Retention
- Employee retention: The ability of an organisation to keep its employees from leaving
- Talent retention: Critical HR strategy to retain the required skilled employees within the organisation in which HR wants to keep the best and brightest employees
- Employee turnover: movement of employees through the organisation (in and out)
    - Direct costs: the cost of employee leaving, transition costs, and replacement costs
    - Indirect costs: loss of productivity, reduced performance, loss of morale among remaining employees
- Who cares about talent retention?
    - Hurts businesses because of the administrative expense associated with recruitment, hiring and training replacements + opportunity costs of having a position vacat. Cost of turnover is 100-150% of a high performing (w/unique skills) employee's salary
    - Employees are repositories of human capital: KSAs that an individual cultivates over time. When you leave, you take the human capital required for that organisation (general and company-specific knowledge) to another organisation -> you increase the human capital of your new employer, while decreasing the human capital of your former employer

- Retention levers: strategies that organisations use to retain their key people (Remuneration, development, flexible work arrangements, work-life balance, or other benefits)
    - Workforce megatrends impacting retention: globalisation, decline of manufacturing, technology/automation, ageing population, increasingly educated workforce, increasing numbers of women in the workforce

Challenges of Supply and Demand
- Skills shortages have become evident in key industries: health, medical, minerals and resources, small business and public sector.
- External shocks or recessionary economies can also influence the supply and demand for labour
- A critical challenge for organisations is to balance the desire to retain human capital against economic volatility
- Key q: how do we maintain our organisational capability while keeping our labour costs down?

What is Human Resource Development (HRD)?
- *Set of systematic and planned activities designed by an organisation to provide its members with the opportunities to learn necessary skills to meet current and future job demands*
- Lifelong (continuous) learning: constant and ongoing experience at any stage of life. Become increasingly important to the success of modern organisations
- Learning organisations: Value and facilitate employee learning/development; respond to internal and external environmental changes more readily by having in place the human capital required to manage such change
- Stages of HRD: Induction & orientation, training, learning and development, Evaluating HRD
    - Induction: formal process of introducing new employees to job/workforce
        - Provide employee with understanding of how their performance contributes to organisational success and how the success is measured
    - Desired outcomes: decrease in employee anxiety & contribute to positive engagement/commitment/satisfaction
    - Should cover:
        - Sense of belonging (introduction to main people and managers, sense of organisation structure)
        - Sense of purpose (outline of organisation and values, and procedures required)
        - Policies and logistics (orientation of organisational policies, Workplace H&S, practical steps)
    - If you get the induction wrong -> poor productivity (employee is uncertain), lack of integration into team, low morale, not achieve their potential, higher absenteeism, cause employee to leave (recruitment costs increase), no ROI

A Systems approach to HRD
- A systematic approach will ensure that training needs are met, and organisational goals are met
    - Identifying training needs, establish objectives, develop training methods to meet those objectives, conduct and deliver training, evaluate the success of training
- Needs analysis -> managers need to be alert to training needs in their organisations

- o Organisational analysis takes macro perspective, looking at the training needs across the organisation. What training is needed at the organisational level?
- o Task analysis: takes a micro perspective, looking at the training needs at the operational level. What training is required for this job?
- o Person analysis: looks at the employee, looks at the 'gaps' between the knowledge, skills and abilities required for the task, and the individuals knowledge, skills and abilities. What training does this employee ?need to get up to speed?
- Once training needs are identified:
  1. Establish objectives: what are the desired objectives of the training program, and how do they further organisations strategic objectives?
  2. Select the training methods: most appropriate to meet the organisational, task, and individual level requirements
  3. Develop and deliver the training, implement - what is the desired RIO?
  4. Evaluate - needs to be tested for effectiveness
     i. What was the ROI of the training?

The new focus of talent management: From HRD to Talent Management
- Traditionally, HRD was primarily concerned with meeting the organisation's needs
- Today - increased focus on employee's career development and needs
- Talent Management: organisational strategy to use employees KSA to retain valuable employees
- Shift FROM manufacturing TO service & knowledge based work (increase value of knowledge and human capital investments)
- HRM = individualised -> TM = proactive and dynamic approach (both the organisation and the employee taking responsibility for career development
- Work-life balance

Balancing organisational and employee needs
- In contrast to the systems approach to HR development, which is about moving large numbers of employees through a standardised training process, talent management is more individualised
- Talent management requires a proactive and dynamic approach, which involves both the organisation and the employee taking responsibility for career development

Work-life Balance
- Critical factor in the ability to attract and retain top talent (deery and Jago 2013)
  - o Higher job satisfaction
  - o Greater organisational commitment
  - o Organisational performance
  - o Organisational citizenship

REQUIRED READINGS
1. Revisiting talent management, Work-life balance and retention strategies
- Need to retain talented staff -> maintaining a work-life balance, increasing job satisfaction, organisational commitment and other employee attitudes
- Deery (2008) framework for improving employee retention rates
- Talent management
  - o Attracting and retaining talented people is becoming increasingly difficult as a result of specific demographic and psychological trends - needs to also examine stress, emotional exhaustion and other personal employee dimensions
- Organisational and industry attributes
  - Working as a casual employee impacts negatively on organisational identification -> increases an employees intention to leave an organisation
- Work-life balance
- Employee attitudes
- Personal employee dimensions
- Organisational strategies to assist employee retention

- Issue of appropriate pay levels appears to have greater importance in retaining staff + providing decent career opportunities
- Karatype (2013b) -> work engagement through training empowerment and rewards will assist in retaining talented employees
- Managers should incorporate Millennials work preferences such as meaningful and fulfilling jobs as well as their work values into human resources policies to retain younger employees

2. Talent Management: A Critical review
   - Talent management; ' a mindset; a key component to effective succession planning and an attempt to ensure that everyone at all levels works to the top of their potention'
     - Three distinct straints of thought regarding TM
       1. Collection of typical hr department practices, functions, activities or specialist areas such as recruiting, selection, development, and career and succession management
       2. Focuses primarily on the concept of talent pools; a set of processes designed to ensure an adequate flow of employees into jobs throughout the organisation -> Central to these approaches is projecting employee/staffing needs and managing the progression of employees through position
       3. Focuses on talent generically; without regard FOR ORGANISATIONAL BOUNDARIES OR SPECIFIC POSITIONS ->
          a. Two general views on talent emerge 1. talent as an unqualified food and a resource to be managed primarily according to performance levels
          b. Regards it as an undifferentiated good and emerges from both the humanistic and demographic perspectives
   - Talent management, succession management, hrp -> often used interchangeable
   - Terms in the TM detabte - are not clear and confuse outcomes with processes with decision alternatives
   - Problems with TM as currently defined
     - Has no clear meaning - used In too many ways and it often a means to highlight the strategic important of a HR speciality without adding to the theory or practice
     - Three perspectives on tm are unsatisfying -> defining in terms of functions adds nothing to our understanding of how to "manage talent"
       1. does not advance our understanding of the strategic and effective management of talent
       2. Repeats much of the work done in succession and workforce planning and fails to advance the theory or practice of HR
   - Core problem of this approach to TM: it is rooted in exhortation and anecdote rather than data and builds an argument based the selective self-reports of executives
   - Grounding tm in research
     - The link between hr investments and practices and organisational outcomes = Strategic hrm