Stress Management: A key to Employee Retention

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Abstract

Modern lifestyle is full of stress. You have not only to cope with challenges at work but also with stress that you take along with you to work. The problem is that in these difficult times when economy is bad, stress at home and workplace are on the rise.

Due to changing technology, new demands, demographic changes, increased competition and increase in workload psychological problems related to occupational stress have increased rapidly. Jobs provide an abundance of opportunities to experience personal satisfaction, growth and social acceptance. However, jobs also represent a common source of stress and can put a great deal of strain on our daily life. Stress produces strain, disrupts equilibrium, and it is the source of any number of emotional, physical, economic and social problems.

Stress management is a continuous process of monitoring, diagnosing, and prevention of excessive stressors that adversely affects employees, managers, and productivity. These stressors are as much a function of the environment as one's perception of the environment. Therefore, stress management is as much the responsibility of employees as it is managers.

It is a fact that, retention of key employees is critical to the long-term health and success of any organization. Employee retention matters, as, organizational issues such as training time and investment, costly candidate search etc., are involved. Hence, failing to retain a key employee is a costly proposition for any organization.

The aim of this paper is to discuss the various causes of stress, reasons on why attrition arises, how to manage attrition, various employee retention policies and to conclude the ways to improve employee retention.

Key Words- Stress, Stress Management, Employee Attrition, Employee Retention.

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Preamble

Stress is a worldwide element and persons from nearly every saunter of life have to face stress. The incessant competition in business, conflicts at work, personal life crisis, lack of administrator support, lack of acceptance for work done, low span over work environment, randomness in work environment ,inadequate monetary reward ,fear from the future – are all sources of stress.

In medical terms stress is described as, *"a physical or psychological stimulus that can produce mental tension or physiological reactions that may lead to illness."* When you are under stress, your adrenal gland releases corticosteroids, which are converted to cortical in the blood stream. Cortical has an immune suppressive effect in your body.

According to Richard S Lazarus, stress is a feeling experienced when a person thinks that *"the demands exceed the personal and social resources the individual is able to mobilize."*

The majority of us experience stress at one time or another. Without stress, there would be no life. However, extreme or protracted stress can be injurious. Stress is unique and personal. A situation may be stressful for someone but the same situation may be challenging for others. For example, arranging a world level symposium may be challenging for one person but stressful to another. Some persons have habit of worrying unnecessarily.

Stress in the workplace can be defined as the harmful physical and emotional response that occurs when the requirements of the job do not match the capabilities, resources, or desires of the worker. Workplace stress can lead to deprived health and even injury.

It is an issue also for the employer if the employers cannot handle stress. The number of sick leave days significantly grows; the company results and the level of work quality will decrease. High expectations from the employer might frustrate the employee, if stress is not handled effectively. Every fifth person considers changing his/her employing company. This can be avoided if they learn to handle stress situations, their fears and the changes occurring around them. People should not blame the external factors, but take on personal responsibility for their feelings and reactions.

Stress Management is a system that is aimed to reduce stress and/or facilitate the person to cope with these instances. Because stress falls into a complex assortment of emotions and sources of them are even more profuse, the definition of stress management has become so broad, but all of them are aimed to relieve stress and divert these energies elsewhere harmless, and sometimes, even productive. There are **three** major approaches that we can use to manage stress:

- **Action-oriented stress management:** In which we seek to confront the problem causing the stress, changing the environment or the situation;

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- **Emotionally-oriented stress management:** In which we do not have the power to change the situation, but we can manage stress by changing our interpretation of the situation and the way we feel about it; and

- **Acceptance-oriented stress management:** Where something has happened over which we have no power and no emotional control, and where our focus is on surviving the stress.

Causes of Stress

Stress sets off an anxiety in the brain, which responds by preparing the body for self-protective action. The nervous system is aroused and hormones are on the rampage to sharpen the senses, quicken the pulse, deepen respiration, and tense the muscles. This response (sometimes called the fight or flight response) is important because it helps us defend against threatening situations. The response is preprogrammed biologically. Everyone responds in much the same way, regardless of whether the stressful situation is at work or home.

A lot of things can cause stress. One may feel stress when one go on a job interview, take a test, or run a race. These kinds of short-term stress are normal. Long-term (chronic) stress is caused by stressful situations or events that last over a long period of time, like problems at work or conflicts in your family. Over time, chronic stress can lead to severe health problems.

Personal problems that can cause stress include:

- **Your health,** especially if you have a chronic illness such as heart disease, diabetes, or arthritis.

- **Emotional problems,** such as anger you can't express, depression, grief, guilt, or low self-esteem.

- **Your relationships,** such as having problems with your relationships or feeling a lack of friendships or support in your life.

- **Major life changes,** such as dealing with the death of a parent or spouse, losing your job, getting married, or moving to a new city.

- **Stress in your family,** such as having a child, teen, or other family member who is under stress, or being a caregiver to a family member who is elderly or who has health problems.

- **Conflicts with your beliefs and values.** For example, you may value family life, but you may not be able to spend as much time with your family as you want.

Social issues that can cause stress include:

- **Your surroundings.** Living in an area where overcrowding, crime, pollution, or noise is a problem can create chronic stress.

- **Your social situation.** Being poor, feeling lonely, or facing discrimination based on your race, gender, age, or sexual orientation can add stress to your life.

Job Conditions That May Lead to Stress includes:

The nature of work is altering at whirlwind speed. Perhaps at present more than ever before, job stress poses a *threat* to the health of workers and, in turn, to the healthy organizations.

Nearly everyone agrees that job stress results from the interaction of the worker and the conditions of work. Views differ, however, on the importance of *worker characteristics* versus *working conditions* as the primary cause of job stress.
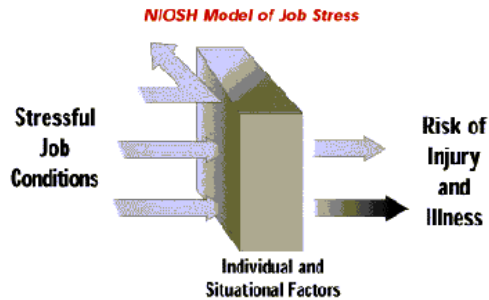
Job stress can be defined as the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker. Job stress can lead to poor health and even injury. It includes:

- **The Design of Tasks**. Heavy workload, infrequent rest breaks, long working hours and shift work; hectic and routine tasks that have little inherent meaning, do not utilize workers' skills, and provide little sense of control.

- **Management Style**. Lack of participation by workers in decision- making, poor communication in the organization, lack of family-friendly policies.

- **Interpersonal Relationships**. Poor social environment and lack of support or help from coworkers and supervisors.

- **Work Roles**. Conflicting or uncertain job expectations, too much responsibility, too many "hats to wear."

- **Career Concerns**. Job insecurity and lack of opportunity for growth, advancement, or promotion; rapid changes for which workers are unprepared.

- **Environmental Conditions**. Unpleasant or dangerous physical conditions such as crowding, noise, air pollution, or ergonomic problems.

- **Your job.** Being unhappy with your work or finding your job too demanding can lead to chronic stress.

NIOSH Approach to Job Stress

On the basis of experience and research, **NIOSH (National Institute for Occupational Safety and Health)** favors the view that working conditions play a primary role in causing job stress. However, the role of individual factors is not ignored. According to the NIOSH view, exposure to stressful working conditions (called job stressors) can have a direct influence on worker safety and health. But as shown below, individual and other situational factors can intervene to strengthen or weaken this influence. Examples of individual and situational factors that can help to reduce the effects of stressful working conditions include the following:

- Balance between work and family or personal life

- A support network of friends and coworkers

- A relaxed and positive outlook

NIOSH Model of Job Stress

Stressful Job Conditions

Risk of Injury and Illness

Individual and Situational Factors

Stress Management Strategy

➢ **Avoid unnecessary stress**

Not all stress can be avoided, and it's not healthy to avoid a situation that needs to be addressed. You may be surprised, however, by the number of stressors in your life that you can eliminate.

- Learn how to "refuse"
- Stay away from people who stress you out
- Take control of your environment
- Avoid hot-button topics
- Pare down your to-do list

➢ **Alter the situation**

If you can't avoid a stressful situation, try to alter it. Figure out what you can do to change things so the problem doesn't present itself in the future. Often, this involves changing the way you communicate and operate in your daily life.

- Express your feelings instead of bottling them up
- Be willing to compromise.
- Be more assertive.
- Manage your time better.

➢ **Adapt to the stressor**

If you can't change the stressor, change yourself. You can adapt to stressful situations and regain your sense of control by changing your expectations and attitude.

- Reframe problems.
- Look at the big picture.
- Adjust your standards
- Focus on the positive.

ORGANIZATIONAL CHANGE + STRESS MANAGEMENT

= A HEALTHY WORKPLACE

Reduced stress disorders
Satisfied and productive workers
Profitable and competitive organizations

Job Stress and Employee Attrition

Employee Attrition is one of the most serious concerns of the organizations today; not only in India but outside India too.Attrition is all about people leaving organizations with the slightest provocation and having no respect and commitment to the company in which they are working.

Why an Employee leaves a company is the question asked by most of the employers? Cmpanies even hire Private HR professionals to study the company's work and find out why an employee is dissatisfied.

HR department does the recruiting of new employees and then send them for training so that they can understand work and work culture and become better professionals. Each and every company faces employee turn over problem whether big or small. An employee leaves his present job for another job to get better pay package and good working conditions. Every Company calculates Employee attrition rate and takes measures to reduce it. The facts and figures are not made public as it may tarnish the image of the company in front of its own employees and its loyal customers.

Employee attrition costs a lot to the company. There are various costs which are borne by the company at the start when the employee is under training period. Costs such as –

1. Conveyance Cost

2. Cost of lodging of the new employee

3. Trainers cost

4. Cost of venue where training will be conducted

5. Materials to be supplied during training process

A company has a training period of 3 to 6 months. During this time an employee is not fruitful for the company. If an employee leaves the company when he starts working, company suffers a big loss in terms of money as well as workforce. Every company takes measures to hold the talented workforce by means of perks, Increments, Bonus and extra facilities. No one wants to lose good brains to their competitors.

Attrition - Why people leave?

People leave for two main reasons

1) **Compensation:** If the compensation is not maintained and managed in relation to the employees KSAs (Knowledge, Skills and Attitude), people may leave without notice.

2) **Management:** Employee relations management is most important function, which has to help the people to concentrate more on their task on hand and to become result oriented.

Reasons on why attrition arises?

There are various other reasons for Employee Attrition –

- Higher Pay Package in another company
- Opportunities for growth in new company
- Change of Place problem
- A better Boss in new company
- Brand Image of the new company
- Wanting more money
- Poor working conditions
- Irregular working hours
- Lack of advancement opportunities
- lack of job security
- Difficulties with coworkers
- Desire for change
- High wage inflation is another major factor in job hopping

- Family reasons (e.g. their spouse gets a job in a new location, females leave the workforce after marriage or childbirth)

- When expectations are not met, expectations cover areas such as the style of management, the working hours, holidays, pay, and bonuses and so on.

- If the succession planning is not in place, then one has to inevitably go for external talent hunt when there is a need of senior positions to be filled.

How to manage Attrition? / Reduce Attrition:

Most employees want to know more about their work. Explain each process and help employees understand the importance of their work. The employees will become more knowledgeable about their effectiveness.Attrition rate cannot become completely obsolete but it can surely be minimized. Here are a few ways...

1. **Create opportunities for employees**: The Company has to create growth opportunities for employees to enhance their learning experience and earning abilities.

2. **Engaging employees**: Employees must be engaged on continuous basis and they should not get bored with their work, which can be managed through internal transfers and training from time to time.
3. **Compensation and Management**: Compensation and Management must be managed based on the KSAs (Knowledge, Skills, Attitude and Experience) of the employees
4. **Review recruiting practices**: Selection and Recruitment policies must be reviewed to suit the growing needs of the organization.
5. **Technology opportunities**: Leveraging technology to manage the organization and enhancing the technical expertise of the employees will help organization grow without much problem of attrition.
6. **Career Path for employees**: Employee career path must be declared during the recruitment process and should be explained to the recruited people.
7. **Feel Valued in Organization**: Non-financial rewards, a pat on the back in time and celebrating small achievements with great fan-fare will help employees feel valued in the organization.
8. **Contact with Senior Management**: Senior Management should address employees periodically and should make them feel like a family.
9. **Feel Part of the Company's Mission**: The Company's mission must be reiterated from time to time to reinforce the learning and experience of the people.
10. **Attendance:** Policies with regard to attendance must be creative and flexible.
11. **Educate employees on their impact**: Educate employees regularly on what kind of impact they are creating on organization through their contribution.
12. **Flexibility:** Immediate bosses, middle level managers must be flexible and act as Chief Happiness Officers to avoid triggers of attrition.

The Challenge of Employee Attrition- How Bad Is It?

National projections suggest that, during the decade of **2000-2010** about 1/2 of all employees in many major industries and settings nationally will need to be replaced. This is due to the maturity level of the "baby boomer" generation. While these national level data are alarming, most decision makers would rather know their own organization's attrition rate AND the actual cost of that attrition to the organization and its stake holders. Clearly, locally specific staff and cost data are better for motivating local action.

All of this means that, for every organization, the strategic starting point to increased new employee support is to be able to clearly show **two** factors:

1. The extent of your organization's need to recruit and employ new staff during the next five to ten years.

2. The actual total and per employee costs of employee attrition in your own organization.

Organizations need to use **two** ways to establish the first set of data on employment needs:

- End-of career attrition, largely a result of retirement
- Early career attrition

Reducing End-of Career Attrition

Until recently, organizational efforts have most often been to offer early retirement packages as incentives to cause attrition of the most senior staff members. The primary motivation has been to reduce the cost of these high salary employees by replacing them with less expensive younger employees. Now that the problems are the quality of performance and having enough good staff for our business needs, the challenge has reversed to how we can keep people who might want to retire

The starting point for addressing these concerns is the development of a profile of the age of current employees and extrapolating the numbers and dates for their eligibility for retirement. This is an important set of information to know, since you want to target them with retention efforts, or at least, you must be able to replace them.

Improving the retention numbers at the end of the career requires a different set of strategies than does increasing retention early in the career. Efforts should primarily focus on increased employee earnings that will increase a pension later, affirmation of the value of elder staff contributions, and on providing new, invigorating leadership responsibilities. Among other possibilities, appointment as a mentor, serving in mentoring roles, and receiving a mentoring stipend fit these needs very well.

Reducing Early Career Attrition

While you need to know and address the number of staff who will retire, you also need to know how many employees are leaving before retirement age. This is a more critical factor to quantify as it is one over which your organization can assert considerable influence. Specifically, the organization needs to determine the total rate of employee attrition less the number retiring. The goals are to define and target a specific group of people and to do so with a different set of strategies than the end-of-career people need. Since attrition is the fillip side of retention, the retention strategies we have discussed are still relevant to address attrition. What is different here is the need to know the cost of attrition. These data can be quite powerful, for they are annually repeating costs which are assumed to be necessary. These costs are so accepted as to have become almost invisible expenses.

Your strategy should have three parts:

- Find out how bad early career staff attrition really is

- Determine the total organization and per employee cost of attrition

- Present in a compelling way, a comparison of the cost of attrition and the cost of mentoring support for development of employees.

If done carefully, you should be able to show that the organization is spending MORE on attrition than the cost of mentoring.

In other words, it costs more to do it wrong than it does to do it right!

This argument is all the more compelling because your organization does not need new money to do an effective job of supporting and keeping new staff. Effective mentoring will reduce the amount of money the organization is already spending and losing each year to attrition! Effective mentoring more than pays for itself every year. Further, while that cost

savings alone is enough a reason to do a quality mentoring program, there are many other reasons as well, like the improving employee performance and learning, saving supervisory time, and increasing continuous improvement momentum, significant non financial benefits in their own right.

Employee Retention and Job Stress

Employee Retention is a business management term referring to efforts by employers to retain and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs. The purpose is to avoid employee turnover and associated costs: hiring and training expenses; productivity loss; lost customers; diminished business; and damaged morale among remaining members of the workforce.

Employee retention matters as organizational issues such as training time and investment; lost knowledge; insecure employees and a costly candidate search are involved. Hence failing to retain a key employee is a costly proposition for an organization

Retention of key employees is critical to the long-term health and success of any organization. It is a known fact that retaining your best employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning and a strong retention strategy becomes a powerful recruitment tool.

Intelligent employers always realize the importance of retaining the best talent. Retaining talent has never been so important in the Indian scenario; however, things have changed in recent years. In prominent Indian metros at least, there is no dearth of opportunities for the best in the business, or even for the second or the third best. Retention of key employees and treating attrition troubles has never been so important to companies.

In an intensely competitive environment, where HR managers are poaching from each other, organizations can either hold on to their employees tight or lose them to competition. For gone are the days, when employees would stick to an employer for years for want of a better choice. Now, opportunities abound.

Organizations that wish to continue good employees must consider not only the benefits that enhance employee commitment, but also the hassles that subtract from their job satisfaction. Employees calculate whether it's "worth it" by weighing the benefits against the "costs" of staying in the job.

There are many forces in the work environment that are "downers". The list could occupy volumes... e.g., overly critical supervisors, feelings of powerlessness, lack of input, being "in the dark" and without needed information, dog-eat-dog competition rather than teamwork, and unfair organizational reward systems.

Employee Retention involves taking measures to encourage employees to remain in the organization for the maximum period of time or until the completion of the project. Corporate is facing a lot of problems in employee retention these days. Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring. Employees today are different. There is no dearth of opportunities for a talented person. There are many organizations which are looking for such employees. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. In today's environment it becomes very important for organizations to retain their employees. If they don't, they would be left with no good employees. A good

employer should know how to attract and retain its employees. Retention involves **six** major things

Employee retention would require a lot of efforts, energy, and resources but the results are worth it

The **steps** an organization is bound to take for Employee Retention are **Six Cs**. They are:

- ➢ **Camaraderie:** This includes the employee-superior relationship as well as the interpersonal relationship with colleagues and subordinates.

- ➢ **Compensation plus:** This includes salary and perquisites.

- ➢ **Culture:** This includes the rigidity or flexibility of rules and regulations, the style of managing day-to-day affairs, chances for mingling, sports, and club activities and so on.

- ➢ **Communication:** This includes accuracy, decency, promptness, efficiency, and pleasantness.

- ➢ **Corporate Identity:** The recognition and respect the employment gives to the employee is a major factor that would make him to stick on.

- ➢ **Conditions of Work-environment:** The work, the load, existing credit system for achievement, guidance available, opportunities to learn and specialize, etc. are some of the decisive factors. Providing excellent environment, facilities, freedom of movement, pleasant, friendly and prosperous atmosphere, etc. matter a lot to the employees and make them think twice before deciding to leave the organization.

Employee Retention policies

- o Select the right people in the first place through behavior-based testing and competency screening. The right person, in the right seat, on the right bus is the starting point.
- o Offer an attractive, competitive, benefits package with components such as life insurance, disability insurance and flexible hours.
- o Provide opportunities for people to share their knowledge via training sessions, presentations, mentoring others and team assignments.
- o Demonstrate respect for employees at all times.
- o Listen to them deeply; use their ideas; never ridicule or shame them.
- o Offer performance feedback and praise good efforts and results.
- o People want to enjoy their work. Make work fun. Engage and employ the special talents of each individual.
- o Enable employees to balance work and life. Allow flexible starting times, core business hours and flexible ending times.
- o Involve employees in decisions that affect their jobs and the overall direction of the company whenever possible.
- o Recognize excellent performance, and especially, link pay to performance.
- o Recognize and celebrate success. Mark their passage as important goals are achieved.
- o Staff adequately so overtime is minimized for those who don't want it and people don't wear themselves out.
- o Provide opportunities within the company for cross-training and career progression. People like to know that they have room for career movement.

- Provide the opportunity for career and personal growth through training and education, challenging assignments and more.
- Communicate goals, roles and responsibilities so people know what is expected and feel like part of the in-crowd.
- Encourage employees to have good, even best, friends, at work

Ways to improve Employee Retention

- Proffer fair and competitive salaries.
- Keep in mind that benefits are important too
- Train your front-line supervisors, managers and administrators.
- Clearly define roles and responsibilities.
- Make available adequate advancement opportunities.
- Proffer retention bonuses instead of sign-on bonuses.
- Create someone accountable for retention.
- Demeanor employee satisfaction surveys.
- Promote an environment of teamwork.
- Lessen the paperwork burden.
- Create space for fun.
- Write a mission statement for your department.
- Make available a variety of assignments.
- Converse openly.
- Encourage knowledge
- Be supple.
- Develop an effective orientation program.
- Dealing with customer complaints and problems
- Provide populace the best equipment and supplies possible.
- Prove your workforce that you value them.

Conclusion

The way we live our lives can have a huge impact on the way that we experience stress. Life is quite a long journey! Well trained epic runners are able to consistently perform well, whereas inadequately trained ones tend to get injured quite often. This is true with stress management too. Adopting a healthy lifestyle means that you can concentrate better and are more energetic in what you do. This is particularly important when you are in challenging or stressful situations. It is also important in building stamina (the ability to survive intensely stressful situations over the long term).

Practically one and all agree that **job stress** results from the interaction of the worker and the conditions of work. Views differ, however, on the importance of *worker characteristics* versus *working conditions* as the primary cause of job stress.

As a general rule, actions to reduce job stress should give top priority to organizational change to improve working conditions. But even the most conscientious efforts to improve working conditions are unlikely to eliminate stress completely for all workers. For this reason, a combination of organizational change and stress management is often the most useful approach for preventing stress at work.

Now-a-days the reasons of employee attrition are also changing; employee leaves an organization for many reasons.

The 7 HIDDEN REASONS Employees Leave are-

1: The Job or Workplace Was not as Expected

2: The disparity between Job and Employee

3: Too little Coaching and Feedback

4: Too Few Growth and Advancement Opportunities

5: Feeling Devalued and Unrecognized

6: Stress from Overwork and Work-Life Imbalance

7: Loss of Trust and Confidence in Senior Leaders

Some other reasons include- some leave for growth, some leave for some family problems but majority of people switchover jobs due to only one reason that is DISSATISFACTION. Undoubtedly satisfaction and dissatisfaction sort of things have different meaning for different people but having majority of people satisfied is pretty germane for sustainable growth and high level of productivity in any organization.

Attrition brings some major concerns like not having objectivity in job allocation, employee recognition and fairness in career advancements for consideration. They are also important causes of dissatisfaction for employees in organizations. This dissatisfaction finally gets a vent in the form of changing the job. This subjectivity in the issues of employee handling is the key for dissatisfaction. The improvements in science and technology have changed the concept of employment very much for the better. The world has become a global village. In view of the tremendous growth of IT and Communication, the work that waits to be done in the world could be shared more equitably among the various countries. This has also widened the scope of vertical and horizontal mobility. Management Control System is fully capable of bringing objectivity in the organization and managing this dissatisfaction which would finally be translated into high employee retention, and better productivity and better organizations

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