Course Name: AI in Human Resource Management

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Lec 14: Using AI For Employee Retention

Hello learners, welcome back to the course on AI in human resource management. We started new module today, where we'll be looking into the AI and the use of AI in different HR functions typically. So I'll start with employee retention today. I'm Dr. Abraham Cyril Issac . I'm an assistant professor at the School of Business, Indian Institute of Technology, Guwahati.

Now, when you look into employee retention, we do understand what is the significance or what is the importance of employee retention. We'll start with that particular point. We'll also build into the different AI tools. Specifically, I'll take an example also and show how these actually make use of or enables or facilitates the employee retention altogether. Let's look into that.

First, let's understand what do you mean by employee retention? There might be some people who are not from the HR background, typically people who are from the HR background. My apologies for that. You might already know this employee retention, but the significance of employee retention I want to underscore here. Employee retention refers to an organization's ability to keep its employees over a period of time.

There is no doubt about that. It encompasses the strategies and practices that companies implement to reduce turnover and maintain a stable workforce. So when you look into high employee retention, it is often an indicator of a positive work environment. Effective management, employee engagement, and job satisfaction. So employee retention is a positive aspect.

People see that employees are happy to stay in the company. There are a lot of good reasons and positive vibes to stay in the organization. So employee retention is a critical aspect of human resource management. High turnover rates can lead to increased costs and decreased morale within the organization. So these two things, time and again, I re-emphasize: increased costs and decreased morale within the organization.

So the advent of artificial intelligence, if you ask me, has introduced innovative strategies that enhance employee retention by providing employees data-driven insights, personalized experiences, and proactive interventions. So let's look into that. When you look into the key aspects of employee retention, it typically includes the work environment. Creating a positive and inclusive culture where employees feel valued and respected is vital for a good employee-employer relationship.

You look into job satisfaction, ensuring that employees find their work meaningful and fulfilling and that their roles align with the skills and interests if i am being given let's say you all would have thought this at some point in your time let's say i am talented i'm skillful but i'm not in the right job or i'm not given the right task then you do not have the so-called job satisfaction Another significant aspect could be the employee compensation and benefits. Offering competitive salaries and benefit packages that meets the needs and expectations of employees is vital. Another significant aspect could be the career development, which we talk about many a time providing opportunities for professional growth through training or sometimes through mentorship or advancement. You also have aspects of recognition and reward mainly attributed nowadays in a performance or the employee of the month or the day, etc.

So acknowledging and rewarding employees for their contributions and achievement is also an aspect of employee retention. Work-life balance is a significant aspect, if you ask me, of employee retention. Promoting policies and practices that allow employees to balance work responsibilities with personal life is the niche area of many organizations and they thrive like anything. Communication happens to be another key aspect of employee retention. Please note, maintaining open lines of communication between management and employees to address concerns, maybe to provide feedback and to foster collaboration is vital. So effective employee retention strategies not only help

reduce the recruitment and training costs, but they also contribute to a more productive and engaged workforce, ultimately driving organizational success. Now, let's look into the AI tools for employer retention. You know, when you are looking into AI tools, please note it highlights their functionalities, benefits and practical applications. So let's start with the predictive analytics for turnover.

You look into the functionality, application, and benefits. That would be the modus operandi of my discussion today. When you look into the functionality, AI systems analyze vast amounts of employee data, including performance reviews, engagement surveys, and historical turnover patterns to identify trends that may indicate potential attrition. When you look into the application aspect, by recognizing early warning signs, It could be dips in engagement or frequent absenteeism.

HR teams can intervene proactively. Now, if I take an example, predictive analytics can predict turnover rates with an accuracy rate of 20 to 30 percent, allowing organizations to address issues before they escalate. So the benefits would be this proactive approach. It helps reduce turnover rates significantly by enabling timely interventions tailored to individual employee needs. Another aspect or AI tool for employee retention would be personalized employee development plans.

You look into the functionality again. AI tools typically assess individual employee strengths, weaknesses, and even career aspirations to create customized development plans. You look into the applications: platforms like Zavvy utilize AI to develop tailored learning paths for employees based on their skills and career goals. Research studies indicate that 94 percent—not a small percentage—94 percent of employees are more likely to stay with a company that invests in their personal development. That is significant.

When you look into the benefits part, please note that personalized development fosters a sense of value among employees. So, enhancing job satisfaction and loyalty toward the company. If you look into other aspects or tools, we have enhanced onboarding experiences. You look into the application; you look into the functionality aspect. In the

beginning, you have AI that can tailor the onboarding process for new hires to ensure they feel welcomed and valued from day one.

You look into the application aspect by analyzing new features. Higher data and preferences—these AI-driven onboarding platforms can typically customize training schedules and materials to fit individual learning styles. What are the benefits? It impacts an employee's decision-making. A positive onboarding experience significantly impacts an employee's decision to stay long-term, reducing early turnover.

Other AI tools for employee retention would be for real-time feedback and engagement surveys. The functionality would be AI-powered engagement survey tools that analyze employee feedback in real-time to gauge morale and job satisfaction. The application part would be tools like TinyPlus, which enable organizations to conduct pulse surveys that provide immediate insights into employee sentiment. So, this typically allows HR teams to respond quickly to concerns.

And if you ask me about the benefits, organizations using AI-driven feedback tools have reported up to a 25% improvement in employee satisfaction by addressing concerns promptly. When you look into other tools, you have automated recognition programs. You look into the functionality, AI systems can automatically track employee achievements and send real-time acknowledgments. The applications would be something like automated recognition platforms, ensuring that employees receive timely recognition for their contributions, which is vital for maintaining motivation. Research studies typically show that 69% of employees are motivated to work harder when they receive regular recognition, and this is the key aspect I wanted to discuss today.

When you are looking into automated recognition programs, the benefits would be that recognition boosts morale and encourages loyalty among employees, leading to a high retention rate, quite similar to the previous discussion. When you look into health and well-being support programs, The functionality would be that AI tools provide personalized health and well-being support. They include stress management resources. Please note, something which is very much required in today's day.

Even stress management resources are provided as part of the functionality. The applications would be something like AI-powered mental health chatbots that can offer immediate support for employees dealing with stress or burnout. So according to Forbes, 92% of workers are more likely to stay with a company that provides access to mental health resources. The benefits would be that by prioritizing mental health, organizations demonstrate care for their employees' overall well-being, fostering loyalty. So this is it again, another significant aspect when you look into employee retention.

You also have workload optimization. This is also vital when you look into employee retention. Nobody likes to be burdened or overburdened with a lot of work. Workload optimization is critical, especially when you look into functionality. AI analyzes work patterns to optimize workloads and prevent burnout.

You look into the application part by assessing workload. By analyzing task completion times and employee productivity levels, AI can recommend adjustments in workload distribution. Certainly, the benefits are balanced workloads, which improve job satisfaction and reduce the risk of burnout, contributing positively again to retention efforts. Now we have predictive career pathing. It is nothing but the functionality of AI tools that forecast potential career paths within the organization based on an employee's skills and performance.

Look into the application part. By providing visibility into future opportunities, organizations can motivate employees to stay and grow within the company. The benefits would be that career pathing enhances engagement. To conclude the entire discussion on AI tools for employee retention, I would definitely say that AI tools are indeed revolutionizing employee retention strategies. There is no denying the fact that it provides organizations with the ability to predict turnover risk.

Personalize development plans, enhance onboarding experiences, gather real time feedback, automate recognition processes, supports mental health initiatives like what we have seen previously, optimizes the workload and even forecast the career path. So by leveraging these technologies effectively. Businesses can create a more engaged, satisfied and loyal workforce. So as organizations, you know, continue to adapt in a competitive

landscape, embracing AI driven approaches will typically improve. Be vital for reducing the turnover rates and fostering a positive workplace culture.

Now, let me quickly give you a glimpse of tool. As I mentioned, there are a host of tools, but it is practically and logistically not possible to display everything. I've taken some cues and some initiatives to give you some insights into some of the relevant tools. Pekon is one such tool which is used for employee engagement initiatives. And retention, it's an employee engagement retention platform specifically, which uses AI driven insights.

The source I've already given. So you can always go and refer to that. Key features would be real time engagement tracking is there and sentiment analysis would be there. AI powered surveys to assess the morale, the job satisfaction and potential attrition risk. customizable reports to identify areas needing improvement insights into drivers of turnover and strategies to increase the retention so this is the peak on the employee success platform which makes data-driven people decisions that lead to increased engagement and job satisfaction to a so you can see that the engagement is being determined by an objective score. There's an engagement score which gives you what or how the particular employee is being adjusting to the organization. You look into goals. You can set clear goals for your company culture, measuring ongoing progress with industry benchmarks. See how inclusion, well-being and other key aspects of employee experience typically, you know, actually impact the engagement.

So a lot of such possibilities can be given with respect to the score, the participation, how the benchmark is achieved. All these aspects can be obtained with respect to the engagement. You see, the focus can be on right initiatives from onboarding, let's say, to exit with real-time employee lifecycle insights. So you see the initial development, ongoing development and retention. You see onboarding, initial development again.

The different types of analytics is possible you can see how the progress is made if there are dipping or is it going down or what are the typical factors going up or down so all these aspects typically give you a certain level of understanding with respect to employee engagement cycle altogether you also see that there is a possibility of different scores with respect to different parameters, select parameters which can include the

environment, the autonomy. So after significant analysis, slice and dice your data to identify the most impactful initiatives. Across different teams and demographics and drill down into specific aspects of employee experience that matter to your business. So this typically helps to reduce the attrition costs with certain predictive analytics and addresses the root cause of why generally your people leave so basically you'll get the score related to that with respect to onboarding with respect to initial development etc you also have a typical action plan that that emerges that will enable top to bottom ownership of engagement with personalized manager and employee dashboard so you get to see how you can develop what are the different prioritize improvements that need to happen and what is the freedom of opinion, what is the typical action plan for the growth, etc., You also get to see the story behind your data with employee comments and let people know that they have been heard. Start anonymous two way conversations and collaborate with internal experts to resolve the issues typically. So a lot of possibilities are there within the platform, which gives you a typical understanding of where you stand typically and how you can actually go ahead.

After that, you translate thousands of employee comments into clear priorities with advanced text analytics. So basically, you decode everything to a particular score with respect to the meeting rooms, headphones, home policy, hours, life balance, etc. All these parameters could be actually finalized. And finally, you will get to empower your people leaders. with contextual micro learning and ideas for how to improve their teams, improve all aspects of employee experience in one place and create a high performance culture that typically enables the success of every employee and will help certainly in employee retention in a more effective manner.

So when you look into employees, Employee retention. Please note that this is one of the critical aspects concerning every single organization. They don't want their employees, especially the people whom they have invested a lot. You know, we generally say particularly time, cost, labor, investment.

So a lot of investment has gone into them in terms of nurturing them, in terms of training them, bringing them up, you know, up the hierarchy. And they have a clear succession plan. But suddenly the employee leaves out. It makes a void in the organizational

hierarchy altogether. So it is not that easy to replace an exactly the same person or, you know, replace a person with the same talent or skill set.

or the experience. So many a time your institutional memory, please recollect our discussions on that, goes in vain. So this AI would definitely try to enable your employee retention. I've given you the different AI tools specifically. We have also discussed on one sample tool.

So again, prioritize based on your requirement what is your requirement based on that you can bring up a new tool so please note that employee retention happens to be one of the most significant HR domain or HR aspect or HR vertical if I can use the word And AI is typically facilitating that in today's world. Thank you for listening to me patiently. We'll come up with more details about another domain and how AI is facilitating the whole scenario.

Till then, take care. Bye-bye. Thank you.