

Rational of Employee Attrition and Strategies to Employee Retention

An Empirical Study Conducted In Mypol Ltd, Mysuru.

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Abstract: Attrition refers to losing employees in a firm. Employee attrition which usually has an uncertain impact on firms profits and growth. A high employee attrition is a cost to an organization and its major problem to be addressed. Job postings, hiring process, new hiring training are some of the common expenses, of losing employees and experience over time. Effective employee retention strategies can help the Organization to retain the talented employee. For this study, the researcher used descriptive and single cross-sectional method by using primary and secondary data. Primary data's are collected through questionnaires, with 100 respondent randomly selected. The study adopted the framing of hypothesis the data were analyzed by using SPSS tool. Through data analysis, the researcher was able to find that attrition level in Mypol Ltd., is very high and the organization also following the retention strategies to retain the efficient employees. In this study, the researcher was able to find that the retention strategy adopted by the company was very effective and the employees who are working in the company are happy with the current strategy. The organization has to provide effective rewards and recognition like monetary and non-monetary benefits to retain the employee. Attrition is a major concern of the company to achieve the organization goal. By implementing effective retention strategies the company retain their talented employees. In return, the organization can reduce attrition level and achieve retention. Employee retention program should start on a new hire's first day on the job for effective organization success.

Index words: Employee attrition, retention strategies.

I. INTRODUCTION:

Attrition is a serious concern for many companies, it is necessary to find out why people are leaving the company. There joined a particular company and struck to the same through their life but the situation is entirely different now. New age employees are for more flexible than the old ones. Companies also play a vital role in curbing the attrition and retaining the talented pool. Attrition is the major problem in today's organization. Many organization is been facing this problem of employee attrition and they have been fighting this problem by redefining the H.R. policy. Companies are trying hard to retain the employees who are willing to leave the organization. For many reasons and fought job for H.R manager is to retain the talented employees of the organization. Employee attrition at a high rate it will be the effect on the overall performance of the organization and it many leads has invested over the period of employee selection, training and accommodation too.

II. STATEMENT OF THE PROBLEM

Industrialisation, globalization and technological growth have made new entries in the manufacturing sector and hence there is a huge competition at organizational as well as individual level. There is a lot of work pressure for an individual to contribute and also to achieve the organizational goal. Employee attrition is a major concern of the company to achieve the organizational goal. Retaining employees in the organization is a most significant aspect to be emphasized. With the raising opportunities of an employee in the job market, it becomes evident for every organization to reduce employee turnover and retain talented employees.

III. NEED OF THE STUDY

1. Identify the main reasons (organization and employee) resulting in attrition of employees.
2. To suggest and imply various retention scheme in manufacturing industries.
3. There is a need to understand what is the effect of attrition on the organizational performance.
4. There is a need to adopt the retention strategies to retain the talented employees of the Maypole Ltd.

IV. OBJECTIVE OF THE STUDY

1. To study the major factors causing attrition in Mypol manufacturing industries.
2. To evaluate the impact of attrition on the organizational performance
3. To identify the strategies for employee retention

V. SCOPE OF THE STUDY

1. Identifying the reason for causing attrition can help the organization from further
2. Damage in terms of talented human resources.
3. The study also helps in knowing the employee's preference for a job change and factors which make them dissatisfied.
4. This study is confined to Mypol Pvt Ltd in Mysore
5. The study gives valuable suggestion to decrease the attrition level in the organization

VI. METHODOLOGY

Research design: For This study, the research design used is descriptive and single cross-sectional research in nature. This kind of research will help us to establish the reasons, factors and what are the retention strategies which will help to retain the employee.

VII. DATA COLLECTION

Primary data: The primary data is collected through questionnaire, discussion with the HR manager, external guide MypolPvt Ltd. Organization.

Secondary data: The study; also includes a collection of data from articles, journals, websites, and reports.

Sample design:

- This study is based on probability sampling technique and in this research Simple Random Sampling is adopted

Sample size: the sample size of 235 employees was chosen from this manufacturing industry

VIII. LITERATURE REVIEW:

Dr.Devendra.s. verma¹, Rajdeep chavrasia² (2016)^[1], The aim of the study is to analyse the employee turnover of a small scale industry with the help of quality of work life, to identify the different dependent and independent factors that impact the employee turnover in the small-scale industry directly or indirectly and also to know how managers can take actions to develop quality work life and decrease employee's turnover. This study builds a well-organized and healthy environment for workforce and makes them commit to an organization with full satisfaction.

Savneetkaur(2013)^[2], The objective of the is to make also that in India, why the companies are facing increased employee's attrition rate and the remedial measures in order to decrease the turnover rate. This research pepper consists of the causes of turnover rate in different companies and some remedies are given to retain the turnover in control.

N. silpa (2015)^[3], the purpose of the study is to understand the strategies for employee retention, to know the reason of attrition and to analyze the three research on the employee retention and improvement of the organization. The descriptive research design is conducted for describing the recent situation in the organization. The study is helpfull to the organization in order to evaluate the interest and feelings of the *employees* towards their retention.

Shashikala s¹, Sushma ravindra² (2013)^[4], The purpose is study and identifying the ways of managing and reducing attrition rate in Indian industry to seek the reasons for switching the job frequently and to examine the impact of attrition upon the productivity of the organization. The attrition rate in the organization is high whose work is based on knowledge workers like aeronautics, paramedical etc. the employees can seek for work anywhere when the compensation offered is below the market wage.

IX. DATA ANALYSIS& INTERPRETATION

H1: There was no difference in the levels of perception of the employees towards employee attrition.

ORGANISATION CLIMATE:

To test H1 chi-square test was used and the computation made for tabulated in table 1

Table 1					
ORGANIZATIONAL CLIMATE (Median value = 7.00)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below Median	22	22.0	22.0	22.0
	Above Median	78	78.0	78.0	100.0
	Total	100	100.0	100.0	

Calculated chi- square value = 31.36

Table Chi-square value: 3.841

frequency(O)	E	(O - e)	(O - e) ²	(O - e) ² / e
22	50	28	784	15.68
78	50	28	784	15.68
				31.36

Interpretation:

Since calculated chi-square value is greater than table value the test was significant at 5% levels that is 78 (78%) employee was having above-median perception towards organizational climate and 22 (22%) employee was having below. Median perception towards organization climate in the Maypole.

COMPENSATION AND BENEFITS:

To test H1 chi-square test was used and computation made for tabulated in table 2

Table 2					
COMPENSATION AND BENEFITS (Median value = 10.00)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below Median	34	34.0	34.0	34.0

	Above Median	66	66.0	66.0	100.0
	Total	100	100.0	100.0	

Calculated chi-square value = 10.24

Table Chi- square value: 3.841

frequency(0)	E	(0 - e)	(0 - e) ²	(0 - e) ² / e
34	50	16	256	5.12
66	50	16	256	5.12
				10.24

Interpretation:

Since the calculated chi-square value is greater than the table value. the test significant at 5% levels, that is 66 employee (66%) were having above-median perception towards mypol compensation and benefits and 34 employees (33%) were having below median perception towards compensation and benefits in the Mypol.

WORKING CONDITION:

To test H1 chi-square test was used and computation made for tabulated in table 3

Table 3					
WORKING CONDITION (Median value = 15.00)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below Median	43	43.0	43.0	43.0
	Above Median	57	57.0	57.0	100.0
	Total	100	100.0	100.0	

Calculated chi square value = 1.96

Table Chi- square value: 3.841

frequency(0)	E	(0 - e)	(0 - e) ²	(0 - e) ² / e
43	50	7	49	0.98
57	50	7	49	0.98
				1.96

Interpretation:

Since the calculated chi-square value is greater than the table value. the test was not significant at 5% levels, that is 57employee (57%) were having above-median perception towards working condition and 43 employees (43%) were having below median perception towards working condition in the Mypol.

H2: There was no difference in the levels of perception of the employees towards strategies to employee retention.

COMPENSATION AND BENEFITS:

To test H2 chi-square test was used and computation made for tabulated in table 4

Table 4					
COMPENSATION AND BENEFITS (Median value = 4.00)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below Median	43	43.0	43.0	43.0
	Above Median	57	57.0	57.0	100.0
	Total	100	100.0	100.0	

Calculated chi square value = 1.96

Table chi- square value: 3.841

frequency(0)	E	(0 - e)	(0 - e) ²	(0 - e) ² / e
43	50	7	49	0.98
57	50	7	49	0.98
				1.96

Interpretation:

Since the calculated chi-square value is greater than the table value. the test was not significant at 5% levels, that is 57 employee (57%) were having above-median perception towards compensation and benefits and 43 employees (43%) were having below median perception towards compensation and benefits in the Mypol.

CONSIDERING THE IDEA VALUES:

To test H2 chi-square test was used and the computation made tabulated in table 5

Table 5					
CONSIDERING THE IDEA AND VALUES				(Median value = 7.00)	
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below Median	16	16.0	16.0	16.0
	Above Median	84	84.0	84.0	100.0
	Total	100	100.0	100.0	

Calculated chi square value = 46.24

Table chi- square value: 3.841

frequency(O)	E	(O - e)	(O - e) ²	(O - e) ² / e
16	50	34	1156	23.12
84	50	34	1156	23.12
				46.24

Interpretation:

Since the calculated chi-square value is greater than the table value. the test was significant at 5% levels, that is 84 employee (84%) were having above-median perception towards considering the idea and values and 16 employees (16%) were having below median perception towards considering the idea and values in the Mypol.

MOTIVATION:

To test H2 chi-square test was used and the computation made for tabulated in table 10

Table 3					
MOTIVATION				(Median value = 19.00)	
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below Median	39	39.0	39.0	39.0
	Above Median	61	61.0	61.0	100.0
	Total	100	100.0	100.0	

Calculated chi square value = 4.84

Table chi- square value: 3.841

frequency(O)	E	(O - e)	(O - e) ²	(O - e) ² / e
39	50	11	121	2.42
61	50	11	121	2.42
				4.84

Interpretation:

Since the calculated chi-square value is greater than the table value. the test was significant at 5% levels, that is 61 employee (61%) were having above-median perception towards motivation and 39 employees (39%) were having below median perception towards motivation in the Mypol.

X. FINDINGS:

- Most of the employees are responding good organizational climate n Mypol to retain the employee.
- Most of the respondents are satisfied with the compensation provided at Mypol.
- In Mypol most of the employee is good with the working condition.
- Majority of the respondents are happy with their personal factors but it is not significantly provided at Mypol.
- Most of the respondents are satisfied with their compensation benefits strategies used by Mypol.
- At Mypol the respondents are significant with idea and values which is given by the employees.
- Most of the employees are satisfied with their strategies that the training and development which is provided at Mypol.
- In Mypol to retain the employee motivation strategies were developing it is more significant at Mypol.
- At Mypol the employee was satisfied with retaining strategies.

XI. SUGGESTIONS:

Employees who are working in the organization feel that the nature of work and the environment are good. To make employees stay in the organization the company can provide the benefits or the facilities needed by the employee of the organization. In an organization, it is essential to full fill the expectation of the employees. So that can retain the employee of the Mypol ltd.

The employee should be appreciated for good work and recognized as individuals new strategies/techniques should be introduced and implemented. And also for every good performance, something should be awarded which will motivate there either monitory or non-monitory. And also ask their suggestion with them and if it is valid to point then they can implement it and give extra benefits and rewards according to their performance. The employee should get a lot more career advancement programs to go that they can retain the employee. Moreover to make employees stay longer. The organization has no understood the mindset of the employees and then motivate everybody equally according to their mindset.

XII. CONCLUSION

Attrition is the major problem in today's organization. This study emphasize the rationale for employee attrition and strategies for employee retention in Mypol.Ltd, Mysore. Employee attrition is a major concern of the company to achieve the organizational goal. Through data analysis, the researches were able to find that, attrition level in Mypol. Ltd is very high. So that, the organization has to implement retention strategies like compensation and benefits, training development, considering the ideas and values, annual increment, free food to retain their talented employee. In return, the organization can reduce attrition level and achieve retention for effective organization success.

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