A Study on Influential factors for attrition of selected employees in Bangalore city

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Abstract: Now a day’s World has become global village and in this globalized and liberalized business economy, and cut throat competition era, every business is encountering stiff competition to meet the requirements of the profitable ways of Business. It appears that driving force towards the success of Business is delivery of high quality service. It is possible with “key Work Force” of the Organization and success of any Organization is depending up on the Retention of work force or key workers in Organization. But this itself is a Hercules job for the employer due to Attrition of Employees. So in this article is summary of micro study carried out to know the influential factors for attrition of selected employees in Bangalore City.

Index Terms: Work force Retention, Attrition, Factors influencing

INTRODUCTION

In the globalized and liberalized business economy, every business is encountering stiff competition to meet the requirements of the profitable ways of Business. It appears that driving force towards the success of Business is delivery of high quality service. It is possible with “key Work Force” of the Organization. One of the crucial aspects of any Organization is its “Working Force”. This is the only element which appreciates as year passes on instead of depreciating (while all other elements like building, machinery depreciates) Success of an organization partially depends on managing Work force Retention or Retention of Key Workers”. Retention of workers simply does not happen just like that, we have to do something before employee leave the organization, because once they start leaving, it’s harder So employee retention strategies should be included in employer Game plan at the time of starting of the Organization itself.

Generally if Unemployment rate is high in market, then company does not want to make retention policy as its management priority, instead of that It starts focusing on “cost saving” or “cost cutting” strategies by eliminating redundant jobs and setting higher expectations on present employees. Company expects its workers to work to fill gap or empty positions without new recruitment… it leads to the situation where workers start working with fear of losing jobs, it creates dilemma in workers mind, and they may feel “ Doing more work without extra compensation”. This feeling automatically results in “Less productivity” and Employee leaves organization once he gets better opportunity this can be termed as “Attrition”

Attrition may refer to gradual reduction of size of the work force by not replacing the personnel through Retirement or Resignation. Actually it is predictable and controllable for some extent. Due to large number of changes made by management in the company, Attrition rate of the employees may Sky rocked. We can say that it is a process of weakening and gradually defeating an Enemy through constant attacks and continued pressure of attrition over a long period of time.

The company will get in to a situation to hire the candidate from the similar position in other organization to save training cost or hire new candidate and give him training. Instead of this company can go for Job enlargement and try to make its existing employees to carry out the work with is more safe because we can get loyalty from our workers and can retain key workers. This strategy is less costly too if it is planned carefully, both employer and employees will be benefited. Money plays an important role but it is not ONLY reason for workers to commit so it’s time for the Organizations to think about “Innovative strategies to retain its work force.

REVIEW OF LITERATURE

Linchikwok an assistant professor of management studies (2013) found that even though country started adding 157000 payroll positions, but still unemployment rose to 7.9% for the quarter. When high employment rate remains, people feel that they are lucky to have job in such job tight environment. At the same time companies will not be interested for Retention policy or to know the reason for employees to leave organization instead they steady stream of unemployed individuals who are able to easily fill vacant positions at lower cost!!! Without bothering about working environment, facilities available for workers etc. But for this negligence, company has to pay huge cost in future when its employees start leaving organization after getting better job opportunities… because such employees may not develop loyalty towards company

According to Sabrina Son (2015) founds that cost of loosing middle management level employee is 150% to 200% of his annual salary!!! Because company has to spend for hiring new person, on boarding that person, at the same time company will lose productivity and work engagement for that period of time.
According to Paula Calpoun every company must focus on Qualitative analysis of its employees but it needs time and focus. So best option is to use an automated system that can track the employee engagement and provide the management with key analysis which will in turn sophisticate the management to know how their team feels, what drives them every day, and how they would like to see their work place improved. Then the best retention strategy can be drawn which suits the particular organization considering all those new essential changes in generation, Roles, structures, and work place realities.

According to Scotzhswetha a scholar, in a decade 2000 to 2010 about half of the young employees were replaced and it was alarming rate of Attrition in a country. One out of four employees in organized sector is set to switch jobs.

According to Aki, managing Human resource in a organization is a most trickiest job for the management because attrition may hit organization at any time. It is not possible to predict and control easily like other factors.

**OBJECTIVES OF THE RESEARCH STUDY**

- The key objective of this study is to collect and analyze the reasons for employees to leave their respective organization
- Analyze the reasons for leaving organization taking Age as base for study.
- try to understand what type of strategies can be adopted by the organization to retain their key employees

**RESEARCH METHODOLOGY**

The Research methodology involves collecting information through Primary data using structured questionnaires, those were filled by 100 employees, sub divided in to 50 employees fro IT field and 50 from Non IT field respectively based on Non probability sampling design with the help of convince sampling method. And they are conveniently drawn from IT and Non IT companies located within Bangalore city with the objective of analyzing his / her reason for leaving Organization.

**Profile of Selected Employees**

The profile of selected employees reveals that out of total 100 employees, 57% were males and 43% were females. 84% of them were married and 16% of them were unmarried. 57% of them were found below age group of 35 years and 43% were between the age group of 35 to 50 years.

It was found that employees between the age group of 30 to 35 years are reason for high labor turn over in Organization where as employees with the age group b/w 35-50 years sow tendency to move less from Organization to Organization. And its same case with Married and Unmarried Employees.

Today Employees are key factors of Organization’s success. So we can say success of any organization is partially depends on its key employees, their loyalty. But in this competitive era labor turnover is quite high… so it is necessary to know and analyze the reasons of employees for leaving their respective Organization. While conducting, I got good response from respondents.

**Table No. - 1: Table showing the Reasons for which employees to leave organization.**

<table>
<thead>
<tr>
<th>Age</th>
<th>Compensation</th>
<th>Office Environment</th>
<th>Recognition</th>
<th>Work Life Imbalance</th>
<th>Job Expectation</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-30</td>
<td>16</td>
<td>5</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>1</td>
<td>25</td>
</tr>
<tr>
<td>30-35</td>
<td>10</td>
<td>7</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>-</td>
<td>30</td>
</tr>
<tr>
<td>35-40</td>
<td>10</td>
<td>3</td>
<td>3</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>40-45</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>45-50</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>3</td>
<td>-</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>8</td>
<td>5</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Study

From the above table we can conclude that as most of the employees i.e. 42% employees left organization for the sake of compensation problems and 20% of employees left organization for the sake of bad or unfavorable environment, 15% for the sake of not getting proper Recognition 10% for not able to manage their personal life with work and others for not getting job satisfaction. So we can consider these are some of the major reasons for Attrition in today’s organization.

**Table No- 2: The following table shows the reasons for attrition based on Likert scale**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>31</td>
<td>11</td>
<td>28</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td>Office Environment</td>
<td>8</td>
<td>12</td>
<td>60</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Recognition</td>
<td>8</td>
<td>7</td>
<td>45</td>
<td>38</td>
<td>12</td>
</tr>
<tr>
<td>Work Life Imbalance</td>
<td>7</td>
<td>3</td>
<td>66</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Job did not meet</td>
<td>6</td>
<td>2</td>
<td>32</td>
<td>22</td>
<td>38</td>
</tr>
</tbody>
</table>

Source: Field Study
When collected data is analysed with help of Lickert Scale, it is found that, most of the people strongly agreed that Compensation is major reason for attrition and 12% of the people Agreed office environment is also a cause of concern. But about 60% people are neutral in their opinion about work life imbalancing affects attrition or not. So it can be concluded that Compensation and Office environment are major cause of concern. so companies must concentrate on these 2 factors to retain employees with immediate effect.

Table No- 3: The following table shows opinion of employees about the retention strategy of organization

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion based on achievement</td>
<td>34</td>
<td>22</td>
<td>6</td>
<td>14</td>
<td>24</td>
</tr>
<tr>
<td>Increment based on result</td>
<td>31</td>
<td>20</td>
<td>1</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Better physical evidence</td>
<td>14</td>
<td>31</td>
<td>25</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>Recognition through job enlargement</td>
<td>10</td>
<td>35</td>
<td>19</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>Recognition through job enlargement</td>
<td>4</td>
<td>7</td>
<td>19</td>
<td>23</td>
<td>47</td>
</tr>
</tbody>
</table>

Source: Field Study

When collected data is analysed with help of Lickert Scale, it is found that, most of the people strongly agreed organisation must use promotion based retention strategy to control attrition. Recognition through job enlargement and job enrichment is not that much effective retention strategy because about 47 respondents strongly disagree these strategies.

So it’s better to use promotion based and Increment based retention strategy in the organization to control Attrition.

FINDINGS OF THE SURVEY

Following are the major findings of the survey:
1. Nearly 20% of employees left organization for the sake of bad or unfavorable working environment.
2. 62% the employees leave organisation for the sake of compensation and office environment problem
3. Employees’ age group between 25-35 years will give more importance to compensation and this is major reason for them to leave organization.
4. Nearly 15% of employees left organization for the sake of not getting recognition.
5. Work life balance is at priority in this modern era. As nearly 10% of employees left organization for not able to manage their work and life!
6. As nearly 8% of employees give more importance to job design and they left organization for the sake job not meeting their expectation.

SUGGESTIONS OF THE STUDY

Following are the major suggestions drawn based on the study:
1. Recruitment is crucial stage for retaining employees because company must recruit and select a “Right” person instead of “Best” person in the market for work. Because right person may stay longer and company can get better chances of success
2. Training plays an important role in retention of workers even though it may be quite expensive. But training should be designed in such a way that it must motivate the employees to stay long in an organization by providing them opportunity to move up in the ladder of organization
3. We cannot say Compensation is not very much crucial aspect for the employees to stay long term. It’s time for Organization to look at its compensation package and re design it according to the needs of the employees.
4. If employee is interested in job, if he wants to climb up in organizations ladder then he starts asking minute details of project. Organization must identify such employees as such employees may stay longer and can become asset for an organization.
5. Another aspect of retention is “Counseling”. It is better to give counseling when employees need it (it may focus on their personal life also) and help them to “WORK-LIFE-BALANCE”. This strategy will definitely gives positive results in employee Retention.
6. Since Recognition is directly linked to retention, it is essential to conduct one to one meeting, to track monthly/weekly performance and appreciate their performance. By doing this employee may feel he is important for the organization, he is being heard and creates the feeling of oneness with organization
7. As employees are leaving because of working environment also, Maintaining Good office environment is essential, since employees spend minimum 40 hours per week in an organization. If it is joyful and gives peace it may result in retention and positive productivity.
8. Organization must come up with the new Ideas like “NAP-POT” i.e. workers can sleep for 20 minutes to get relaxed. Or give option for workers to use their 20% of working time for their recreation to de stress themselves.
9. Since managers are close in contact with workers, they play an important role in retaining work force. Managers’ feedback and motivation are necessary for workers, so it is better to keep managers happy and satisfied with the organization.

10. If it is possible for the organization, it is better to give breaks like school summer holidays to distress employees themselves.

11. Conducting exit interviews with right questions like “Why did you start looking for a new job?” Instead of asking “why are you quitting?” And maintaining record of all the responses is essential for the organization to take decisions on “What should be changed within the organization to retain the employees.”

Conclusion

It was found that good compensation package, recognition, and good working environment have a positive influence on employees to stay in an organization. In the organizational survival and success point of view, retention and engagement of workforce is an important aspect of organization, but it is different from company to company and industry to industry. Each organization must find out what is critical engagement drive in particular company and try to build retention strategy on that.

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