

Improving Employee Retention at Pratt & Whitney Puerto Rico

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Abstract — *When a company has a major change in scope and culture, the tendency is to grow and adapt. The company in question, Pratt & Whitney, experienced growth but the adaptation has become problematic. Their growth has caused them to make quick adaptations of how their culture is but has not been very effective. The attrition rate is very high for this company, they haven't found the best way to keep their employees from leaving. Surveys and interviews have been conducted to get the feedback of the employees to help mold a better retention plan for this company. The data acquired reveals the needs of the employee, what are their comforts and what is their sense of security within their work. The findings include that employee needs to feel appreciated and receive rewards/acknowledgments for their hard work and for exceeding expectations. With these findings, the existing retention plan is modified for it to be able to reduce the attrition rate.*

Key Terms — *Attrition Rate, Culture, Interviews, Retention Plan, Surveys.*

INTRODUCTION

Pratt & Whitney Puerto Rico has been suffering from a high attrition rate; this company has had growth in employees but seems not able to retain them. This study is centered on the importance of employee retention and to develop a strategy or action plan in order to reduce the attrition rate. This study is done by using the methods of surveys and interviews to help visualize and analyze what the root cause of what the problem is and what can be done to prevent it or minimize it.

LITERARY REVIEW

The longevity of the employee's tenure is very important and plays a heavy part on the organization's performance [1]. There are many factors that can influence the lack of employee retention; for example, the lack of education towards the competition's financial offerings or benefits [2]. Awareness of what the competition is offering is very crucial and can help in the development of a strategy that is centered in employer branding. The importance of this is that the employee can know what the company can offer and know if a company's brand will satisfy their needs. Throughout many studies, it is revealed that the employee wants to be rewarded for their hard work and for their exceedance in performance [3]. The employee feels empowered and has a positive attitude towards his work environment, which in turn, develops into better performance. Some studies attribute this to the recruitment of the "right-fit" for the job instead of the "fill-in" for the job. Employees feel that their skills and abilities are put to good use; therefore they feel good in the position they are in.

The correlation of being in the right position for the set of skills and the sense of belonging can be strengthened by the offering of trainings and career development [4]. When offered to develop technical skills in current job position or in lieu of acquiring another one, the employee receives satisfaction and acknowledgement.

The way this is exposed is by giving importance to the employee's feedback; having a way to capture the perception of the company from the employee's point of view is crucial in understanding what are their needs and/or concerns

[5]. This is a method that will always be fruitful in terms of figuring out what the employee needs to be content in their work environment, which makes them want to continue to grow and develop in that position. Another outcome of collecting the employees' feedback is that the company has a view of what are the things that can be worked on and made better for the employee to have a better working environment.

ANALYSIS APPROACH AND RESULTS

For the completion of this study, it was divided into six parts in a period of three months; each month is divided into two parts as seen in Figure 1.



Figure 1
Schedule for Study Completion

In the first part, the proposal was submitted, presented and approved. The second part was more about analyzing the data that was already available through the company's internal survey actions. With the before mentioned information, a categorization of feedback and comments was done, to visualize what areas are the most affected or the most critical with the given the feedback to the company.

During the third part, the analyzing and categorization of the data recollected from the surveys was done. In Figure 2 is the categorization of the feedback and comments, to visualize what areas are the most affected or the most critical.

Since the "Culture" category is the predominant within this data, it is further analyzed

into subcategories, as seen in Figure 3. These comments and feedback are being compared to old and new survey results. It is observed that the leadership of the management team is affecting the most throughout the employee's perception. From the comments acquired, how management is handling the transition and situations that are raised because of the high attrition rate is of very poor quality. This means that the leadership of management is a critical factor that need to be targeted.

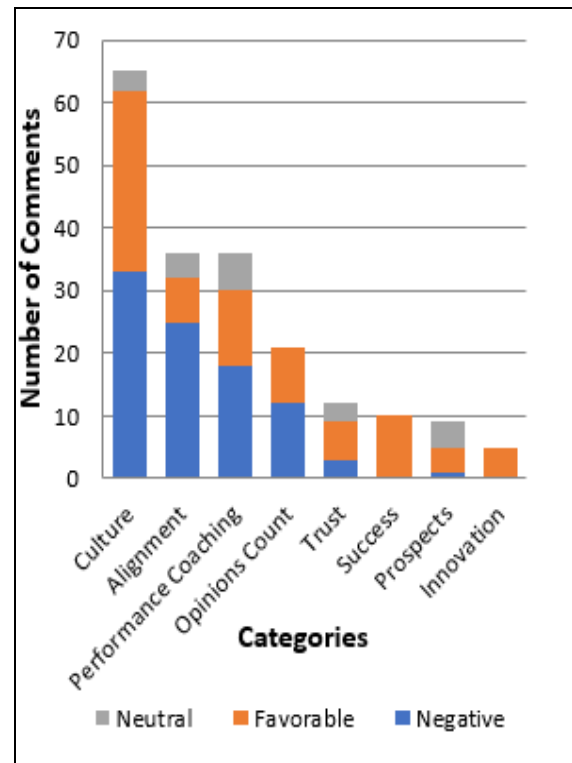


Figure 2
Categorization of Comments

During the fourth part of the schedule, surveys and interviews were done and categorized. The factors taken into consideration to create the interview questions where:

- The importance of the employee's comfort in the company
- The expectations they have from the company
- The effect of the company's culture on the employee
- Communication between management and employees

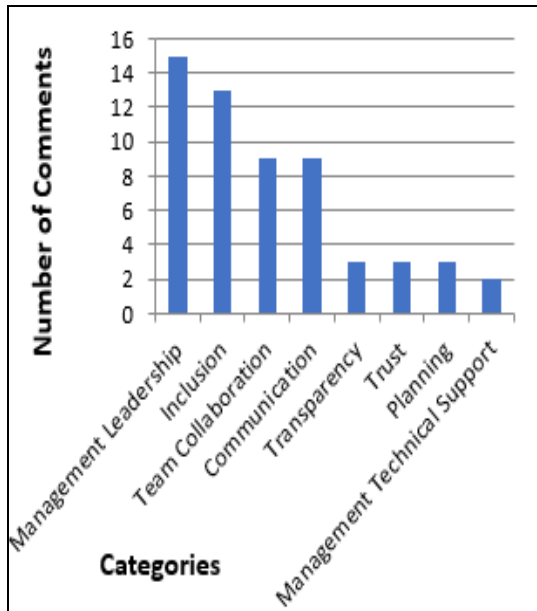


Figure 3
Sub-Categorization of Comments

The most critical factor seen is the rewards given to the employees (or lack thereof). The employee feels that they are not being rightfully rewarded for giving an exceptional service and for performing with exceeding expectations, as seen in Figure 4. Worries arise that the rewards are not being monetized as the employee feels is necessary; thus, driving them to leave because other companies can offer more.

Management argues that they do not have much control over the rewarding system, because they don't possess the means to greatly monetize rewards that are given. Most employees feel that this is not really the case and that management play by preference and offer monetization to specific people and not to all. This is denied by management; there is no real evidence to sustain this.

Many of the employees that have stayed in the company answered that a factor that impacts their decision to stay is the job necessity; they feel that it's better to have a "sure thing" (even though it's not the best) than to not have a job at all. A factor in which management tends to focus on is the alignment to Pratt & Whitney East Hartford, but

results show that this factor is not one that affects greatly.

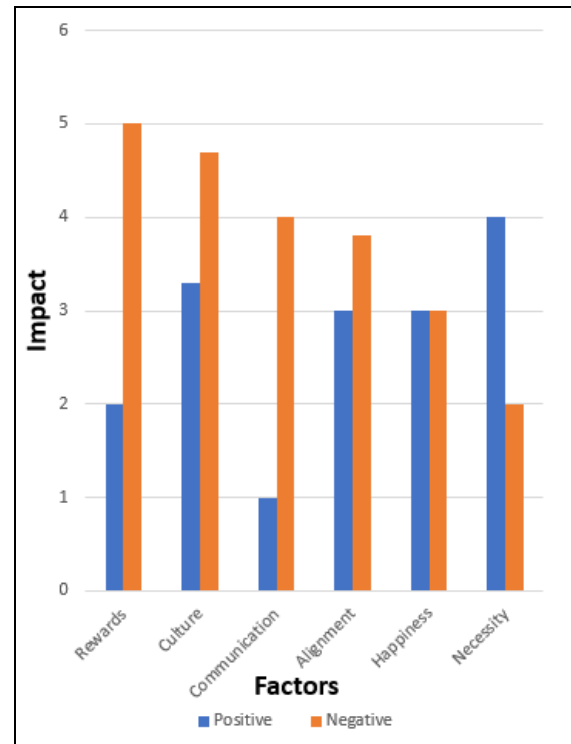


Figure 4
Impact of Factor in Staying or Leaving

DISCUSSION

The results obtained from the interviews and surveys, trace a path into what are the factors a Retention Plan must focus on. The current Retention Plan as mentioned beforehand, is viewed as weak since it has not been very effective. Taken into consideration what we have gathered, the plan should include the following:

- Improvement in scope of work delivery
- Acknowledgement to the employees that exceed expectations in deliveries and/or work desirables
- Enhance communication skills between management and employees; practice transparency and urgency
- Study the market and make a salary adjustment that complies with the competition
- When encountered with a resignation notice, counter act with offers of benefits that are in the reach of management

- Make sure that the employee feels like they are an asset to the company, and that it will be a great loss

The plan is created to maintain a culture of wellness and proactivity; this gives a sense of security to the employee.

CONCLUSIONS

This study gave way to understanding what is behind the employee's decision to consider looking for other opportunities away from the company:

- Within the company's current employees, the culture is a great factor that affects the wellness of the employee
- The employee looks for comfort in the work environment and they expect the company to provide it
- They look for guidance and leadership from management with great esteem and get gravely disappointed when management fails
- Rewards and acknowledgement play a big part in the decision making of the employee; they need to feel as though their efforts are being appreciated and valued
- Management needs to be well aware of the competition and make an effort to meet the competitive value with the surrounding companies
- Management should not wait until a resignation notice is brought to consider the employee; it should be a standard
- Employees need to be treated fairly on all accounts and need to have the offer of the same benefits
- The refined retention plan defined is needed to be put in practice in order to lower the attrition rate

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