



CREATING VALUED STRATEGIES IN HRM ACTIVITIES TO RETAIN YOUR EMPLOYEES

AN OFFICIAL CLIENT UPDATE OF PT HEADHUNTER INDONESIA



As a business owner, human resources become the most important aspects to operate the business process. However, these aspects also become the most difficult aspect to be handled. As a consultant who has a lot of interaction with clients in many industries, I heard many problems related to HR that business owners face. One of the problems that they have faced is how to retain the employees.

In Human Resources science, there is a framework to analyze how HR contributes to business outcomes and is well-known as HRM value chain. There are three-steps of processes in this framework that started with HRM activities, followed by HRM outcomes and lastly is Organizational Objectives. The first process becomes the important process to make a good result. One of the activities in HRM that could affect the HRM value chain is the retention process – the ongoing process of keeping the talent.

Retention problem arises because of some factors that come up from the talent's internal or external factor – work environment. Some of the internal factors that could influence the talent such as personality, personal attitudes, needs and motivation. Furthermore, external factors consist of leadership style, psychological contract in peer environment, learning opportunities, company culture, employer branding and many other factors.

According to research that has been conducted by Agustinus and team, the retention problem could lead to increased recruitment expenses, disrupt the continuity of knowledge and expertise within the organization. Moreover, it could damage the work environment and increase turnover rates. If this phenomenon happens, the company needs to replace the employee, which can be a new burden because they need to spend time, energy and money to do the recruitment and training process.

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Ironically, not all the business owners are aware about the impact of retention problems, and most of them get confused about how to create strategies to hold down the turnover rates. Before that, I once read an article that I think every business owners should have this mindset that said by Dann Picket, former CEO of Nfrastructure:

"Retention starts right from the beginning, from the application process to screening applicants to choosing who to interview. It is a long game to take steps to ensure the employees are completely engaged with the culture of the company and become a part of the company's ongoing success."

Shortly, the human resource department and business owner are responsible for identifying the goals of the potential candidate that match with the company's goals. After that, we should be open with new ideas and aspirations that employees have in order to achieve company goals. Here are some strategies that companies could use to make a great HRM value chain:

Build an Employee Autonomy

A simple way to make the employee have freedom to explore their skills is to let them do the work the way they want. In his book, Angelo Kinicki stated that when a manager supports their staff to enhance feelings of autonomy, it will increase their motivation and pave the way for a strong sense of belonging for the company.

In the past, I discussed with a potential candidate for a marketing position. He refused to move from his current position since his current company let him do the hybrid-work system, and he only needs to come to the office twice a month to finish the administrative task. Connected with autonomy, he said he has freedom to do what he wants and decide how he wants to do it, and the company doesn't mind with it, as long as the target is achieved.

Be Competitive with Compensation Packages

As stated by Mary Pratt in Future, compensation has become one of the key majors for employee retention. Nowadays, a lot of companies are competing to adjust their employees salaries to the highest amount, especially in the IT industry. According to an article that I read, some loyal workers also expect to be rewarded by an amount of bonus for staying for some period of time in the company.

This aspect also becomes the most frequently discussed with candidates. Several of them always ask about the remuneration, salary packages and benefits that company offers at the end of the interview process. If the compensation package offered is not much different from the salary they currently receive, the potential candidate will tend to refuse to move to the new company. Especially if they don't have big problems due to their current responsibilities.

An Open and Honest Environment

Communication is a fundamental way to retain the

employee, especially when the company's culture creates an open and honest environment. Not only formal communication in the meeting room, but also a casual conversation to share their burden.

A simple way to create a good environment is by giving feedback after finishing a task. Of course, it should be delivered in a pleasant way. When a person tries to express their concern about an individual, the other person must be willing to listen carefully. It can lead to outcomes that help that person to understand their value.

Another way to generate an open and honest environment is by being available and open for new ideas, sometimes there are people who could see from a different perspective and try to fill the blank space that we have got. So in this aspect, everyone could learn something new and become a better person.

Appraise Their Results

Not all people are concerned about monetary, some of them need to be praised – even though it is not said directly. After having a really hard time because a lot of uncertainty factors came up, their soul needs to be fed up with the words such as, "thank you" or "you have been doing well!"

Those ordinary words could make someone feel appreciated, and based on an article that I read, employees filled with appreciation are more likely to stay with their company because they feel valued. Vice versa, if they feel unappreciated and undervalued, they will look for other opportunities and search for a better place when they could be someone that can be appreciated.

Conclusion

I believe there are more strategies out there that could help business owners to retain their employees, and of course there is none of business owners who want to have a high turnover ratio.

By preventing the strategies from the upstream of HRM value chain – which is HRM activities it could help business owners to monitor the process of its human resources by calculating the output from organizational objectives such as profit, productivity, work-quality, customer satisfaction, turnover rate and more.

Lastly, every company has a different strategy to treat their employees since each individual has different personalities and preferences. However, by creating a great environment where all employees could have an opportunity to explore their skills, feel appreciated and could speak up for their ideas. You could easily retain your employees and reduce the expenses because of turnover rate.

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