

Chapter 9

Employee Retention Strategies Through Predictive Data Analytics and AI

P. Bhanumathi

 <https://orcid.org/0000-0001-8670-8250>

M.S. Ramaiah Institute of Management, India

M. Anjali Naidu

In2IT Enterprise Business Services Pvt. Ltd., India

B. Sathish Babu

RV College of Engineering, India

ABSTRACT

One of the main challenges today's organizations face is retaining talented and competent employees. Managing and keeping employees has become a concern in the increased competition and changing market demand. The human resource management team should always be ready to meet such threats from the competitor's talent poaching attitudes and to retain their well-performing employees. It is strategically necessary to develop plans to identify the potential employees who may submit the papers due to short-term benefits and initiate preventive actions to stop them from leaving the organization. The conventional techniques of identifying such employees have often proven error-prone and ineffective due to delays in arriving at conclusions. There is a great opportunity available to management decision-makers to use digital assets, such as employee-centric data, to predict the chances of employees leaving the organization soon and create retention strategies around the outcome of data analysis.

DOI: 10.4018/979-8-3693-1938-3.ch009

INTRODUCTION

One of the main challenges today's organizations face is retaining talented and competent employees. Managing and keeping employees has become a concern due to the increased competition and changing market demand. The human resource management team should always be ready to meet such threats from the competitor's talent poaching attitudes and to retain their well-performing employees. It is strategically necessary to develop plans to identify the potential employees who may submit the papers due to short-term benefits and initiate preventive actions to stop them from leaving the organization.

The conventional techniques of identifying such employees have often proven error-prone and ineffective due to delays in arriving at conclusions. There is a great opportunity available to management decision-makers to use digital assets, such as employee-centric data, to predict the chances of employees leaving the organization soon and create retention strategies around the outcome of data analysis. This method of understanding employee sentiments leads to creating customized retention strategies that may be specific to an employee or a group.

The chapter presents employee retention and its impact on organizational growth and performance, the criticality of employee attrition, and an emphasis on the various conventional retention strategies. The chapter provides an overall idea of employee poaching, ethics etiquette, and classical techniques. Also, the analytical tools to identify the less committed employee or an employee planning to exit to create /finetune the various retention strategies. (Kim, J. H,2014).

Overview of Employee Retention and its Impact on the Organization's Growth and Performance

Employee retention is the organization's capacity to prevent employee turnover or where employees prefer to stay on with their present company and don't actively look for any other job prospects. Employee retention is more than just keeping the employees on board; it is also about creating an atmosphere in which employees are motivated, engaged, safe, and satisfied with their work, which helps the firm's overall success. It is essential to human resource management and organizational performance (Deshwal, 2015).

Organizations must focus on the retention rate and the reason behind the high attrition. *Employee Retention Rate*= $(\text{Total Number of remaining employees} / \text{Total Number of employees}) * 100$

Impact of Employee Retention on Organizational Performance

Employee retention makes employees stay in the company longer, which ensures higher productivity and active engagement levels, ultimately increasing revenue. The main aim of the company retention strategy is to reduce the turnover as low as possible by improving the work conditions and providing good work experience. The impact of employee retention on organizational performance is as follows: Figure 1.

1. Cost Reduction

In every organization, employee turnover is expensive. A lot of time, effort, and resources go into sourcing, recruiting, onboarding, and training the new ones. Organizations can reduce costs associated with the process by efficiently utilizing the available resources and retaining people.

22 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/employee-retention-strategies-through-predictive-data-analytics-and-ai/348722

Related Content

Impact of the Coronavirus Pandemic on the Well-Being of Healthcare Workers in a South African Haemodialysis Facility

Rakhee Ramnarainand Cecile Naomi Gerwel Proches (2024). *Effective Human Resources Management in the Multigenerational Workplace* (pp. 195-214).

www.irma-international.org/chapter/impact-of-the-coronavirus-pandemic-on-the-well-being-of-healthcare-workers-in-a-south-african-haemodialysis-facility/335449

Scaffolding Dispositions for Teacher Retention: A Cohort-Based and Standards-Aligned Model for Professional Growth in Teacher Preparation

Andrew Goodman, Andria Disneyand Kelly Bruce Glynn (2026). *Creative Approaches to Teacher Retention* (pp. 189-228).

www.irma-international.org/chapter/scaffolding-dispositions-for-teacher-retention/400838

Employee Engagement Strategies With Special Focus on Indian Firms

Mohuwa Bhowaland Damini Saini (2019). *Management Techniques for Employee Engagement in Contemporary Organizations* (pp. 165-179).

www.irma-international.org/chapter/employee-engagement-strategies-with-special-focus-on-indian-firms/221406

Portal for Employees in the Public Sector: A Tool for Knowledge Management in Human Resources

Ana Campos Cruz (2022). *Research Anthology on Human Resource Practices for the Modern Workforce* (pp. 659-679).

www.irma-international.org/chapter/portal-for-employees-in-the-public-sector/295368

Training and Development to Enhance Motivation and Knowledge Transfer

Neeta Baporikar (2024). *Enhancing Employee Motivation Through Training and Development* (pp. 117-137).

www.irma-international.org/chapter/training-and-development-to-enhance-motivation-and-knowledge-transfer/348697