



# ETHICAL LEADERSHIP AND EMPLOYEE RETENTION

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## ABSTRACT

In today's competitive global corporate environment, leaders' ethical behaviour is becoming increasingly important. Leaders, when morally upright, bring tremendous business impact and retention. On the contrary, if the morale of the lead organization is not practiced, the whole image of the company is spoiled, and employees are dissatisfied. For this reason, ethical leadership must be a priority for companies today, not only for higher structural performance but also to retain employees in order to maintain a competitive advantage. Employee retention refers to an organization's ability to retain its employees, and it's becoming a major concern for businesses. Organizational culture, salary and remuneration, flexibility, and work happiness all have a significant impact on a company's retention rate. This conceptual paper examines the construct of ethical leadership and worker retention. Ethical leaders believe in the long-term implications, disadvantages, and edges of the decisions they make inside the organization. The paper reviewed extant literature that examines literature within the space of "Ethical leadership and worker retention". The paper suggests that wise hiring is critical, that the person to be designated should be a good fit for the job as well as the organization's culture, and that it is equally essential to remember the qualifications, skills and knowledge, diligence, and perspective required for the job. Ethical leaders should determine the coaching and appropriate training for the employees.

## KEYWORDS

Ethical leadership, character, leader-follower relations, ethical culture, employee retention, factors, strategies



#### Introduction

People's concerns about leaders' ethical actions are always on their minds these days. According to Ciulla (1998), ethics and integrity are at the heart of leadership and should be taken seriously for the company's success and long-term survival. The ethical behavior of leaders is scrutinized across the board. The most prominent stories in today's news are about corporate greed and responsibilities. The importance of leadership in ethical behavior has been raised as a result of recent business ethics issues. Many times, the harsh competitive business environment encourages corporate executives to be indifferent to people and the environment in order to maximize profits. They will break the law, disobey rules and regulations, destroy the environment, and harm stakeholders in order to maximize profits at all costs, ruining their image as responsible corporate citizens. The answer to all of these challenges in restoring peace and stability in this chaotic corporate climate is a change toward ethical leadership. Employees should seek ethical guidance from their manager. It's past time for ethical leadership to become a key focus of leadership debates and development programs. Leadership is what separates good businesses from great businesses, and it is a crucial component of effective leadership. The goal of ethical leadership is to persuade followers to do the right thing. Knowing your core principles and having the guts to follow them in all aspects of your life in the service of the common good is what ethical leadership entails.

Piccolo (2010) states that leaders who are ethical and practice ethical leadership, can express themselves to their employees and are more effective in decision-making mechanisms. Ethical leadership entails a person influence over others in a group or firm to attain determined common goals via her or his internal virtues. In other words, ethical leadership is the authority or ability to direct and guide others toward attainment of a goal through the moral standard of the leader.

Ethical managers set high ethical standards and act accordingly. They influence the ethical values of the organization through their behavior. They are humble, concerned about the common good, fight for justice, accept responsibility, and treat each individual with respect. Managers serve as role models for their subordinates, demonstrating the behavioral boundaries that have been established within an organization. You are perceived as honest, trustworthy, courageous, and upright. The more a leader "leads by example" by demonstrating internalized values, the more trust and respect he earns from his followers. The ethical dimension of leadership represents a small component that falls into the nexus of inspiring, stimulating and visionary leadership behaviors that make up transformative and charismatic leadership. Ethical leadership is defined as the demonstration of appropriate behavior from a normative point of view through personal actions and interpersonal relationships and the encouragement of such behavior in followers through communication, reinforcement and mutual decision-making " (Brown, Trevino and Harrison, 2005).

De Hoogh and Den Hartog (2008) described ethical leadership as consisting of shared power, clarification of roles, and impartiality. Ethical leaders are encouraged to exercise integrity and treat others fairly. Fair leaders make fair, principled decisions, are honest and trustworthy. Ethical leaders are responsible for their actions and do not implement incentives. Power sharing requires ethical leaders to give their subordinates space to participate in decision-making and discuss ideas and suggestions. Ethical leaders have a clear map of the responsibilities that each subordinate must obey. It sets the expectations and goals required of them. Ethical leaders ensure that this is clear and understandable to those under him.

Employee retention is defined as the talent or ability to maintain an employee in an organization. Every company faces obstacles in order to stay afloat in today's dynamic and competitive marketplace. One of the most difficult tasks is maintaining staff for the long term. According to the Nigerian Constitution, every citizen has the right to liberty. From an organizational standpoint, each employee has the right to work from home, depending on their comfort level and other considerations such as salary, work environment, remuneration, benefits, professional growth, recognition, training, and other factors.

The local system In Nigeria, in a study by Okagbue (2013) concluded that there was a leadership crisis caused by unethical practices of the public leaders. Their conduct has gone on to affect the quality of governance and services offered in these institutions hence creating a leadership crisis. Ethical practices like honesty, concern for people, citizen participation, accountability, transparency, and rule of law were noted to be important and needed to be upheld in order to provide ethical leadership in the West African state Okagbue's (2013) study revealed.

By addressing the factors that drive employee turnover and the capacity to retain talent, several firms have discovered the challenges that cause it. The need to retain the employee arises from the fact that the organization has paid for recruitment and has invested a significant amount of money in each and every employee to provide training that is tailored to the organization and improves employee efficiency, so it is reasonable to expect the organization to use the training results to further their development. To combat employee turnover, ethical leaders in firms set policies for recruitment, selection, induction, training and development, remuneration and benefits, and workplace design.

The retention of key workers is critical to an organization's long-term health and performance. Customer satisfaction, organizational performance in terms of improved sales, satisfied colleagues and knowledgeable personnel, successful succession planning, and other factors are all heavily reliant on ethical leaders' ability to retain the best individuals in any firm. Employee retention refers to encouraging employees to stay with the organization for a longer amount of time. It is a method of motivating employees to stay with the company for as long as possible or until the project is completed.

# LITERATURE REVIEW ETHICAL LEADERSHIP

The validity and credibility of the vision are influenced and upheld by the leader's moral principles and integrity. The organization is a lifeless structure without ethical leadership. When a leader's integrity is questioned, his or her vision, no matter how good, well-crafted, and stated by dubious followers, loses strength and is unable to compel skeptical followers to work toward its realization. When moral intents and values flow and influence the manager's activities to attain the vision, ethical leadership occurs in the organization.

As a result of these observations, business executives are becoming increasingly aware of their moral responsibilities to society as a whole, which encompasses all stakeholders, consumers, employees, suppliers, governments, local communities, and so on.

Ethical leadership behavior, according to Brown and Trevino (2006), is defined as sustaining successful work circumstances while adhering to organizational ethical standards. This style of leadership emphasizes the value of virtues and good habits. Many academics have previously stressed the importance of sincerity and honesty in defining an ethical leader. Brown and Trevio (2006) claim that ethical misconduct crises occur in places like nonprofit organizations, athletics, and religious institutions. "Showcasing normatively performed behavior via interpersonal connections and personal actions" is how ethical leadership is defined. Similarly, the raison d'être of organizational leadership, as represented in the design of organizational structures and mechanisms, norms, and activities, is to promote something "good" and to be in tune with "maximum excellence." The acknowledgement of this obligation has led numerous significant corporations to create codes of ethics for their businesses, appointing ethics officers, compliance officers, vice presidents of ethics, and employee representatives. The Code of Ethics can serve as a helpful reminder that ethical or unethical behavior is the responsibility of individual employees, not the business.

These ethical rules and structures, on the other hand, should be more than just a "showcase." Competitive advantage should not be the driving force behind an organization's code of ethics.

An organization's code of ethics defines ethical standards that should guide a manager's decisions and behaviors in order for the management to achieve the goal of improving the moral climate of the organization.

For this to happen, the leader must grow ethically as a person and promote the followers' moral growth. This is possible when business leaders concentrate on three aspects of organizational ethics: developing the leader as a moral person, creating a moral environment within the organization, and promoting and fostering activities that... plan a path to economic and ethical performance and establish guardrails to keep corporate travelers on the right track.

It is not enough for leaders to be smart, hard-working, and competent in their area of expertise, as research has shown that despite these admirable traits, leaders are ineffective if they lack ethical traits and are viewed as "arrogant, vindictive, untrustworthy.", selfish "become emotionally" perceived as compulsive, excessive controlling, insensitive, aggressive ... "

In addition to the ethical qualities of the executives, the moral environment of the organization is equally important to the effectiveness of the executives. The nature of the moral environment of an organization depends on the moral caliber of its members.

However, the moral quality of the members of an organization is largely determined by those in leadership positions. They contribute directly to strengthening or destroying the ethical structure of the organization. When people in leadership positions compromise their moral values, they do more than just physical harm. Their cruel neglect or compromise of moral values tends to create an atmosphere of moral cynicism that, like cancer, attacks the moral health of the organization.

A huge and weighty obligation has always accompanied the role of an ethical leader. Due to fundamental changes in organizational norms and values, this function provides difficult and unique challenges in the modern world. These approaches are founded on the individual's right to pursue her life goals in any shape or way she chooses, regardless of their own responsibilities and commitments to others. This self-centeredness is an extreme manifestation of individualistic

psychology, which was first developed by a frontier society and is today fostered and distorted by consumerism.

If we really want to achieve the common goal of human well-being on a personal, organizational and social level, we need moral leadership in organizations and society. Many empirical studies have shown that ethical leadership is associated with employee ethical behavior (Mayer et al., 2009; Stead, Worrell & Stead, 1990). Stead et al. (1990) Leaders are an important factor influencing the behavior of followers (Burns, 1998). Most ethical leaders take positive actions to influence their followers with clear ethical standards. As suggested by Meyer et al. (2009), ethical managers can influence employees through social and emotional exchanges. This exchange is seen as a positive action that creates trust between employees and managers (Blau, 1964). Mayer et al. (2009) He added that if leaders manage their followers fairly and honestly, most followers are willing to trust them, which benefits the organization. Brownand Treviño (2006) also added that leaders can support employee "ethical behavior" by encouraging them and communicating frequently about ethical behavior. Leaders are an important factor influencing the behavior of followers (Burns, 1998). Because this exchange is seen as a positive action that creates trust between employees and managers (Blau, 1964).

Organizational Fairness: When it comes to working with employees, fairness is a top priority for ethical leaders; as a result, modeling this trait is critical, and it requires listening to employees' perspectives, speaking clearly and honestly with them, and making fair judgments regarding them (Asgari, Silong, Ahmad, & Samah, 2008; Neubert, Carlson, Kacmar, Roberts, & Chonko, 2009; Strom, Sears, & Kelly, 2014).

We argue in our paper that organizational justice is a major catalyst in the relationship between ethical leadership and ethical behavior among employees, and we provide two supporting arguments. First, as ethical leaders make traits like honesty, fairness, and trustworthiness explicit parts of their leadership, fairness is considered a major feature of ethical leadership. Employees working in such a fair atmosphere are more likely to believe that justice is credible in their organization as a result of fairness practices.

Hence, employees can be rest assured that they are relying on the practice of fairness to remove uncertainties about their relationship with their employer and to behave ethically in such a fair environment. In contrast, employees who are treated unfairly and dishonestly observe inconsistencies in leadership behavior and organizational justice. In such cases, Brown et al. (2005) and Xu et al. (2016) stressed that workers have the prerogative to question whether the fairness guidelines are actually reliable information that can help the workforce to anticipate a better future. If fairness procedures are not followed, it is very unlikely that the workforce will trust organizational justice to have a positive relationship with their organization (Colquitt, 2001). According to Lin, Che and Leung (2009), organizational justice is a central and crucial element by which employees can infer how they are being led or treated by others.

Second, Colquitt and Greenberg (2003) and Brown et al. (2005), organizational justice gives employees the kind of treatment they can expect through clear procedures and distributions. Several studies have shown the need to educate employees about the systems and practices of the organization. This is especially true when companies view integrity as a central shared value. Therefore, employees are forced to accept that fairness is not only important, but also determines whether they continue to work in the organization. In contrast, employees who are cynical and believe that there is unfairness

and business ethics do not rely on the fairness of the organization and therefore adopt unethical behavior to achieve their goals.

Resick et al. (2012) states that ethical leaders are key in understanding that natural form of relationships develop in an environment of integrity, respect and justice, equity as well as fairness. Arshad, Asif, and Baloch (2012) highlights fairness in terms of the reward system, availability of resources to the employees to carry out their duties, fair amount of workload that an employee can handle, proper office infrastructure and equitable appraisal and recognition system.

Yukl et al. (2013) describes that fairness in decisions and the lack of favoritism in rewarding employees to motivate proper behavior are a critical in enhancing ethical leadership in the workplace. Within an organization set up, fairness is an important issue and mostly it's used to describe organizational trust and respect bestowed to the employees by the leaders. The working environment should be conducive, work load that fits one's job description and is sustainable, provision of facilities to carry out tasks assigned to them and a fair reward system. When employees talk about fairness they are describing the organizational trust and respect (Arshad et al., 2012).

Studies and research in organizational justice show that fair treatment has a direct effect desirable attitudes and behaviour in response by the employees. People respond in a more positive way if they feel like if they have been treated fairly. It is clear that people care about fairness. This could be because fairness serves a self-interested motive or because fairness is a value in itself. But it's so clear that people like it when some form of fairness has been used to deal with their situations (van Knippenberg et al., 2007). Luo (2007) identified three types of justice (distributive, procedural, and interactional justice) that influence top management behaviors.

Power Sharing: Ethical leaders are responsible for the use of power and are in control of the process of influencing employees to achieve the organization's goals (De Hoogh & Den Hartog, 2008). De Hoogh and Den Hartog described power sharing as an interactive feature of ethical leadership. Power sharing is important for better balance and controls to avoid manipulation and self-interest rather than corporate goals (Khalid, Agil & Khalid, 2012). Yukl (2006) believed that power sharing provides an opportunity for employees to improve their skills and the ability to understand company goals. The division of authority affects the quality of the personnel decision all the more when the manager may not be physically available in certain environments. Kalshoven and Boon (2012) suggest that permanent engagement is more appropriate for employees whose managers inspire their participation in decision-making, rather than bearing the burden of making decisions alone.

Power sharing gives the employees of the organization empowerment in all dimensions of ability. The sharing of power gives them more freedom to make decisions in the performance of their tasks, more creative freedom at the higher decision-making levels, more self-confidence to act and think as steadfast partners and to improve their ability to deal creatively and effectively with new work environments (Chen, Zhang & Wang , 2014). Yukl (2010) argued that power sharing gives employees more control and makes them less dependent on their managers. Several studies (Chen et al., 2014; Arslan & Zaman, 2014) have found evidence that shows a significant and positive relationship between employee retention and power sharing. Kim, Tavitiyaman and Kim (2009) examined the staff of a hotel in Thailand and found that hotel managers who introduced power-sharing with their employees were more likely to empower their employees to provide improved service to the

company. Zulkafli (2008) research found evidence that the distribution of power between teachers and school leaders remained low and had a negative impact on teacher engagement.

Kirkman and Rosen (1999) in Chen et al. (2014) differentiated power-sharing into two different categories: participation in decision-making and delegation of powers. Managers who encourage participatory decision-making aimed to gain input from followers, but retained management authority over the final decision. Managers who delegated authority allowed their followers to make job-related decisions.

## **Role Clarification and Employee Retention**

Role clarity is the extent to which a person is confident about how they are likely to get their job done. The level of clarity has also been linked to performance where a person who is aware of his or her role is better able to fulfill specific roles (Kalay, 2016). Role clarity describes the clarity with which an employee's activities are expressed (Onuoha, Ogunjinmi & Owodunni, 2016). An employee goes through role clarity when he understands what is needed of him and what is expected of him. The contents of their working methods, priorities, tasks are clear and the employees are aware of their role in the company. On the other side of the scale, role ambiguities arise when working methods, priorities and content are not clear. In any company, role clarity is a critical function as an employee going through role clarity knows what to do, what is expected of them, and what to do. The higher the role clarity, the higher the organization will help achieve higher levels of performance (McEnrue, 2013).

Role clarification requires ethical leaders who participate in open communication and transparently present performance roles, expectations and responsibilities (Min, 2015). The role clarification shows what the performance expectation of each team member is and also explains what is required by each team member and what is required by an individual and his colleagues (Min, 2015). Studies (Allameh, Harooni, Chaleshtari & Asadi, 2013; Khalid & Bano, 2015) have shown that there is a connection between role clarity and employee performance. Role clarity is one of the important issues that should be clearly explained to employees when they are hired. In other words, the responsibilities employees have should be clear to them from the start of their careers. A high degree of role clarity enables employees to present strategies and solutions in order to perform the assigned tasks more effectively and thus to make more effective decisions (Samie, Riahi & Tabibi, 2015). Role clarity has been shown to make a significant contribution to increasing employee performance and has also been shown to improve job satisfaction, permanent commitment, lower burnout, employee satisfaction, lower fluctuation intentions and the reduction of work-related tensions (Agnihotri, Rapp, Kothandaraman & Singh, 2012; Lynn & Kalay, 2016). According to the classical role theory of Kahn et al. (1964) role ambiguity is the lack of information necessary to perform one's roles effectively. Individuals going through a role ambiguity do not have enough information about their expectations and insufficient information about the process to meet those responsibilities. Role ambiguity is the opposite of role clarity (Srikanth & Jomon, 2013). Role ambiguities can result in tasks being incomplete and the goals set not being achieved.

Taghavi and Woo (2017) introduced the role clarity framework, which includes three dimensions of a corporate role: consequences, expectations, and activities. Sawyer (1992) measured the concept of role clarity in terms of process and goal clarity, which were used to define role clarity for this search. According to Akhtar and Zia-ur-Rehman (2017), the role clarity concept consists of two parts: target clarity and process clarity.

# **Individual Characteristics and Ethical Leadership**

It is likely that individual leadership traits are also linked to ethical leadership. Ethical leaders are honest, caring, and principled people who make fair and balanced judgments. Ethical leaders often delve into ethics with their followers, establishing clear ethical standards, and enforcing those norms through rewards and sanctions. After all, ethical leaders don't just speak the talk; they go for a walk. They are proactive role models of ethical behavior. These concepts can be acquired but are ultimately based on religious beliefs. Those who built faith into their profession were viewed more as ethical leaders, according to the author. Hence, the author argues that ethics arises from a point of belief. For a long time, personal traits like integrity were considered critical to leadership effectiveness, and research has confirmed this.

Trevio et al. (2000, 2003) conducted an exploratory study based on this work and found that a number of personal qualities are associated with ethical leadership. Ethical leaders were considered trustworthy and honest. Ethical leaders are also considered just, principled decision-makers who care about individuals and society at large, and who act ethically in both their personal and professional lives. This is what researchers refer to as the moral personality trait of ethical leaders. The researchers characterized this as the moral personality aspect of ethical leadership, which represents the observers' perceptions about the personal traits, character, and altruistic motivation of managers. But the study also revealed another important aspect of ethical leadership that Trevio and his colleagues identified as the dimension of moral management. This aspect of ethical leadership represents the proactive efforts of leaders to influence the ethical and unethical behavior of followers. Moral managers make ethics an explicit part of their leadership agenda by conveying a message of ethics and values and by establishing a visible and conscientious example of ethical behavior and the reward system. Reward, discipline, and hold followers accountable for their ethical behavior. This explicit behavior helps the ethical leader to transform ethics into a leadership message that attracts the attention of followers by, at best, standing out as social against an ethically neutral organizational background (Trevio et al., 2000, 2003).

According to social learning theory, leaders must be engaging and credible role models in order for their followers to consider them ethical leaders. Why and how ethical leaders influence their followers can be explained using social learning theory. Individuals learn by paying attention to and mimicking the attitudes, values, and behaviors of attractive and credible models, according to social learning theory (Bandura, 1977, 1986). Most people look for ethical principles outside of themselves. Ethical leaders are more likely to give advice because their beauty and legitimacy as role models draw attention to the behavior they model. Models of higher power and position are more attractive to followers, and followers are more likely to pay attention to ethical leaders in modeling behavior. (Kohlberg, 1969; Trevio, 1986) The majority of people look for ethical principles outside of themselves. Because of their attractiveness and credibility as role models, ethical leaders are more inclined to provide advice. Models with higher power and position are more attractive to followers (Bandura, 1986).

# **Employee Retention**

The long-term health and success of any organization depends on the retention of key employees. Customer satisfaction, organizational performance in terms of increasing sales, happy colleagues and reporting staff, effective succession planning, etc. all depend to a large extent on the ability to retain the best people in any organization. Encouraging employees to stay with the company for a longer

period of time can be referred to as employee retention. It is a process of encouraging employees to stay with the organization for the maximum amount of time or until the project is complete. Maertz and Campion (1998) found that relatively less staff turnover research has focused specifically on how an employee chooses to stay with a company, and what determines this retention process should be investigated along with exit processes. Zineldin, (2000) viewed retention as an obligation to continuously do business or to exchange ideas with a particular company. Denton (2000) clearly found that employees who are satisfied and happy with their work become more dedicated to their work and constantly strive to improve the satisfaction of their corporate customers.

Panoch (2001) says that companies today are very careful to keep their valuable employees and good employees, as they are more and more difficult to find. Walker (2001) believed that the management and retention of promising employees is an important fundamental means of gaining competitive advantage between companies. Cutler (2001) believed that one of the most important management requirements in any organization today is to keep the most important and dynamic human resources motivated and engaged. It is not important to see who the organization is hiring, but what matters are those who are kept in the company.

Amadasu (2003); Taplin et al. (2003); Gberevbie (2008) found that when appropriate employee retention strategies are adopted and implemented by companies, the employees certainly stay and work for the successful achievement of corporate goals. According to Acton et al. (2003) the HR department plays an active role in retaining its employees. It makes guidelines for employee improvement so that employees are happy with the organization and stay with the company longer. This shows that it's not just about retaining employees, but also about maintaining cherished skills. Researchers agree that a company's inability to formulate and implement strategies that are appropriate to recruit skilled employees and retain them to achieve corporate goals is one of the greatest challenges facing companies today.

According to Terence et al. (2001) there are numerous reasons for an employee to leave the company voluntarily. Some are influenced by personal characteristics while others are influenced by organizational variables. Personal factors such as family circumstances, career advancement, attractive job offers, etc. Organizational factors are poor promotion, unequal treatment of employees, mismatch of personal and business ideals, and so on. Revenue is an important issue for both the company and the individual. It also makes it clear that the occurrence of an expected or unexpected shock leads to serious considerations of flight (i.e., intent). Positive, negative, or neutral shocks are all possible.

Positive things include other job offers, pregnancy, etc. Negative things include saying goodbye to friends, getting a terrible performance review, and neutral things like moving spouse, changing addresses, and so on. Maqsood Haider, et al. (2005) found that the battle for talent recruitment and retention is getting tougher and suggested that effective staffing practices have a positive and direct correlation with staff retention. It was also found that while culture and salary have a positive impact on employee loyalty, education and training have an adverse impact.

Abeysekera (2007) examined in study realistic information about the workplace, workplace analysis, work-life balance and career opportunities, support and remuneration of superiors and their effects on the departure intentions of employees as well as the fact that remuneration and job analyzes have positive effects on employee turnover. In this study, Holtom et al. (2008) suggested that the variables

that motivate employees to stay and leave are different. According to the Hay Group (2009), employee engagement includes elements such as commitment and discretion. The term "commitment" refers to the employee's participation and decision to stay in the company. In this case, employers/administrations must recognize the true value of employees, and the reasons they are looking for or their expectations for existing positions in order to retain talent.

In addition, it analyzes employee retention management from one angle: "Better working environment, good wages, namely monetary and non-monetary and flexible work schedules, good relations with superiors and subordinates, training and additional training costs and other strategies under the current circumstances, when retaining all company employees; we will consider improving the learning environment.

In addition, management support leads to the promotion of corporate culture, and employee empowerment leads to job satisfaction, which enhances employee loyalty. From a researcher's point of view, better communication, promotion and training opportunities between superiors and subordinates have a high preference, and improved financial benefits also lead to increased employee loyalty.

According to Olowu and Adamolekun (2005), the need for effective and efficient delivery of goods and services by organizations, both public and public, makes them the most valuable resource of any organization. Securing and managing is becoming more and more important. Private sector. Therefore, in order for an organization to achieve its goals, the right strategy for hiring and retaining employees is a sine wave to improve performance.

Researchers such as Kaliprasad (2006) have found that employees leave the workplace because of poor management, even though companies are trying to leverage all these factors to increase employee retention. I am confirming that I can select it. Kaliprasad (2006) pointed out that an organization's ability to retain employees depends entirely on its ability to manage its employees. He discovered four interrelated processes that could be used for an effective human resource management system. Interaction process; visionation process. And the learning process. Baker (2006) emphasized the fact that hiring new employees is much more difficult and costly than keeping current employees in the organization. As such, the central issue for any organization is to continue its ongoing efforts to identify and retain all the best performers, regardless of age. Gberevbie (2008) states that employee retention strategies refer to the plans and means, and a set of decision-making behavior formulated by the organizations to retain their competent workforce.

## The Dimensions of Employee Retention

The mental dimension of retention consist of work characteristics, employees always prefer flexible work tasks where they can use their knowledge and see the results of their efforts which, in turn, helps in retaining the valuable resources.

The social dimension consists of the contacts that the employees have with other people, both internal and external. The physical dimension consists of working conditions and pay.

## Keys to successful retention

- 1. Employee must be encouraged by way of fair human treatment
- 2. Employees should be informed of on a regular basis the reasons for taking actions.

- 3. Implementation of policies and practices reflect how management has a view towards employees and how friendly the management is with the employees and it is the ability of the organization to keep up the promises and the integrity.
- 4. Regular salary package increases employee retention
- 5. Participation of employees in decision making process enhances retention.

Vijayalakshmi (2012) stated that employees are the foundations of an employer, and that the human useful resource branch should focus on them by figuring out why employees are voluntarily leaving an organization and what all of their wishes in terms of their growth, training, and private life are. This strategy may have a positive impact on employee retention in businesses.

### **Discussions**

Finding the right person for the right job is not a big challenge. Keeping them up to date is another major challenge for HR professionals. Companies do not have standard human resource development practices to retain and engage their employees. From the reviews above, we can see that some studies focus on internal factors and others focus on external factors that affect retention. Organizations also pursue strategies that depend on the nature of the business and the key roles of the human resources department. Singh, et al. (2010) The study found that leaving interviews were very helpful in identifying reasons for employees to leave the company, thereby reducing variability and increasing employee loyalty. Several studies have shown many strategies and recommendations for maintaining a competent workforce and keeping it informed.

## Recommendations

The following are the suggestions put forth to retain employees after reviewing various research papers:

- 1. The person chosen must be fit for the job as well as the culture of the organization, and it is very important to remember the qualifications, skills and experience, diligence and attitude required for the job. Smart recruitment is essential.
- Focus on training and development. By identifying the need for training and providing appropriate training to employees, employees are motivated to improve their skills and reach higher positions.
- 3. Motivate, appreciate and recognize the work of employees is the primary responsibility of the leader.
- 4. Surveys must be conducted to measure the satisfaction of employees in the organization. The reason behind this is that it will help to understand employee satisfaction, and measures can be taken to increase satisfaction.
- 5. It is very important to conduct exit interviews to find out why the employee left the organization. This will help strengthen employee retention strategies.
- 6. Mutual trust between employers and employees must be established, so that employees have a feeling that employees are part of the organization, and their work is not only for their own interests, but also for the interests of the organization, as well as for the interests of employees. Society. HR managers can conduct surveys and interviews to identify the issue of employee job withdrawal. Apart from this observation can also be helpful in identifying such issue. This would be helpful to remove the negative aspects of job and increases the positive aspects.

- 7. To avoid the monotony of work in some jobs, exciting activities, games, parties; stress management programs can be arranged.
- 8. Work from home can be encouraged in organizations that do not have a crèche to boost the morale of female employees.
- 9. There must be a balance between the personal life of the employee and the professional life, i.e. work-life balance plays a vital role in retention as it will bring peace to employees. Scheduling flexibility can also be encouraged to improve work-life balance.
- 10. Equality and impartiality among staff will create the feeling that everyone is being treated as one and the same; there is no bias among employees.

#### **Conclusion:**

It is not enough for leaders to distinguish between good and bad motives or actions. Leaders must strive to habitually incorporate moral principles into their beliefs, values, and behavior. If ethical leadership is inherently transformational, then it includes the self-transformation of both leaders and followers.

Ethical leaders readily recognize that self-transformation must begin with oneself. In the context of ethical management, Blanchard and Peel offer inspirational and practical principles for ethical authority. It is purposefulness, pride, patience, perseverance and perspective. Leaders can harness these sources of ethical strength in their self-transformation mission.

Managing talent is a major challenge, and a framework of policies and practices is critical to retaining the best employees. At this point, the strategy needs to be aligned with personnel practices (ie recruitment and selection, training and development, performance evaluation and compensation). Retention strategies that do not adjust these practices will definitely not work. These studies demonstrate that organizations are developing different policies and strategies to maintain their talents. To avoid employee poaching, compete with competitors and survive in a dynamic environment, organizations focus on the "stay" element to increase satisfaction and commitment to maintain a talented workforce. Need to do it. By reviewing research papers, this research provides an overall approach to retaining talent and dedicated employees within the organization.

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