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### **Study of Attrition of Employees At Bureau Varitas.**

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#### **ABSTRACT**

Employees are the most valuable assets of an organization. It is they who add value to the organization in terms of quantity and quality as well. To find, attract, develop and retain the right talent is a major part of management. Therefore, it is indispensable to maintain a permanent and promising workforce; which over the years has become a tough task for employers and thereby increased attrition in the organizations. Attrition is a major problem which highlights in all the organizations. "Attrition is said to be the gradual reduction in the number of employees through retirement, resignation or death. It can also be said as Employee Turnover or Employee Defection". Whenever a well-trained and well-adapted employee leaves the organization, it creates a vacuum. So, the organization loses key skills, knowledge and business relationships. Modern managers and personnel administrators are greatly interested in reducing Attrition in the organization, in such a way that it will contribute to the maximum effectiveness, growth, and progress of the organization. Attrition costs a lot. It's one of the largest costs in all types of organizations, yet it's also one of the least understood. Organizations need to find new approaches to retain the most effective manpower. ". This research is an attempt to find out the causes of attrition from different dimensions and have proposed some ways in which this issue can be addressed. It undertakes the effect of the same on employer and employee both. Following this some strange reasons for attrition have been discussed in this regard. The positive side of attrition has also been discussed upon. Further, the remedial measures have been discussed herein. Managing attrition is not just a 'nice thing to do', it is the route to survival.

**KEYWORDS:** Attrition, Employee turnover, Human resource, Employees.

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## **INTRODUCTION**

Attrition of employees in a limited measure is desirable for influx of new ideas in any type of organization. It helps organizations to maintain their agility in fast changing environment. However if attrition increases beyond a certain level, the gains are transformed into pains. . Significant investments in time and money need to be made for acquiring employees in any organization. These can never be translated into profit when attrition is high. In broad term, attrition is a situation which employer face when employee left the organization due to job dissatisfaction, new opportunity in the market, retirement & natural cause (death/illness).

Nowadays this is one of the most important question which is asked by higher authority to HR people. "Why our attrition rate is higher than other company". Earlier it wasn't important for the organization, whether their employees are committed or not, but now the time has been changed. The company cannot afford to lose its best employee to competitors. Therefore, HR team conducts EXIT interview when an employee left the job to get the information about one's decision to leave an organization. It is a paramount consideration for a HR team to think, why people are vacating their positions.

### ***Introduction to Bureau Veritas***

Created in 1828, Bureau Veritas is a global leader in Testing, Inspection and Certification<sup>1</sup> (TIC), delivering high quality services to help clients meet the growing challenges of quality, safety, environmental protection and social responsibility. As a trusted partner, Bureau Veritas offers innovative solutions that go beyond simple compliance with regulations and standards, reducing risk, improving performance and promoting sustainable development.

**“Bureau Veritas is a Business to Business to Society Company contributing to transforming the world we live in.”**

- Didier Michaud-Daniel, Chief Executive Officer, Bureau Veritas.

Today, Bureau Veritas is capitalizing on our extensive experience to better serve society's aspirations. Driven by society, it acknowledges the challenges of growing urbanization, recognizing the need for safer, smarter cities. Organization anticipates the expectations of an expanding global population, including the need for secure and reliable agricultural production. It understand the impact of climate change, working to ensure people worldwide have access to cleaner energy, while supporting our clients in the efficient management or conversion of their assets. Organization embraces digitalization, while mitigating the risks it brings and support the development of revolutionary materials and technologies.

**Company's six activities are as follows,**

1. Marine and offshore
2. Agri-Food and Commodities
3. Industry
4. Buildings and Infra
5. Certification
6. Consumer products

### ***HR Activities at Bureau Veritas***

The company is committed to creating opportunities for skills building, personal development and mobility throughout the employees' careers, as well as encouraging their ability to innovate.

Main objectives:

- Nurture talent.
- Foster a learning organization (**Number of training hours: 21 hours per employee in 2017 | Covering 89% of workforce**)
- Grow into an inclusive culture.

### **OBJECTIVES OF THE STUDY**

- To retain the existing key and talented employees.
- To analyze the major reasons contributing to Attrition.
- To give employees a chance to offer suggestions for areas of improvement.

### **LITERATURE REVIEW**

Despite several studies carried out on attrition management, the strategic human resource researchers are still investigating the causal mechanisms between HR practices and firm's performance mostly related to voluntary turnover as a critical component as employee retention plays a vital role in bridging the gap between the macro strategies and micro behaviour in organizations. This is because it ensures stability and connects the experiences of individuals in organizations on a continuous basis to the critical measures of success factors in the organization. The decision of leaving the organization is not easy for an individual employee as well as significant energy is spent on finding new jobs, adjusting to new situations, giving up known routines and interpersonal connection and is so stressful, Boswell et al<sup>2</sup>. Therefore if timely and proper measures are taken by the organizations, some of the voluntary turnover in the organization can be prevented.

In their study Awasthi and Yadav<sup>3</sup> reiterated the reasons for employee turnover may vary from

external environmental factors such as economy that influence the business that in turn affects the employment levels to organizational variables such as type of industry, occupational category, organization size, payment, supervisory level, location, selection process, work environment, work assignments, benefits, promotions. As per Dobhal and Nigam<sup>4</sup> the other factors that influence employee turnover in organizations include the individual work variables like demographic variables, integrative variables like job satisfaction, pay, promotion and working condition and the individual non-working variables such as family related variables. Any of the above factors could be the reasons, but the decision process to leave or stay in the organization is to be periodically examined to understand the specific reasons that prompted them to take such a step and the organizations should be mainly concerned about voluntary turnover and not involuntary turnover as it is within their control. Also it is found that employees who perform better and are intelligent enough have more external employment opportunities available compared to average or poor performance employees and thus they are more likely to leave. High rates of voluntary turnover of such employees are often found to be harmful or disruptive to firm's performance. When poor performers, choose to leave the organization, it is good for the organization, thus it is important to differentiate between functional and dysfunctional turnover and accordingly encourage or discourage employee turnover. Barrick and Zimmerman<sup>5</sup> investigated the appropriateness and efficacy of several variables used to predict voluntary turnover that can be avoided through proper selection. The study mentions that most of the research has focused on why employees leave once they are in an organization. Further voluntary turnover of critical workforce is to be differentiated into avoidable and unavoidable turnover. Estimates of the losses for each employee vary from a few thousand dollars to more than two times the person's salary depending on the industry, the content of the job, the availability of replacements and other factors.

## **METHODOLOGY OF RESEARCH**

### **Research approach method-Survey Method**

**Area of study-**The survey was carried out with ex-employees of Bureau Veritas Consumer Products Services (Employees who left in last 1 year). A survey was effective to study the attrition management in the company.

### **Research-Exploratory and Descriptive**

### **Data Source-Primary Data and Secondary Data**

### **Target respondents-Ex-Employees of Bureau Veritas Consumer Products Services**

**Sample size-**The sample is 363 employees who have left the organization in past 1 year.

**Sampling method**-Sampling procedure used for this study is Simple Random Sampling

**Sampling Unit**-It is limited to employees who have already left the organization.

**Sample design**-The study was done with 363 ex-employees of Bureau Veritas Consumer Products Services, out of which 220 responded to survey. The respondents were spread across different departments of the organization and across different locations of BVCPS.

**Tool for data collection**-The research instrument used in this study is structured questionnaire which consists of 17 questions. It was predetermined before conducting the survey. The questions are open ended. Online Questionnaire on Google forms is used to gather the inputs from the participants. Participants were contacted through emails and calls. Questionnaire was provided to 363 ex-employees out of which 220 responded to survey. 143 people didn't fill the survey due to following reasons:

1. Many people were not reachable through their contact numbers or emails, due to which I was unable to reach out to them to get the survey filled.
2. Few respondents were unwilling to fill the form because of a very bad experience at company, or due to lack of willingness on premise that this is another assignment which won't produce any actual results.
3. We were unable to communicate with few respondents from Tripura over call due to language barrier.
4. Even after repeated reminders, few people keep procrastinating and never actually filled the form.

**Statistical tools used in the study**-For the analysis of data, percentage analysis was done in Excel.

## **LIMITATIONS OF THE STUDY**

- Time limitation for completing the project.
- The study was limited to employees who left the organization in past year. A bigger data set can be used.
- The response received from ex-employees could be casual in nature, chance of bias is present.
- The study has considered only limited variables while assessing attrition, retention, and other perceived attitudes of the employees.

## **DATA ANALYSIS AND INTERPRETATION**

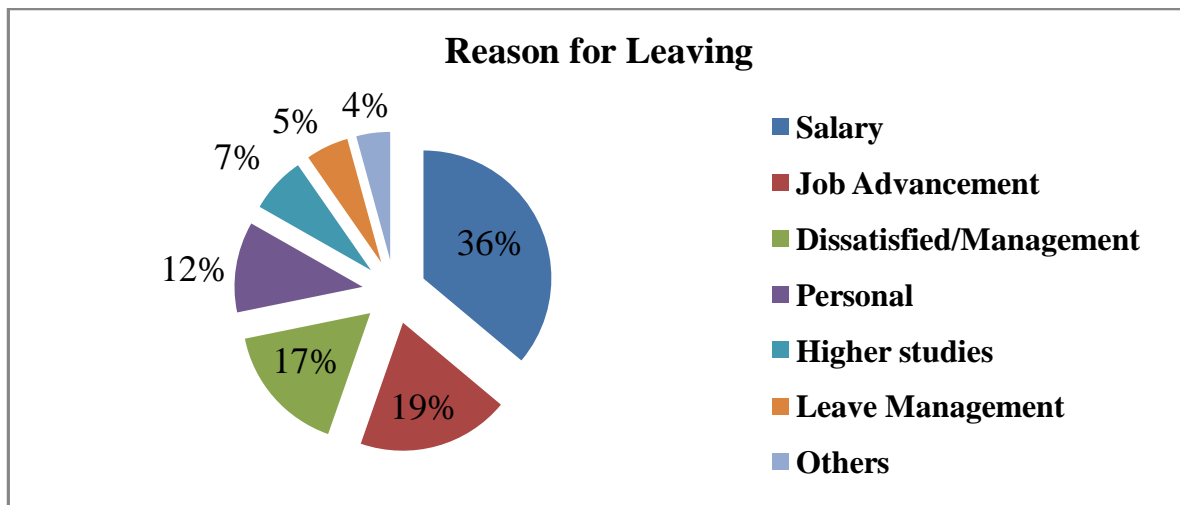
The Online Questionnaire comprising of 17 questions was divided into three Job

Dimensions namely:

- Role in the Job
- Compensation & Benefits
- Working Environment

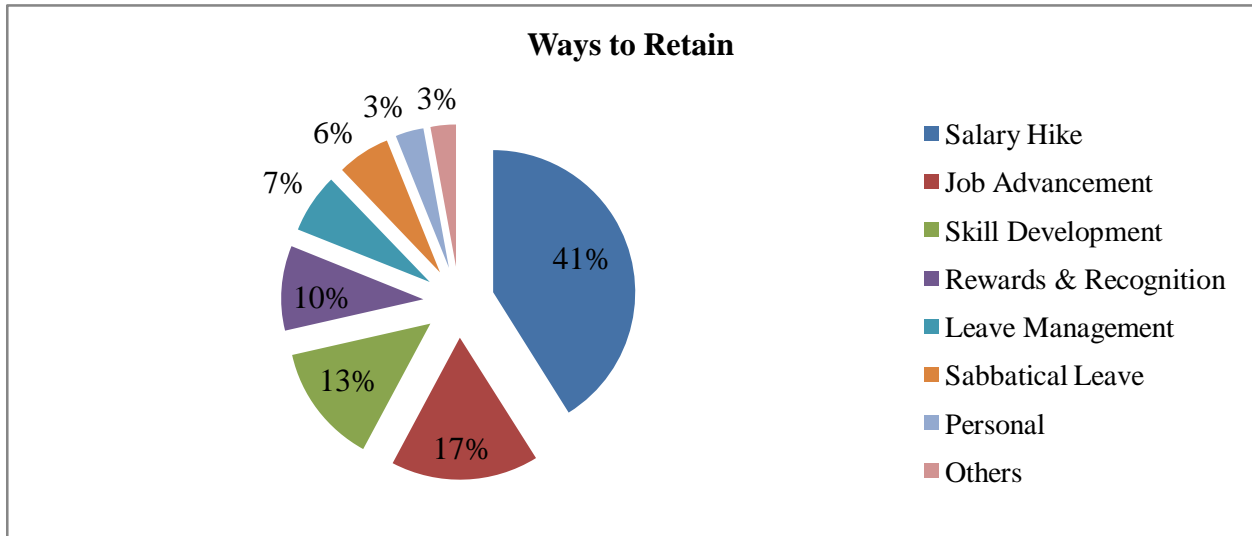
### ***Role in the Job***

Q1. Please indicate reasons, which contributed to your decision to resign from BureauVeritas?



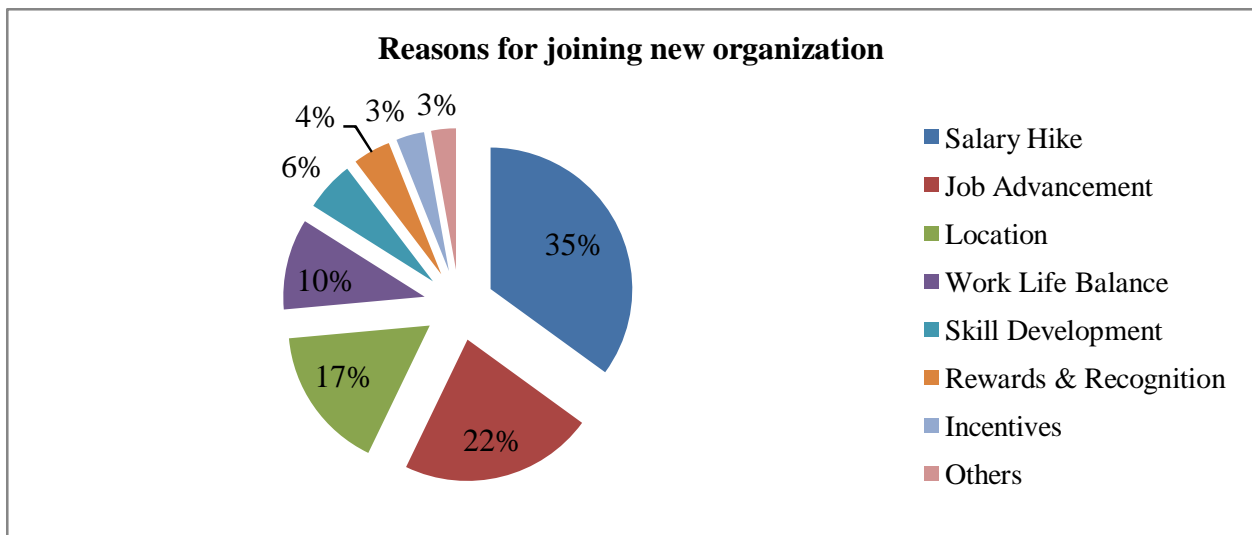
**INTERPRETATION:** The above graph represents that for most of the employees, the primary reason for leaving was dissatisfaction from the salary they received. The probable reason for some could be an outdated compensation structure, not complying with market standards or less paying strategy of organization. Salary was followed by lack of job advancement opportunities which shows an issue with a proper career-pathing exercise in place and then dissatisfaction with management was the third main reason for employees to leave which involves not effective treatment in part of manager in terms of maintaining a conducive environment, responding to complaints, ensuring fairness and involving employees in decision making.

Q2. What could we have done that would have stopped you from leaving?



**INTERPRETATION:**As stated from above graph, an increase in salary hike could have helped in retaining 41% of people who left the organization as they were dissatisfied, followed by 17% of people saying that advancement opportunities in Job could have been a good retention measure, followed by 13% of people voting for Skill development, training facilities for employees to up skill themselves.

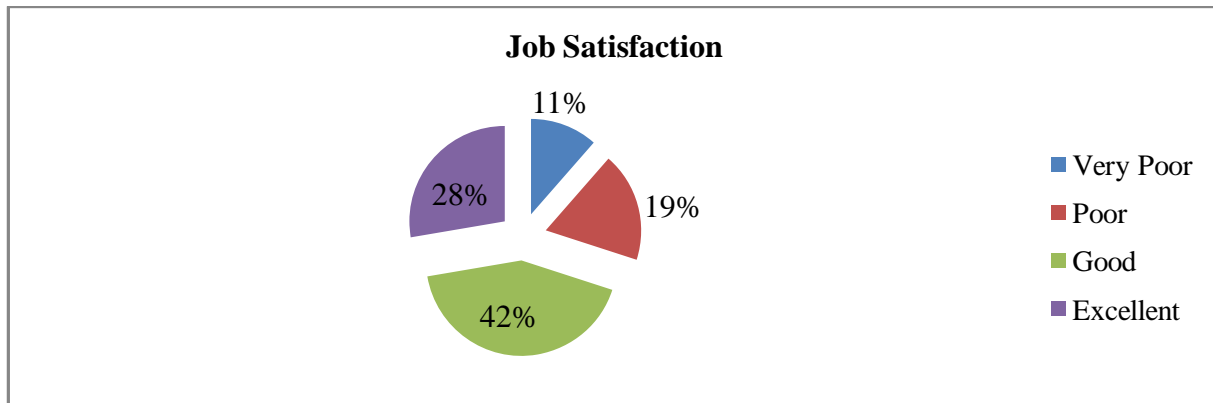
Q3. What is a significant factor which urged you to move to new organization?



**INTERPRETATION:** Besides understanding why people left Bureau Veritas, it is equally important to understand that why people moved on to new organization so as to understand employees' priorities and preferences. As per above graph, 35% of people said that they got a salary hike therefore they joined the new organization, followed by 22% of people saying that advancement in

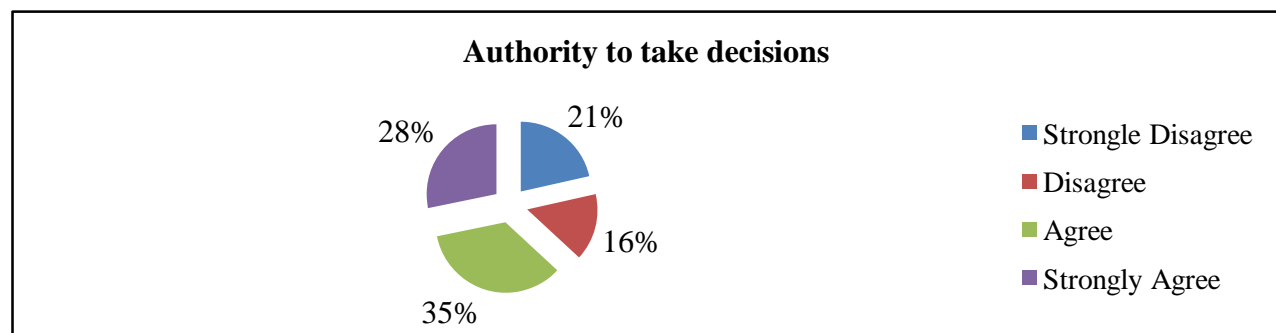
Job was a compelling factor for them, followed by 17% of people saying that Location of new organization was a compelling factor for them to move to new organization.

Q4. How much do you rate Job satisfaction level at Bureau Veritas?



**INTERPRETATION:** Job satisfaction is a very crucial area to understand to analyze the reason for attrition. Ratings were classified into categories of very poor, poor, good and excellent Job satisfaction. As per above graph, 42% of people said that Job satisfaction was good at Bureau Veritas, 28% of people said it was excellent and 19% and 11% of people said that it was poor and very poor respectively.

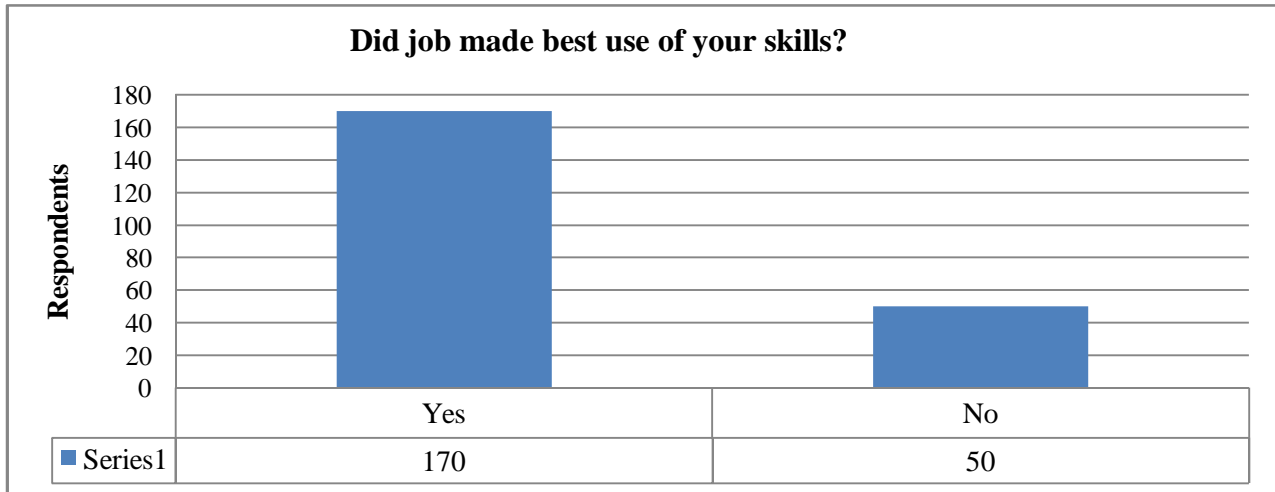
Q5. Were you given enough authority to take most of the decisions related to your job on your own?



**INTERPRETATION:** Ex-employees were asked whether they were given the flexibility, autonomy and authority to make decisions in their job and 35% of people agreed with the statement, followed by 28% of people strongly agreeing with the statement and 21% and 16% of people strongly disagreed and disagreed for same. The analysis shows that the response was fairly positive with 63% of people agreeing with the statement.

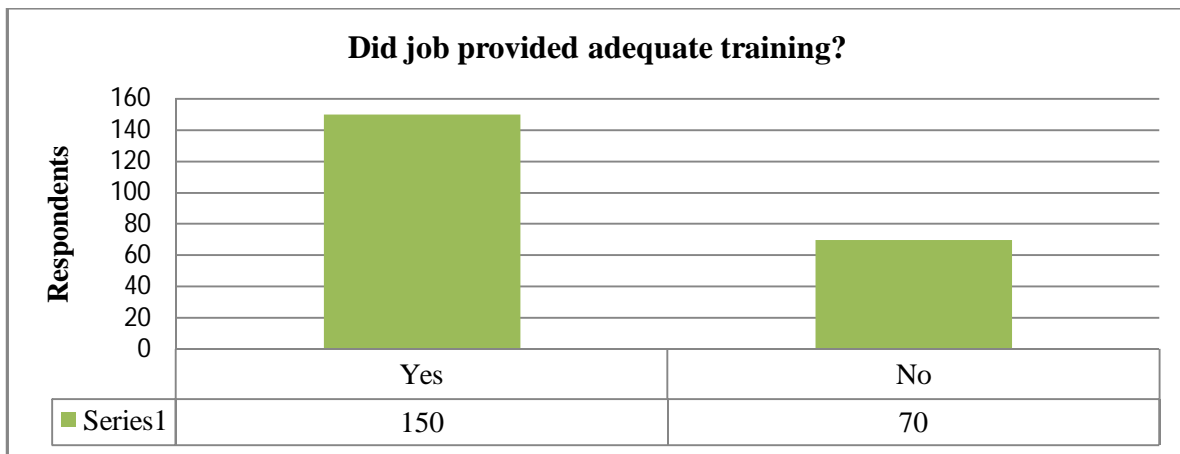
Q6. Did your job at Bureau Veritas made best use of your skills and abilities?





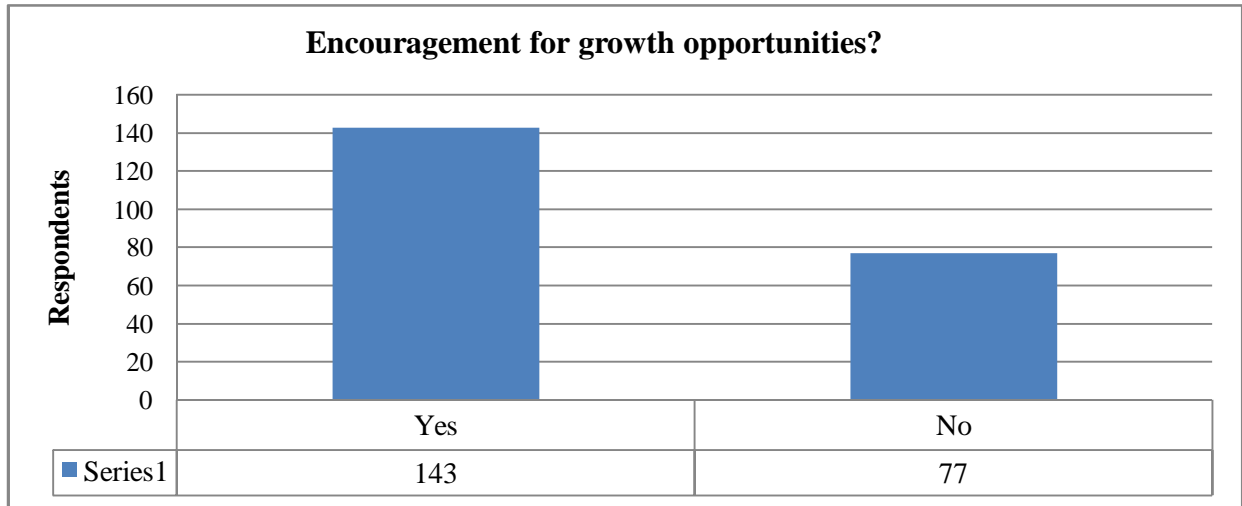
**INTERPRETATION:** As per the above graph, 77.3% of respondents i.e. 170 people agreed that their job at Bureau Veritas effectively utilized their skills for which they were hired with rest of people i.e. 50 people denying to above statement. The probable reason for same could be less understanding on part of manager of employees’ skills or less clarity on the job roles or job description.

Q7. Did Bureau Veritas provide as much initial and ongoing training as was needed?



**INTERPRETATION:** Training forms a crucial aspect of an employee’s career path and guides the movement of his career in different domains at different levels. When asked that whether employees were provided enough training during their job, 68.2% people i.e. 150 people said yes and rest of them i.e. 70 people said that they were not provided with the adequate training. 31.8% of people saying that right training was not given is an important analysis which management should consider so as to retain people.

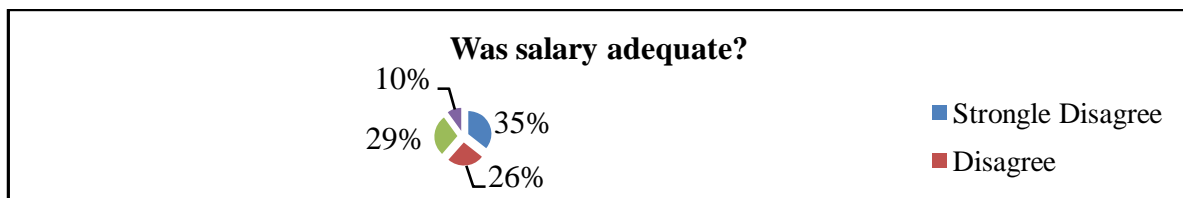
Q8. Were you encouraged to explore growth or advancement opportunities within the organization?



**INTERPRETATION:** Growth in job is a key motivational driver for any employee to work productively. When asked that was their encouragement for growth opportunities in the job, 65% of people i.e. 143 people said that yes they were encouraged and rest of the people i.e. 77 said that they were not encouraged. 35% of people saying that there was no encouragement for growth is an alarming sign for management.

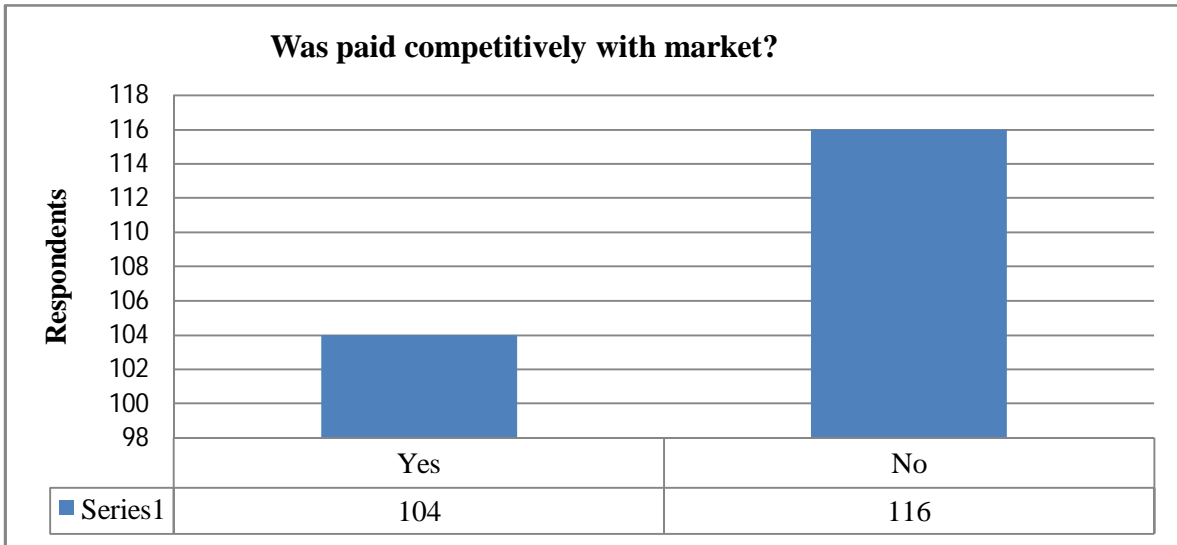
### Compensation & Benefits

Q9. Was the salary adequate in relation to job responsibilities?



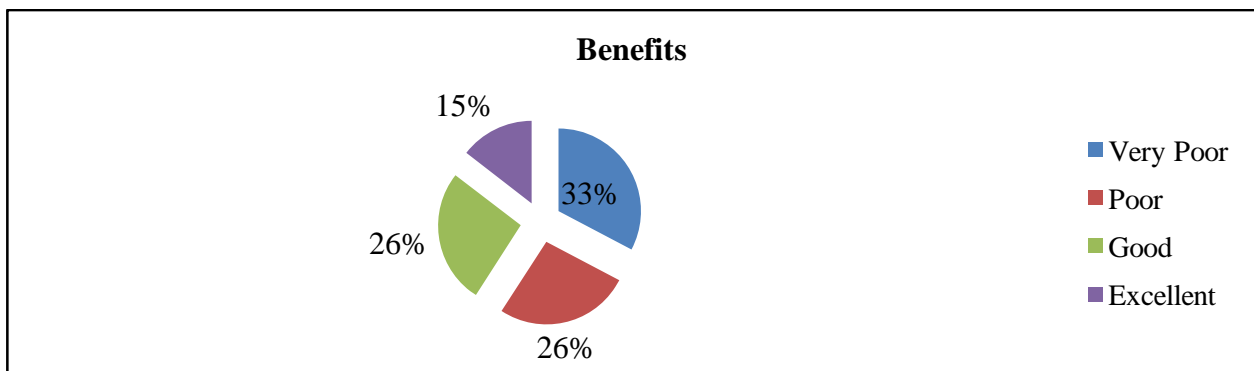
**INTERPRETATION:** In compensation job dimension, the question of salary being adequate was asked. 35% of people strongly disagreed that they received adequate salary, followed by 26% of people disagreeing and 29% and 10% of people agreed and strongly agreed respectively that they received adequate salary. As we have seen in previous graphs, salary was one of the major issues the result of this graph shows the same picture with majority of people being dissatisfied with salary.

Q10. Were you paid competitively with market standards?



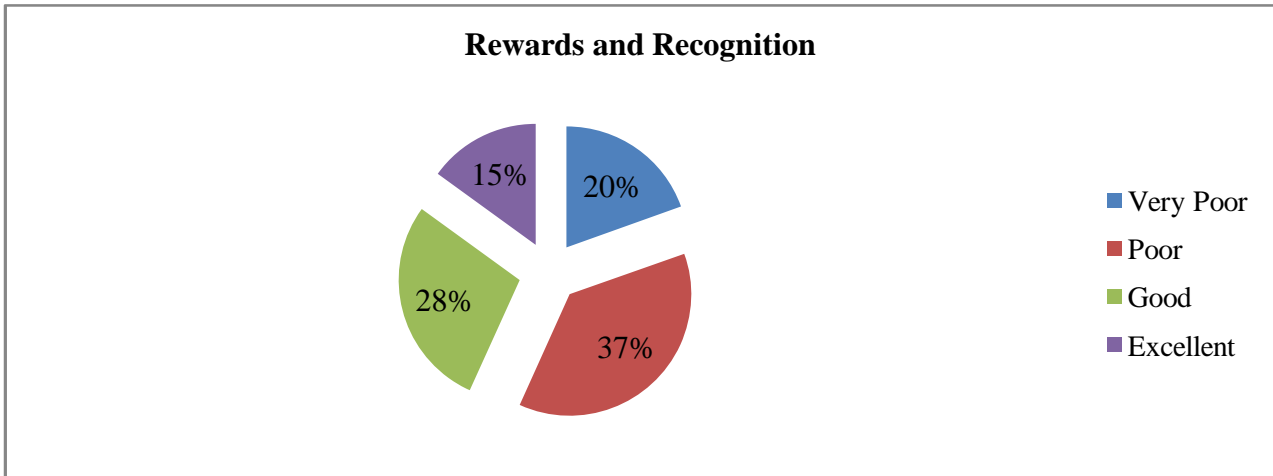
**INTERPRETATION:** When we talk about salary, market equity is very important to make an employee feel that he is being paid at market rate. Thereby on asking that were employees paid competitively with market, 53% people i.e. 116, denied and 104 people agreed that they were paid competitively. Overall the stats of this particular analysis are balanced with almost 50% of people agreeing and disagreeing to same.

Q11. How do you rate benefit plans for the employees at Bureau Veritas?



**INTERPRETATION:** Benefits constitute an important component of any compensation plan and it can be monetary or non-monetary. Employees were asked to rate the benefits plan at Bureau Veritas and 33% people said it was very poor, followed by 26% saying it was poor, followed by 26% of people saying benefits were good, followed by 15% saying that they were excellent. Overall we can see the dissatisfaction in ex-employees where 59% of people saying benefits were poor or very poor.

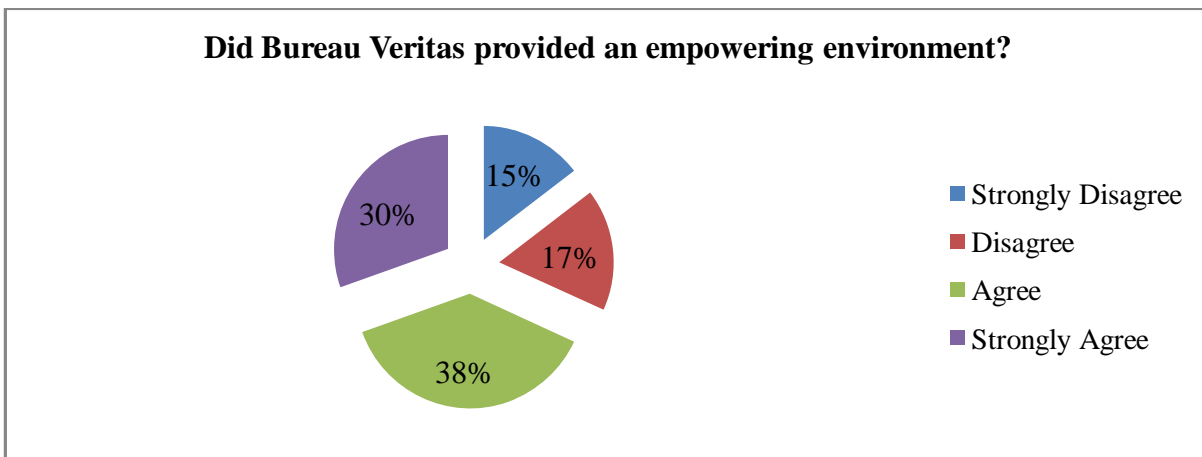
Q12. How would you rate Bureau Veritas at providing reward and recognition?



**INTERPRETATION:** Rewards and Recognition are that part of any compensation plan which makes an employee feels valued and keeps him motivated towards organization. Ratings were asked for same and 37% of people said it was poor, followed by 28% people saying they were good, followed by 20% people terming rewards as poor and 15% people claiming them as excellent.

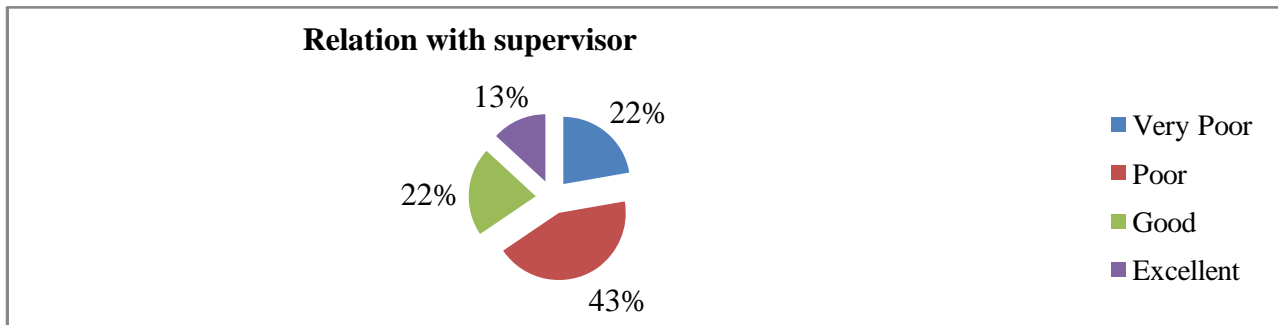
### Working Environment

Q13. Has Bureau Veritas created an environment where you can do your best work?



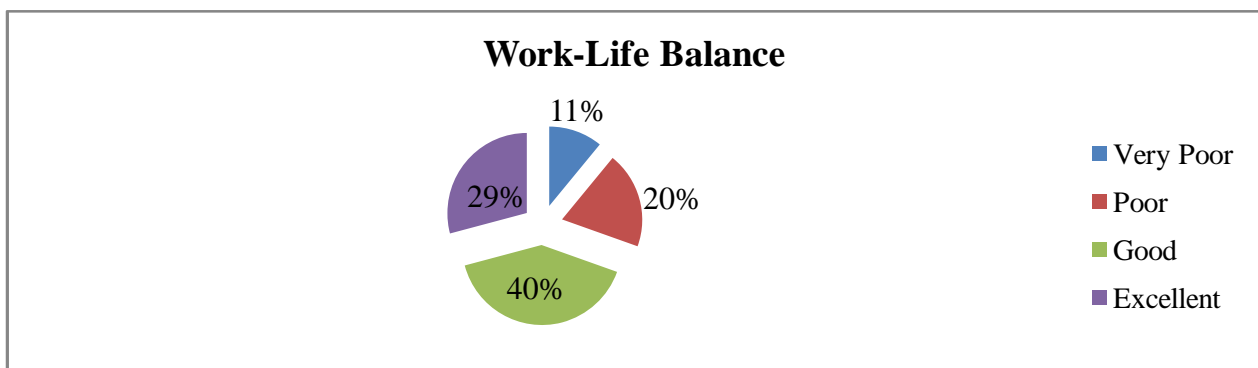
**INTERPRETATION:** Working Environment constitutes various factors for an employee's satisfaction in a job. One of them was whether organization provided an empowering environment and as per above graph, 38% of people said they agreed to statement, followed by 30% of people saying they strongly agree, followed by 17% and 15% of people saying they strongly disagreed and disagreed to above statement respectively.

Q14. How do you rate your relationship(s) with your supervisor(s)?



**INTERPRETATION:**As per above graph, 43% of people said that their relationship with manager was poor, 22% people saying it was very poor with same number of people saying that it was good and only 13% of people said that they had an excellent relationship with their manager. Total 67% of people saying that their relation was either poor or very poor is clearly an alarming sign for management to reconsider the various aspects affecting the relation between an employee and a manager.

Q15. How will you rate your work-life balance during your tenure at Bureau Veritas?



**INTERPRETATION:** Work-Life balance is another major component of working environment for an employee and when asked to rate the same, 40% of people said it was good, followed by 29% people saying it was excellent, followed by 20% of people claiming it as poor and only 11% of people saying that work-life balance was very poor. Overall, work life balance is positive as 69% of people either claimed it good or excellent

## FINDINGS AND SUGGESTIONS

Based on the primary and secondary data collected upon managing attrition, the following suggestions can be raised.

- In above analysis, it is seen that 36% of people said salary was the main reason for their departure from organization and 41% people said that salary hike could have retained them

in the organization, along with the analysis that 53% of people said that they were not paid competitively, we draw a conclusion that it is the major aspect to control attrition in the above case for which management should undertake a reevaluating compensation structure exercise so as to make the salary more market competitive and thereby reduction in attrition.

- In terms of authority given to employees to make decision, 37% of people gave a negative rating, which management can reduce by building trust in employees. This can be done by laying down the exact objectives for employees, giving them a scope of choice for making decision but with some boundaries, as too much choice can be detrimental, giving them appropriate resources, and by monitoring their work time to time followed by a constructive feedback to build a more meaningful employee-manager relation.
- In our analysis, 31.8% of people said there were less training and development opportunities for which management should do a proper training need analysis followed by different types of trainings for every employees i.e. Functional or behavioral training to help employees get up skilled for moving forward in their career path.
- A benefit, one of the major components is an area where organization needs to improve as 59% of people gave a negative rating regarding same. Encourage performance based benefits, social security and retirement benefits followed by right policies to get them implemented.
- 57% of people gave negative ratings to rewards and recognitions provided. Appropriate rewards should be ensured like employee of the month, star performer, employee of year, exceptional performance awards and recognitions like star performers wall, wall of fame, meetings of high performers with top managements, representation in different industry conferences to foster an environment which supports high productivity.
- 65% of people rated their relationship with manager, for which sensitivity training for managers can be arranged so as to train them how to treat an employee in a right and empowering manner, give him authority, make decisions collectively, which can further help in improving the environment of organization thus reducing attrition.
- The organization should conduct regular meetings to know about what exactly employees expect. Organizations should focus on exit interviews.
- Better performance linked incentives and Skill Enhancement Training Programs.

## **CONCLUSION**

The main aim of any organization is to earn profit. But to attain the maximum profit, the organization should concentrate more on employees and the ways to retain them for their long run. **From the study it is identified that Salary, Job Advancement and dissatisfaction with management are the top three factors** which might lead to attrition, apart from lack of training and personal reasons which are the common factors for employees to change their jobs in almost every organization. **This study concludes that to reduce attrition, the company should increase salary, and provide Effective Training Programs for the growth of their employees within the organization.**

From the study done we can say that, the best way to improve employee retention is to understand what the employees want and need from the work place and provide it. Organization must meet employees demand within limits of course. Management cannot approve all the demand is a fact, but at the same time they can take efforts to convince the employees. Organization should also take efforts to bring most of the retention policies into practice which will give a positive effect on the issue. Even the employees should understand the limits of the organization and act accordingly. If there is a better understanding between the two parties the problem of employee retention is solved to a great extent. Both the parties should be aware of the surroundings and current matters. Every company should understand that people are their best commodity. Without qualified people who are good at what they do, any company would be in serious trouble. In the long run, the retention of existing employees saves company's money.

One way for a company to prevent employees from giving valuable information to competitors is to make it a policy to enforce strict non-competing and confidentiality agreements amongst its employees. The existence of such agreements could in fact deter a competitor from hiring a valuable employ because they might not want to risk possible legal entanglements with the other company. Of course, all this could possibly lead to animosity with the employee who could feel that his or her options are being limited. Many employees don't always remember signing such a document, so a copy of it should always be kept on file for the employee to refer to. This area could prove to be a highly sensitive one between employer and employee, so extreme caution is suggested in all instances.

It is clear that there are massive costs associated with attrition or turnover, and while some of these are not visible to the management reporting or budget system, they are none the less real. There is no universal attrition management solution for every company. Each organization has to build its own motivation system based on compatibility between organizational and individual goals. The following factors can be concluded:

- Attrition is inevitable; it will always prevail; it can only be minimised.
- Turnover is a costly drain on company resources.
- Intrinsic factors are equally and sometimes more important than extrinsic factors while controlling attrition.
- Effective leadership; to a great extent, may be helpful to control attrition.
- Attrition does not always have a negative impact on the organization.
- The company should adopt New Innovative Technologies and Effective Training Programs.

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