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A Study on Employee Attrition and Retention in a Manufacturing Industry, Coimbatore

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ABSTRACT :

A study on " Employee Attrition and Retention in a manufacturing industry, Coimbatore" topic stated that " Attrition is said to be the gradualreduction in the number of employees through retirement, resignation or death. It can also besaid as Employee Turnover or Employee Defection".The main objectives of this study is to know the reasons, whyattrition occurs, to identify the factors which make employees dissatisfy and find out how tomotivate the employees to retain in the same industry.

KEYWORDS: Employee, Attrition, Retention, Employee turnover, Employee defection

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INTRODUCTION

Attrition generally means a reduction in the number of employees through retirement,resignation or death. Attrition is also known as employee churn, employee turnover or employeedefection is the industrial term used to describe loss of employees or manpower.

Employees leave organizations for many different reasons. Sometimes it is the attraction of a new job or the prospect of a rewarding period outside the workforce which 'pulls them. On other occasions they are 'pushed' (due to dissatisfaction in their present jobs) to seek alternativeemployment (Rankin, 2008). It can also be as a result of both 'pull' and 'push' factors. Anotherreason for voluntary turnover is a change in domestic circumstances outside the control of any

employer.

A poor relationship with a line manger can be the push factor behind an individual's decision toquit his job and leave the organization, but its significance can be masked as a result of thedifficulties associated with exit interviews.Lack of training, development and careeropportunities are also major reasons for voluntary turnover.

REVIEW OF LITERATURE

YiuLichia and Saner Raymond (2014), measured HR function by reporting on the findings of a survey of attrition in Indian companies and discussed the possible strategies chosen by Indian companies to counter costly labor turnover. Higher attrition can be minimized through thepayment of higher compensation packages. The researchers suggested that Indian companiesshould do more to strengthen the bonding of internal social networks and deepen individual jobsatisfaction and organizational commitments to ensure talent retention through competencedevelopment and career planning.

JeenDorance Batty S. (2014), aimed to the factors which may be the possible reasons for anemployee to leave an organization. Employee's turnover intention and its impact onorganizational outcomes were analyzed and that was collected through questionnaires from thefirst and middle line employees in selected organized retail outlets in Bangalore. From theeconometric analysis, it was found that turnover intention has influenced attrition factors such asQuality of Work Life, career growth, working hours, personal/family reasons, and relation withinternal co – worker, welfare, working condition, and salary.

Mathur, Atul and Agarwal, P. K. (2013), aimed to understand the impact of retentionstrategies on employee turnover in sugar industry in India. The focus of this study was ondysfunctional turnover. Other variables such as welfare benefits, personal satisfaction andorganization culture, which are

associated with the employee turnover, were also investigated asa part of this study. It was found that the main reason for leaving the organization by employeeswere compensation and working environment. Results of the study revealed that retentionstrategies have direct impact on employee turnover. Researcher suggested that by using differentHR practices like effective compensation policy, performance appraisal, training anddevelopment programme, feedback and assigning competitive work the condition of employeeretention can been increased.

Samuel and Chipunza (2009) noted that the main purpose of retention is to prevent the loss ofcompetent employees from leaving the organization as this could have adverse effect onproductivity and profitability.

OBJECTIVE OF THE STUDY

> ➢ To study and analyze the employee retention and finding out the various factors resolving attrition.

> ➢ To Study and analyze the motivational factors that contribute to retention.

> ➢ To offer suggestions for controlling employee attrition by improving the employee retention factors.

RESEARCH DESIGN

A research design is the set of methods and procedures used in collecting and analysing measures of the variables specified in the research problem.

SAMPLING DESIGN

Sampling is a procedure to draw conclusions about significant group of Respondents by studyinga small sample of the total population. A sample is a section of the population selected to presentthe population as a whole. Ideally the sample should be representative so that the researches can make accurate estimate of the thoughts and behaviors of the large populations.

Researchpopulation

Population size can be finite or infinite which depends on research. Population size is 210 with finite number of elements.

Sample

Sample is subset of population with sample size of 150.

Statistical methods

Statistical methods involved in carrying out a study include planning, designing, collecting data, analyzing, drawing meaningful interpretation and reporting of the research findings.

DATA ANALYSIS AND DISCUSSION

In this chapter, the researcher has presented the statistical results applied on the data supported by appropriate tables and diagrams. The frequency distribution of the respondents and the percentage of the respondents have been computed.

PERCENTAGEANALYSIS

Table no 3.1.1 Gender of the respondents

Particulars	No of respondents	Percentage
Male	140	93.3%
Female	10	6.67%
Total	150	100

Interpretation:

From the above table is was observed that 93.3 % of the respondents are Male, 6.67% of the respondents are Female.

Age	No of respondents	Percentage
BELOW 30	43	28.67%
31-40	56	37%
41-50	41	27%
ABOVE 50	10	6.67%
TOTAL	150	100

Table no 3.1.2 Age of therespondents

Interpretation:

From the above table it was observed that 28.67% of the respondents are belongs to the age group below 30, 37% of the respondents are belongs to the age group of 31-40, 27% of the respondents are belongs to the age group of 41-50, 6.67% of the respondents are belongs to the age

Education Qualification	No of respondents	Percentage
School level	69	46%
Diploma/ITI	47	31.3%
UG	22	14.67%
PG	12	8%
Total	150	100

Table no 3.1.3Education Qualification of the respondents

Interpretation:

The above table shows that 46% of the respondents are school level passed, 31.3% of the respondents are Diploma/ITI qualified, 14.67% of the respondents are UG qualified, 8% of the respondents are PG qualified.

Departments	No of respondents	Percentage
HR	15	10%
Finance	7	4.67%
Production	128	85.33%
Total	150	100

Table no 3.1.4 Department of the respondents

Interpretation:

From the above table it was observed that 10% of the respondents are belongs to the HR department, 4.67% of the respondents are belongs to the Finance Department, 85.33% of the respondents are belongs to the Production department.

Work Experience	No of respondents	Percentage
less than a year	20	13.3%
1 to 3 years	59	39.33%
4 to 7 years	43	28.67%
more than 7 years	28	18.67%
Total	150	100

Table no 3.1.5 WORK EXPERIENCE OF THE RESPONDENTS

Interpretation:

From the above table it was observed that 13.3% of the respondents are working less than a year, 39.33% of the respondents are working between 1 -3 years, 28.67% of the respondents are working between 4-7 years, 18,67% of the respondents are working more than 7years.

Incentives and Perks	No of respondents	Percentage
Yes	109	72.67%
No	41	27.33%
Total	150	100

Table no 3.1.6 Company's attention towards Incentives and Perks

Interpretation:

The above table shows that 72.67% of respondents said that company pays more attention towards incentives and perks and 27.33% of respondents said that company pays less attention towards incentives and perks.

Work load	No of respondents	Percentage
Very high	10	6.67%
High	30	20%
Average	45	30%
Low	50	33.3%
Very low	15	10%
Total	150	100

Table no 3.1.7 WORK LOAD

Interpretation:

From the above table it was observed that 6.67% of the respondents felt that work load was very high, 20% of the respondents felt that work load was high, 30% of the respondents felt that work load was average, 33.3% of the respondents felt that work load was low, 10% of the respondents felt that work load was very low.

Company's rules and regulations	No of respondents	Percentage
Highly satisfied	20	13.33%
Satisfied	65	43.33%
Neutral	45	30%
Dissatisfied	13	8.67%
Highly dissatisfied	7	4.67%
Total	150	100

Table no 3.1.8 COMPANY'S RULES AND REGULATIONS

Interpretation:

From the above table it was observed that 13.33% of the respondents are highly satisfied with company's rules and regulations, 43.33% of the respondents are satisfied with company's rules and regulations, 30% of the respondents are neutral with company's rules and regulations, 8.67% of the respondents are dissatisfied with company's rules and regulations, 4.67% of the respondents are highly dissatisfied with company's rules and regulations.

Particulars	No of respondents	Percentage
To a large extend	73	48.67
To a medium extend	49	32.67
To a small extend	28	18.67
Total	150	100

Table no 3.1.9 ATTRITION IS A THREAT TO THE ORGANISATION

Interpretation:

From the above table it was observed that 13.33% of the respondents are highly satisfied with company's rules and regulations, 43.33% of the respondents are satisfied with company's rules and regulations, 30% of the respondents are neutral with company's rules and regulations, 8.67% of the

respondents are dissatisfied with company's rules and regulations, 4.67% of the respondents are highly dissatisfied with company's rules and regulations.

Survey To Measure The Satisfaction Level	No Of Respondents	Percentage
Yes	64	42.67%
No	86	57.33%
Total	150	100

Table no 3.1.10 Survey to measure the Satisfaction Level

Interpretation:

The above table shows that 57.33% of the respondents have said that company has conducted an assessment in the form of survey in order measure the satisfaction level of the employees and 42.67% of the respondents have said that company didn't take any steps to measure the satisfaction level of employees.

Particulars	No of respondents	Percentage
Yes	104	69.33%
No	46	30.67%
Total	150	100

Chart no 3.1.11 Recognition that deserve for the performance

Interpretation:

The above table shows that 69% of the respondents felt that given recognition that deserves for their performance and 31% of the respondents felt that given recognition that doesn't deserves for their performance.

Particulars	No of respondents	Percentage
Yes	46	41%
No	104	69%
Total	150	100

Table no 3.1.12 Opportunity to share your ideas

Interpretation:

The above table shows that 41% if the respondents are having opportunity to share their ideas at work and 69% of the respondents doesn't have opportunity to share their ideas at work

Particulars	No of respondents	Percentage
Yes	97	64.67
No	53	35.33
total	150	100

Table no 3.1.13 Increase in industries affects the retention

Interpretation:

The above table shows that 65% if the respondents felt that increase in industries affects the retention and 35% of the respondents felt that increase in industries doesn't affects the retention.

Particulars	No of respondents	Percentage
Highly satisfied	24	16%
Satisfied	33	22%
Neutral	46	30.67%
Dissatisfied	29	19.3%
Highly dissatisfied	18	12%
Total	150	100

Table no 3.1.14 Grievances Handling Procedure

Interpretation:

From the above table it was observed that 16% of the respondents are highly satisfied with grievances handling procedure, 22% of the respondents are satisfied with grievances handling procedure, 30.67% of the respondents are neutral with grievances handling procedure, 19% of the respondents are dissatisfied with grievances handling procedure, 12% of the respondents are highly dissatisfied with grievances handling procedure.

Particulars	No of respondents	Percentage
On the job	65	43.33%
Of the job	37	24.67%
Both	48	32%
total	150	100

Table no 3.1.15 Type of TrainingProgram

Interpretation:

The above table shows 43% of respondents have undergone on the job training, 25% of respondents have undergone off the job training,32 of respondents have undergone both the training programs.

Particulars	No of respondents	Percentage
Strongly agree	31	20.67%
Agree	43	28.67%
Neutral	36	24%
Disagree	27	18%
Strongly disagree	13	8.67%
Total	150	100

Table no 3.1.16 Training related to career development

Interpretation:

From the above table it was observed that 21% of the respondents are strongly agree with training related to career development, 29% of the respondents are agree with training related to career development, 24% of the respondents are neutral with training related to career development, 18% of the respondents are disagree with training related to career development, 9% of the respondents are strongly disagree with training related to career development.

Particulars	No of respondents	Percentage
Highly satisfied	34	22.67%
Satisfied	41	27.3%
Neutral	49	32.67%
Dissatisfied	17	11.33%
Highly dissatisfied	9	6%
Total	150	100

Table no 3.1.17 Welfare activities

Interpretation:

From the above table it was observed that 23% of the respondents are highly satisfied with welfare activities, 27% of the respondents are satisfied with welfare activities, 33% of the respondents are neutral with welfare activities, 11% of the respondents are dissatisfied with welfare activities, 6% of the respondents are highly dissatisfied with welfare activities.

Particulars	No of respondents	Percentage
Highly satisfied	69	46
Satisfied	47	31.33
Neutral	20	13.33
Dissatisfied	10	6.67
Highly dissatisfied	4	2.67
Total	150	100

Table no 3.1.18 Relationship between superiors

Interpretation:

From the above table it was observed that 46% of the respondents are highly satisfied with relationship between superiors, 31% of the respondents are satisfied with relationship between superiors, 13% of the respondents are neutral with relationship between superiors, 7% of the respondents are dissatisfied with relationship between superiors, 3% of the respondents are highly dissatisfied with relationship between superiors.

Particulars	No of respondents	Percentage
Yes	118	78.67%
No	32	21.33%
Total	150	100

Table no 3.1.19Attrition rate decreases by adopting retention policies
Primary data

Interpretation:

The above table shows that 79% of the respondents accepted that attrition rate decreases by adopting retention policies and 21% of the respondents don't accept that attrition rate decreases by adopting retention policies.

Particulars	No of respondents	Percentage
Highly satisfied	42	28%
Satisfied	48	32%
Neutral	32	21.33%
Dissatisfied	19	12.67%
Highly dissatisfied	9	6%
total	150	100

Table no 3.1.20 Satisfaction level towards retention policies Primary data

Interpretation:

From the above table it was observed that 28% of the respondents are highly satisfied towards retention policies, 32% of the respondents are satisfied towards retention policies, 21% of the respondents are neutral towards retention policies, 13% of the respondents are dissatisfied towards retention policies, 6% of the respondents are highly dissatisfied towards retention policies.

Particulars	No of respondents	Percentage
Strongly agree	52	34.67%
Agree	41	27.33%
Neutral	35	23.353%
Disagree	14	9.33%
Strongly Disagree	8	5.33%
Total	150	100

Table no 3.1.21 Attrition affects Productivity
Primary data

Interpretation:

From the above table it was observed that 35% of the respondents are strongly agree with attrition affects productivity, 27% of the respondents are agree with attrition affects productivity, 23% of the respondents are neutral with attrition affects productivity, 9% of the respondents are disagree with attrition affects productivity, 5% of the respondents are strongly disagree with attrition affects productivity.

FINDINGS:

DEMOGRAPHIC

1. Most of the respondents are male(97%)

2. Most of the respondents are between the age group 31-40(37%)

3. Most of the respondent's education qualification is school level(46%)

4. Most of respondents are from production department(85%)

5. Most of the respondents work experience is 1-3 yrs(39%) ATTRITION

6. 49% of the respondents felt that attrition is threat to theorganization

7. 57% of the respondents said that the organization doesn't conduct an assessment in the form of survey in order measure the satisfaction level of theemployees.

8. 31% of respondents are neutral with organization's grievances handlingprocedure.

9. 69% of the respondents felt that organization don't provide an opportunities to share their ideas.

10. Most of respondents are neutral with welfare facilities that are provided by the organization. (33%)

11. Most of the respondents strongly agree that employee attrition plays a vital role in theresult of

productivity

RETENTION

1. Most of the respondents are satisfied with company's rules and regulations(46%).

2. Most of the respondents felt that work load is low in the organization(33).

3. Most of the respondents felt that company pay more attention to incentives and perksoffered to you(73%)

4. Most of the respondents get the recognition that deserve for their performance(69%)

5. Most of the respondents said that increasing number of industries are adverselyaffecting employee retention in your organization (65%)

6. Most of the respondents are agree that training program is always linked with theircareer development(29%)

7. Most of the respondents are highly satisfied with relationship between superiors(43%)

8. Most of the respondents are satisfied with retention policies that are carried out by the organization(32%)

9. Most of the respondents felt that attrition rate decreases by adopting retention policies(72%).

SUGGESTIONS:

❖ The organization should reduce working hours by adoptingshifts.

❖ The organization should improve in the better quality of work life and reduce thestress level.

❖ The exit interview should be conducted by the organization in order to know aboutthe reason of employee to leave theorganization.

❖ The organization should provide an equal opportunity to the employees to sharetheir view and suggestion related towork.

❖ The grievances handling procedure should be improve by the organization in orderto aware of employeeproblems.

❖ Welfare facilities given to the employee should be provided properly in order satisfythe employee to reduce attritionrate.

CONCLUSION

The above research deals with the employee attrition and retention in a manufacturing industry, coimbatore . There are various factors to overcome the attrition and retention rate. This

research helps the organization to maintain the employee level by understanding their problems. The elementary factor deals with the job satisfaction and HR contribution, in the various aspects. Thus to retain the employee the salaries and welfare measures is to maintain in the normal level and increase the job satisfaction level.

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