, but many studies prioritize the "rupture" and lack of multitasking skills and role incompatibility between work and the rest of a person's life. Within organizations, the most typical stressors are:

- congestion and related chronic time shortages.
- the uncertain organizational and political climate.
- insufficient power compared to responsibilities.

- role ambiguity; the conflict between individual and organizational values.
- the organizational change, etc.

High group efficiency, good communication with colleagues and reduced control and pressure from management are ways to reduce stress and anxiety levels in employees. Coping with stress can be sought in several areas - avoiding it or putting it under control, escape (change of organization, profession, position) or adaptation (coping with its symptoms). What the organization can do to help reduce intensity or eliminate stressors is to improve management communication skills, activate and redesign positions, and more. For positions that deprive performers of full social contact, the "social support technique" is recommended (including various forms of participation in informal events and interpersonal interactions).

How does stress affect employee satisfaction and retention levels? First, we believe that stress should be managed on an organizational and personal level. Thanks to the modern way of life, including changing technologies, new needs, demographic characteristics, constant competition, as well as growing changes in organizations, organizational stress increases dramatically. The job offers various opportunities - starting from a test of personal satisfaction, growth, and social acceptance. At the same time, work offers a source of stress as a daily addition to our personal lives. Stress leads to disturbed balance and harmony and is a source of emotional, physical, economic, and social problems.

Stress management is an ongoing process of monitoring, diagnosing, and preventing stressors that affect employees, managers, professional productivity, and employee life in the organization. These stressors are a function of the surrounding reality and reflect the environment. Stress management, on the other hand, is the responsibility of both the employee and the manager. In this regard, employee retention is extremely important for organizational development and efficiency (Massod, 2011). Staff retention is a key activity for the organization and is related to hiring time, investment, the cost of finding new candidates and all employees involved in the process. The inability to retain the most important employees has a huge financial burden on the organization itself.

Stress is an inevitable part of our lives. Conflicts in the workplace, personal life crises, lack of support at work, a dynamically changing work environment, fear of the future - these are just some of the sources of stress. Stress is a personal experience. Workplace stress can be characterized as a physical and emotional response of the individual when the requirements of the work environment do not match the abilities, resources to cope and the desires of the employee. Workplace stress is a fundamental factor in an individual's subjective well-being and his or her desire to stay in the workplace. It is becoming a huge problem for every employer. The number of sick leaves and sick leaves is growing, the company's results and the quality of work are declining. High employer expectations can lead to frustration if stress is not managed (Massod, 2011). Given the large number of employees who would like to change their company, certain management methods and models should be mastered. The internal locus of control and coping skills are key factors in stress management.

Stress management as a system can be integrated into organizations as a preventive measure to deal with dissatisfaction and turnover. Methods aimed at managing stress are associated with the release of accumulated energy and nervous tension, as well as its redirection to more productive activities. Management approaches are related to:

- **Action-oriented model of stress management** - in which we confront the problem causing stress, changing the environment of the situation.
- **Emotion-oriented model of stress management** - here we do not have the ability to change the situation, but we change our own perception of stress and our perception of the situation itself.
- **Acceptance-oriented model of stress** - when we have no control over the situation and our own feelings, but we focus on accepting stress and the situation (Masood, 2011).

Stress affects an individual's overall sense of mental well-being. Stress can be short-term, focusing on smaller events such as attending a job interview or being late for an important meeting. Long-term or chronic stress is caused by longer and more significant events, such as work problems or family

conflicts. The personal problems that the individual has can affect his job performance and satisfaction with the organization. Some of these problems are related to:

- **Emotional problems** - anger, depression, grief, guilt, or low self-esteem.
- **Health problems** and chronic diseases.
- **Relationships with others** - conflicts in relationships or defective relationships.
- **Major life changes (often stress)** - loss of a loved one, change of job, marriage or moving to a new place;
- **Tensions in the family and changed social roles** - child in the family, marriage, divorce;
- **Conflict with our beliefs and attitudes** - inability to express, defend or realize a certain value and attitude.

Social causes, which are expressed as stressors, can be:

- **The surrounding reality** - for example, living in an overcrowded, polluted, or noisy place that can cause chronic stress.
- **Social situation** - insufficient financial status, feelings of loneliness, or encounter with discriminatory behavior based on race, gender, age, sexual orientation.

The work environment can negatively affect employee satisfaction and motivation. The various environmental factors should be monitored, and the necessary preventive measures taken. The modern dynamics of business contains the potential for greater threats to the health and well-being of the individual. Some of the main stressors in the workplace are related to:

- **Daily routine** - heavy workloads, long working hours, routine tasks that do not develop skills;
- **Management style** - lack of employee participation in the decision-making process, lack of communication in the organization and lack of different policies to reconcile work and personal life.
- **The personality of the individual** - lack of social contacts and support from others.
- **Job roles** - conflicts in the organization, too many responsibilities and too many "watermelons under one arm".
- **Career concepts** - job insecurity, lack of growth, lack of development, or recognition; imposing rapid changes for which employees are not ready.
- **Factors of the physical environment** - unpleasant or dangerous working conditions or uncomfortable, too noisy office spaces.

The health and well-being of people in organizations reflect directly on the level of turnover in the companies. Stressors in the workplace have an impact on the overall condition of the individual. Not every situation, of course, can and should be avoided. But to reduce the effect of certain events, some specific steps can help:

- Striving for a balance between work and personal life.
- Building social support from friends and colleagues.
- Expressing feelings and honestly discussing events.
- Cognitive interpretation of the existing situation.

4. RETENTION TOOLS AND PRACTICES

Retention of key people is the main mission of any organization. High mobility and globalization help even more for the short stay of people in organizations. Often people leave organizations at the slightest difficulty and without feeling any sense of attachment and commitment to the company. As a first step to build a solid relationship with the company, we should point out the appropriate introductory training.

During this introductory period, the employee gets acquainted with the formal and informal rules in the organization, with the customs and traditions in it, as well as with the organizational culture.

There are innovative tools and techniques for introductory training. *Kin* is an innovative platform that emerged with the idea of ensuring a sufficiently effective introductory learning process. With the right technology, the company can manage all the necessary paperwork and create individual introductory training for each new employee. *Namely*, it is a platform which, in addition to the functions for calculating salaries and benefits, is related to the creation of an efficient process in which the entire document flow is digital. *Bamboo HR* is software that attempts to provide a complete human resource management product. The introductory training features offer many interesting options - such as the "Meet me" section, as well as automatic e-mails to introduce new people to the whole company on their first working day.

Staff turnover costs the company a lot. There are different types of costs associated with leaving an employee:

- The cost incurred in the process of knowledge transfer and the introduction of new employees;
- The costs associated with the placement of new employees in the organization.
- Training costs.
- The cost of the place where the training will take place.

It is generally accepted that the employee begins to actively contribute their knowledge and skills after the 3rd or 6th month. If the employee leaves the company during this period, the company suffers large losses related to funds, work knowledge and skills. People have two main reasons for leaving:

- **The various incentives in the workplace** - it is important that all benefits in the workplace are related to the knowledge, skills, and attitudes of people in the organization.
- **Leadership style in the organization** - employee relations are perhaps the most important feature of the work process.

There are many reasons for leaving employees and choosing another company. Some of them are:

- Higher pay offered by another company.
- Better opportunities for development in another company.
- Better manager in the new company.
- Better reputation of the new company.
- Worse working conditions in the current company.
- Additional hours of work in the current company.
- Lack of opportunities for development.
- Difficulties in communicating with colleagues.
- Desire for change.
- Some family reasons related to various considerations.
- Situations in which the expectations of employees are not justified - type of leadership, additional working hours, breaks, pay and bonuses.
- Inability to plan successfully.

Most employees want to learn as much as possible about their role in the organization. Reviewing the work process and the role of each employee for the prosperity of the organization would help a lot for the successful professional performance of everyone. The number of people leaving will certainly not disappear, but such a package of measures would reduce turnover to more reasonable limits. Some of the effective coping measures are:

- **Creating a package of opportunities for employees** - the company should offer maximum opportunities for employees and their development in the company:
- **Employee engagement and commitment** - employees should be long-term and not be bored with the work they do. A possible approach to managing this problem are various internal rotating roles of positions and ongoing training.
- **Different incentives for employees** - such incentives should be formed based on knowledge, skills, attitudes and work experience of employees.
- **Review the selection process** - selection policies should be reviewed and changed periodically, in line with the growth of the company.
- **Technological capabilities** - to apply the best technologies for a more efficient work process in organizations.
- **Career development for employees** - employees to have a sense of a clear career path.
- **To feel valued in the organization** - not only financial awards, but also the celebration of various celebrations and occasions would help employees feel valued in the organization.
- **Contacts with the management** - the management must make the necessary efforts in order to be able to establish close relations with the employees.
- **To be part of the company's mission** - the mission must be supplemented and changed over periods of time in accordance with the knowledge and skills of the people.
- **Presence in the workplace** - working time policy should be "open" and allow for flexible working hours.
- **Emphasizing the contribution of each employee in the organization** - each employee in the organization should be aware of his contribution to the workplace.
- **Flexibility** - implementation of various innovative programs to contribute to the health and satisfaction in the organization.

The long-term needs of the company should also be analyzed to prepare long-term retention programs. In order to meet the organizational needs for growth and development, the needs for qualified employees in the next 5 or 10 years should be known. Important for the analysis is the current price and cost for each employee who makes the organization. The prognostic analysis of the number of employees who will retire, as well as the assumption of how many employees would eventually leave the company, is the basis for the preparation of an adequate coping strategy. The aim of this strategy is to identify groups of key employees to be part of retention and motivation programs. To build this strategy, it is good to follow a few steps:

- **Identification of the exact turnover rate in the organization** - gives clarity whether the percentage is high relative to the number of employees in the organizations, as well as compared to the same percentage in similar companies.
- Identification of the cost of retaining each employee.
- Comparison of retention costs, turnover rate, and price for the career development company of each employee.

Typically, the cost of developing and mentoring new employees is much lower than the cost to the organization when key employees leave. Interest groups as well as shared learning in the organization are a powerful non-financial tool to stimulate commitment and increase attachment to the organization.

Employee retention is defined as the efforts made by the employer to create and improve an organizational environment that encourages and encourages employees to remain part of a company in the long run to meet their needs and desires (Massod, 2011). The main goal is to reduce or avoid the high turnover rate and costs associated with it - the costs associated with the selection process, the cost of induction training and investment, lower qualifications of new employees, time for introduction and

adaptation to the work process . The retention of key employees is critical to the development of organizational health and the long-term success of the organization.

The retention of key employees affects the high customer satisfaction, better sales of the company's products, effective planning, and knowledge in the organization, as well as very good training and development processes in the company itself. Effective managers always understand the need to hire the best people in the market. In today's organizational reality, either employers do their best to retain their key talents, or they go to competing companies. Here we come to the question of whether simply retaining employees is enough? Usually companies try to have motivated and efficient employees who contribute to the good of the organization.

There are many demotivating factors in the organizational environment. The complicated hierarchy, the impossibility of autonomy and independent decision-making, the lack of sufficient information, the deteriorating relations between colleagues and the unclear system of remuneration and bonuses. Modern organizations have a lot of difficulty retaining their key employees. Hiring the most highly qualified employees is a mission for every company. Detention is often even more important than hiring. The demand for capable employees is greater than the supply. Retaining employees requires effort, energy, and resources on the part of the company. There are several steps, according to the 6-factor retention concept:

- **Cooperation** - this includes the employee-manager relationship, as well as the relationship between colleagues.
- **Benefit package** - includes salary and all additional benefits.
- **Organizational culture** - it is about the rigidity or flexibility of the company in terms of rules and responsibilities, leadership style in the organization, informal events in the organization, etc.;
- **Communication** - means accuracy, efficiency and feedback in the organization.
- **Corporate identity** - these are the recognition and respect that the employee has for the organization as an employer - one of the key factors for commitment and attachment to the organization.
- **Working environment conditions** - work processes, work organization and introductory training in the company are some of the key factors; the provision of good physical working conditions, a pleasant and friendly atmosphere contribute to higher satisfaction with the environment and the organization as a whole (Davis, 2000).

The employee retention policy should be turned into a long-term strategy of the company. Some of the measures that may be included in it are:

- **The correct selection of the right candidate** is the first and most important step. When a person finds the right position and shares a similar organizational culture, he tends to stay in the company much longer.
- **Offering an attractive package of social benefits** - presenting different opportunities for people to grow and develop by sharing knowledge in different groups, presentations and mentoring of key employees in the company.
- **Demonstrate respect for all employees**, regardless of their position in the organizational hierarchy.
- **Creating an innovative environment** in which employees can share their ideas, knowledge, and skills.
- **Good balance between work and personal life** - building a company and organizational policy that encourages teamwork and innovative thinking. Creating conditions for flexible working hours are also an appropriate measure in dealing with the various tasks that each employee has.
- **Employee engagement in solutions** that affect their position and the overall development of the company.
- **Encouraging and recognizing key performance** by employees and their achievements.

- **Recognition and celebration of success** - celebrating personal occasions for success - graduation, marriage, childbirth.
- **Presentation of opportunities for training** in the company itself and the opportunity for career development in the teams themselves.
- **Discussion of the goals, roles and responsibilities** of the people in teams, as well as maintaining a positive organizational climate.

Many models and metrics have been developed in the literature for retaining employees in organizations. According to the classification of Glaser (1999) they can be:

- Adequate pay and incentive policy.
- Additional benefits are important, but it should be emphasized that employees are motivated by different things - often a unified system of benefits does not work properly due to the individual needs and aspirations of employees.
- Good training program for all managers in the organization so that they can train and work with other people.
- Creating a working system and program for recommendations from employees.
- Focus on employee retention.
- Providing an environment for teamwork and career development.
- General vision, mission of the team and the organization.
- Building an environment for sharing knowledge and skills.

It is often said that employee retention is the organization's ability to engage its employees with its mission. Detention can be represented as the percentage of employees who left the organization. Many employees associate a sustainable staff with the employer's efforts to retain key people in the organization. Staff retention becomes much more of a strategy than looking for a result for the organization.

In many organizations, there is a difference in the employer's efforts to keep the low performing on the one hand and the best on the other. Employee turnover can serve as a clear indicator of the existence of negative phenomena in the organization (such as a decline in employee morale, lack of clear career path, lack of feedback on the efforts of employees, and lack of communication). As several researchers believe (Chambers, Allen, 2008), pay often does not play such a significant role in overall motivation and retention.

In the business environment, the main goal of the employer is usually to reduce the level of turnover in the organization, reducing training costs and the loss of the most talented employees along with their knowledge and skills. Some employers also aim for a positive turnover rate, at which the most talented employees remain in the organization and new talents, with fresh knowledge and skills, flow into the company.

Some research suggests that the costs directly related to hiring a new employee in place of an already departed one can be almost as high as 50-60% of an employee's annual salary. The total cost can reach up to 90-200% of the employee's annual salary (Cascio, 2006). These include pre-selection funds, training of the new employee, salaries of employees or consultants in the selection process, the impact on other employees, reduced sales, and other miscellaneous costs for the organization. Fluency can also affect organizational performance. Industries with a high staff turnover rate, such as the service sector, the food industry, tourism, service delivery centers and sales, occupy a large part of the country's business. Replacing employees in some of these industries has a lower value than in others (e.g., high-tech areas and the IT industry (Economist, 2015).

In order to determine adequate measures to increase engagement and reduce turnover in the organization, the roots of the turnover problem should be identified. Once the measures have been

defined, a specific program can be developed to respond and address the problem. There are many programs aimed at retaining staff (Economist, 2015):

- **Opportunity for career development** - it is important for employees to understand their career path within the organization in order to stay motivated in their work and achieve their personal career goals. Through surveys, questionnaires and focus groups within the organizations themselves, employees can better understand and organize their personal and professional development goals. Managers can and should link the career development of the employee with the overall organizational goals.

- **Training of leaders in the organization** - this can be used to create competencies in the organization. Training can be very useful in times of organizational change to increase the effectiveness of leaders and encourage the application and adaptation of successful techniques in the company. This process should start with an assessment of both strengths and weaknesses that need to be improved. Improving problem areas contributes not only to individual but also to organizational development.

- **Intergenerational motivation** - today's workforce includes diverse generations working together in the organizational environment. Each generation has different expectations from the work environment, and it is important for the employer to understand the differences between them in terms of employee motivation and engagement. It is especially important that team managers have an appropriate understanding of generational differences.

- **Orientation and introductory training** - the employer's understanding of the organization is reflected in the introductory training of the company. About 90% of employees decide whether to stay in the organization for the first 6 months (Vance, 2015). It is in the interest of both parties to introduce the employee quickly and efficiently, as well as to integrate into the work environment. In addition, the employer should offer ongoing training through a systematic introductory training process in the first year, which can increase employee engagement by about 25% (Vance, 2015). By implementing an effective introductory training process, the new employee will increase their commitment and the overall effectiveness of the organization.

- **Programs for keeping women in the organization** - these are programs such as mentoring and development programs for leaders in the organization. Creating special programs aimed at the ladies in the organization would help create conditions for them to balance between their many social roles. By striking a work-life balance, employees can be more engaged, better integrated into the organization, and more productive in the work environment.

Effective employee retention programs also require the search for and implementation of effective measures and programs. There are a variety of recommendations and approaches to turnover management. Some of them are:

- **Conducting surveys among employees** - by surveying employees we could gain an idea of their motivation, commitment, and satisfaction with the employer. It is important for the organization to understand the point of view of employees to create programs tailored to their specific needs and desires;

- **Interviews with outgoing employees (outgoing interviews)** - by conducting interviews with employees leaving the organization, we can gain valuable information about the processes within it. This type of interviews helps the management of the organization to understand what the strengths of the company are, as well as what are the negative environmental factors leading to the departure of employees. The organization can use this information to create the necessary programs and measures to retain the best talent in the organization. Interviews conducted at the "exit" in the company require asking the right questions, as well as frank and honest answers from employees who leave in order to be effective and provide the necessary information.

- **Consultants in the field of employee retention** - consultants who care for employees could be assistants to the organization in the process of employee retention. Consultants can provide expert knowledge on how to identify key talents and increase the level of engagement in the organization. Then they can offer programs for organizational change (Retensa, 2016).

For organizations and employers, understanding the complexity of the environment is the first step in developing a long-term strategy. Organizations need to understand why employees start working in the organization, why they stay in the organization and what is the reason for leaving it. This three-component model is a starting point in creating a strategy for retaining employees.

Why do employees join the company? One of the reasons why employees join the organization is the attractive and interesting position. Hiring employees is only part of the whole process, while retaining them is another issue. A clear understanding of what is important to employees will also adequately support the selection process (Randstad, 2015). Highly efficient employees would stay in the organization if they got a good and realistic idea of the company at the preliminary interview. Organizations that aim to attract candidates at all costs, exaggerating some of the characteristics of the job, could disappoint some of their employees afterwards. In order to maintain the level of engagement at the appropriate level, the employer must explain and clear up any misunderstandings about the position from the outset. New employees are a great source of feedback, as they have not yet immersed themselves in the organizational environment and culture (Vasquez, 2014).

When do employees stay in the organization? Understanding why employees stay in the organization is tantamount to understanding why they leave. Research indicates that the organizational environment is a place where employees, in addition to participating in professional life, also create their own network of relationships and contacts. These relationships contribute to better adaptation and involvement of the employee, and leaving the organization, he must change and reorganize his entire social network and contacts. The most involved employees in the organization usually stay the longest in it (SHRM, 2017). Another interesting finding from the study is that the more the employee's experience is relevant to the organization, the greater the chances that he will stay and not look for other opportunities. It is good for the organization to identify the reasons why the employee stays in the workplace through interviews with the best employees. The interview should include questions about the reasons for staying in the organization, as well as the person's personal goals and expectations (Allen, 2008).

Why do employees leave? By understanding the reasons for leaving employees, organizations can more easily shape and change their work environment and adapt it better in the future. Often, low satisfaction and dedication leads to thoughts of more attractive opportunities outside the current company. Properly managed, outgoing interviews are a very good source of feedback on the reasons for leaving. The main reasons for leaving are the search for better pay, better working hours and better opportunities. The responses of leaving employees are a signal of deeper problems that need to be explored. By asking appropriate questions, the employer can gather accurate information.

Contrary to common organizational beliefs, employees often leave because of the relationship they have with the team manager (Vasquez, 2014). Metrics related to employee retention in the organization identify costs and help analyze what affects employee loyalty, performance, and engagement (Retensa, 2017).

What do good practices in the field indicate? Organizations go a long way in building an environment of high employee engagement and commitment. Organizations identify their culture and personality type that may be appropriate for this environment. Introductory training usually reflects the organizational culture. Attracting the best employees in the market requires time, resources, and finances. However, some employees fail to identify their career path with the organizational one. Research shows that the first 10 days of the employee in the organization are critical for his socialization and inclusion in the organization. Companies become desirable employers when they are the best choice for the employee.

There are several areas that need to be analyzed when building an appropriate retention strategy. When selecting staff, it is important for employees to be aware of the realistic requirements for the position - this would have a positive effect later during the introductory training. Employers who are open about the positive and negative aspects of their company, as well as the challenges, problems, and expectations, position themselves in the market as sincere and well-meaning entities and hire and retain the best candidates (Allen, 2008).

- **Pre-selection of employees** - there are many innovative tools that help to analyze the performance and retention of employees. These include subjective and objective criteria, and while organizations use subjective methods (such as interviews, CV evaluations, etc.), objective methods are gaining in popularity. For example, the use of biographical data in analysis can be a very effective technique. Experience also shows certain trends in employee behavior.
- **Introductory training** - socialization and introductory training practices help the employee to fit into the company and stay for a longer period. The inclusion of individual experience and work in the overall activities of the group promotes rapprochement between people and learning about each other's roles. These practices can present employees with a specific role model, a specific mentor or colleague to train them and provide regular feedback.
- **Training and development** - providing training and development opportunities within the organization can reduce turnover rates by meeting future development opportunities. In fact, dissatisfaction with opportunities for potential career development is one of the three most important reasons why employees do not feel good in the organization. Those who receive more training are less likely to leave than those who receive little or no training. Employers who do not provide training to their employees run the risk of losing some of their core talent. In addition, employers can increase employee engagement through development opportunities by encouraging them to continue their education, as well as funding the relevant fees if the employee stays with the company for a certain period.
- **Incentives, rewards, level of pay** - dissatisfaction with the level of pay and lack of satisfaction are some of the most common indicators of the decision of employees to leave the organization. Many organizations offer incentive packages of social benefits, which attracts employees from organizations that do not have such bonuses. Organizations can link incentives and financial incentives to retention - for example, additional days off for senior positions in the company, various plans and options for additional benefits (SHRM, 2017). Research shows that financial incentives are associated with a longer stay in the company. Organizations also encourage intrinsic motivation by giving employee autonomy in the decision-making process.
- **Effective leadership** - the relationship between employee and manager is equally important for the employee's identification with organizational values. Leaders need to know how to motivate their employees and reduce costs while building loyalty in the company's key people. The task of managers is to encourage employee productivity, as well as to maintain open communication through effective feedback and support of employees to work in a team (Retensa, 2017). To achieve this, the organization is called upon to prepare managers and leaders to develop effective relationships with their employees. Good communication increases individual efficiency and creates a climate of learning, trust and teamwork in the organization.
- **Employee engagement** - employees who are satisfied with their work and like the organization in which they work, feel proud to be part of the company and that their efforts have meaning and significance for the employer. These employees are five times less likely to leave the company than employees who are not engaged. In addition, these employees are much busier in the work process and have higher productivity and leave less often (Cascio, 2006).

Staff turnover costs have a negative impact on the company's performance. Organizations and managers understand the importance of an effective program but are often not proactive enough in implementing such a program and its implementation. Organizations that do not have enough time or have limited internal resources can outsource this activity. Companies can contract with a third party who has the appropriate expertise to identify the roots of the problem in the organization. By identifying the reasons for employee turnover, specific measures developed specifically for this organization can be proposed. Another advantage of working with external service providers is the quantitative measurement of the necessary measures to improve the work environment and process.

When considering the working conditions and commitment of employees in organizations, the emphasis is primarily on the mental well-being and overall satisfaction of each employee. At the same time, in recent years, especially in the context of studying stress and implementing organizational change, the

view of the so-called organizational health, i.e. organizations, like people, can be "sick" or "healthy" and can move from one state to another depending on the efforts of management and through appropriate layering of organizational change (according to Ilieva, 2006). Healthy organizations are defined as those that have high levels of efficiency and productivity.

Hart and Cooper's organizational health model (according to Ilieva, 2006) primarily includes the interaction between individual characteristics (such as motives, abilities, competence, and personality traits), on the one hand, and organizational characteristics (such as structure, working conditions, remuneration systems and policy of the organization), on the other hand. That is, from a psychological point of view, it is important not so much the presence of certain environmental factors, as the way they are perceived and interpreted by employees. As a result of the interaction of individual and organizational characteristics, it is expected to create conditions for well-being, long-term engagement, and retention of employees. A consequence of the experience of well-being on the part of employees is organizational performance and efficiency. Thus, the health of individual employees and the health of the organization as a whole are both sides of the same process - and the main task of employers and managers is to guide and promote the "health" and efficiency of the organization by improving the organizational environment and in particular labor.

CONCLUSION

Social working conditions include a wide range of characteristics: degree of control and autonomy at work, weight and workload, compatibility between work and personality, as well as between leisure and working time, opportunities for personal, professional and career development. They also include the relationship with the management, fairness in the treatment of employees, recognition of the efforts made in the work, as well as a clear style of management. Added are the relationships between the people in the company - the degree of cohesion, interpersonal support, and assistance, as well as some hygiene standards in the workplace.

Today's business needs of organizations require more focus on key employees, as well as the retention and management of talent in the organization. The question of what the main factors in the organization are, which employees identify as key to their satisfaction, is becoming more and more discussed. Employee retention and turnover reduction are the next stages of human resource management, but one of the most key subsequent stages is employee motivation and achieving high group efficiency.

REFERENCES

- Cascio W.F. (2006) The Economic Impact of Employee Behaviors on Organizational Performance. In: Lawler E.E., O'Toole J. (eds) *America at Work*. Palgrave Macmillan, New York. https://doi.org/10.1057/9781403983596_14
- Chambers, R., Lo, B.C.Y. & Allen, N.B. The Impact of Intensive Mindfulness Training on Attentional Control, Cognitive Style, and Affect. *Cogn Ther Res* 32, 303–322
- Davis, G. (2000). Students' Sense of Belonging: The Development of a Predictive Retention Model. *Journal of the Scholarship of Teaching and Learning*, Vol. 19, No. 1, February 2019, pp. 117-127.
- Ilieva, S. (2006). Organizational culture, Sv. Kliment Ohridski, pp. 250-273
- Ilieva, S. (2006). Organizational development, Sv. Kliment Ohridski, pp. 110-130
- Frost, Sullivan (2017). Top 17 Trends for 2017: Frost & Sullivan Uncovers the Strongest Innovation and Investment Opportunities. Available online at: <<https://ww2.frost.com/news/top-17-trends-2017-frost-sullivan-uncovers-strongest-innovation-and-investment-opportunities/>>, reached 15.07.2020
- Glaser, B. G. (1999). *Basics of grounded theory analysis: Emergence vs. forcing*. Mill Valley, CA: Sociology Press.

Massod, A. Impact of Motivation on Employee Performance with Effect of Training. International Journal of Scientific and Research Publications, Volume 3, Issue 9

Rusinova, V (2005). The psychological factors of work motivation. Psychological Research, vol 2,

Schawbel, D (2016). The Top 10 Workplace Trends for 2016. Available online at: <https://danschawbel.com/workplace-trends/the-top-10-workplace-trends-for-2016/>, reached 20.07.2020

Selye, Hans (1956). The Stress of Life. New York: McGraw-Hill. Discussed in Mark Jackson, "The Pursuit of Happiness: The Social and Scientific Origins of Hans Selye's Natural Philosophy of Life", History of the Human Sciences 25/2 (Dec. 2012): 13-29.

Randstadt (2015). Annual Information Report. Available online at: <https://www.randstad.com/about-randstad/corporate-governance/annual-information-documents-year-2015/>, reached 30.07.2020

Retensa (2016). 6 Steps to Attract, Motivate, Retain Top Talent for Small-Midsized firms: Brio and Retensa Webinar. Available online at: <https://retensa.com/news/6-steps-attract-motivate-retain-top-talent-brio-retensa-webinar/>, reached 25.07.202

Shopov, D, M. Atanasova, Peicheva, M. (2003). Human Resources Management. Trakia M, Sofia

Vance, D. (2015). Establish Good L&D Goals Up Front. Available online at: <https://chronus.com/blog/establish-good-ld-goals-front>, reached 25.07.2020

Vasquez, Dario (2014): Employee retention for economic stabilization: A qualitative phenomenological study in the hospitality sector, International Journal of Management, Economics and Social Sciences (IJMESS),