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The current global issues have caused a high rate of uncertainty in organizations especially in leadership and employee retention. The uncertainty has resulted majorly from globalization which has led to the development of a global economy and issues such as global financial crisis. The organizational requirements are usually based on continually appraised leadership that allows for organizational growth through low employee turnover and higher employee retention rates (Hausknecht, Rodda and Howard, 2009, p. 269). However, this age of uncertainty has led to cases of imperfect leadership hindering the smooth functioning of the organizations.

It also affects employee retention as it hinders some of the important factors such as employee motivation and the overall employee performance and output. The paper is a literature review that focuses on academic journals discussing the nature of leadership and employee retention in an age of uncertainty. Background Leadership can be defined as the process through which people are influenced as the leader conforms to the fact that the objectives are achieved through collective coordination and efforts of the employees. It can also be described as the interpersonal skills that are applied by leaders in a manner that best suits their situations as well as ensure fulfillment of the set objectives and goals. Leadership is defined by concepts that surround the concept of ideas, direction, and vision (Hollander, 2013, p. 69).

On the other hand, leadership in an organization helps predict the means through which the management enforces strategies that are effective in employee retention. Employee retention surrounds the idea of low employee turnover due to factors such low-income levels and other inherent factors such as poor leadership and training. Employee retention has emerged as one of the top issues in workforce management due to challenges associated with the immediate future. Research by Spencer and Spencer, (2008) shows that the companies that shall enjoy more success are those that try to match their leadership skills with the present work environment where the going concern of the company depends on the company’s innovation, flexibility, and creativity. The economic and social uncertainty requires the organizations to reflect a diverse population that is comprised of individuals with different beliefs, motivations and value structures.

These outcomes are mainly evident when the present economic uncertainties and the corporate downsizings have led to the enormous loss of critical employees. Further analyses of the trends in the industry by Khoo et al. (2007, p. 485) show an impending danger to the shortage of skilled labor with the requisite knowledge and the ability to perform competitively. This implies that the organizations shall be left understaffed and less qualified labor force that hinders the company from performing competitively and retaining their relevance.

The managers and leaders in organizations have become exposed to multiple uncertainties that have made it difficult to keep the employees motivated. The employee retention rates generally decrease as the employees fail to find the right motivation from their leaders; they become distracted and confused by the anticipated organizational transitions. According to Samuel and Chipunza, (2009, p. 410) employee retention is a complex concept since there are no specific strategies that are proposed in most scholarly journals on how to retain the workers. The concept of retention is rather viewed as the obligation to continue doing business or conducting an exchange with certain companies on a continued basis. However, Kyndt et al. (2009, p. 200) add that, retention is driven by other key factors such as communication, organizational culture, pay and benefits, strategy, career development systems and flexible work schedules that are managed in a congruent manner.

The continued increase in the number of the organizations has left most of the employees displeased with the organizations where they work since they are constantly insecure about their overall job security. This has resulted in the employees adopting strategic moves where they can be sure to secure their jobs and also guarantee job security. Conversely, most of the employers are inclined towards retaining their workers and from joining other organizations.

To avoid this Hameed and Waheed (2011), states that employee development programs have been on the rise and have consequently contributed towards employee retention. This is deemed relevant since companies incur a greater cost when they try to hire new employees whereas the cost of retaining the present employees is equally substantial.