

An Empirical study on factors effecting employee attrition in small scale industries in Hyderabad District

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ABSTRACT: A company success is affected majorly by employee attrition. To analyze this issue, organizational impact should be taken into account. Human resources management is not an easy process. Employees must be attracted and engaged by both financial and non financial benefits. Employee attrition will cost more to the organization. Employers must implement retention strategies to curb the employee attrition. In this study, an attempt has been made to learn reasons for attrition and find out the ways to keep hold of employees in an organization.

Key words: Attrition, financial and non financial benefits & Attrition.

INTRODUCTION: The basis of every firm is its workforce. The performance, efficacy, ability, and morale of the workforce have a significant impact on the business's effectiveness. A crucial element in the success of the business is the continuous coordination of personnel with each other and with superiors. The degree of attrition may vary from one organization to another due to the many factors, including salary, promotion, recognition, rise, etc., that either cause or effect attrition. There will be a significant turnover rate if employees are not happy with the current corporate culture and environment. In all organizational frameworks, staff must be retained for the purpose of future growth. The investigation's goal is to identify the causes of employee attrition.

2. LITERATURE REVIEW:

Fitz-Enz (1990) noted that a variety of factors, affect employee engagement and retention. Numerous earlier studies have uncovered a number of characteristics related to employee turnover. Some of the elements that are frequently stated are the availability of tough work, pay for hard effort, opportunities for promotion and development, a welcoming workplace, friendliness with coworkers, work life balance, coordination, and controlling.

In their study, **Ghapanchi and Aurum (2011)** found that corporate culture, learning opportunities, fair and equitable treatment, and compensation and benefits are all important retention drivers.

Andrews and Wan (2009) placed greater focus on managerial style and leadership style, whereas Allen and Shanock (2013) placed more attention on connections with

coworkers in order to increase an organisation's potential for employee retention. Social support, scheduling flexibility, and autonomy all help organisations retain employees for longer lengths of time, according to research led by Loan-Clarke (2010).

Christeen (2014) discovered eight retention elements in his study: management, a friendly work environment, opportunities for social and professional development, liberty, salary, a well-designed work load, and a healthy balance between work and life.

3. OBJECTIVES OF THE STUDY

- To find out the factors of organizational attrition.
- To determine strategies for reducing employee attrition.

Statement of the Problem:

The study seeks to identify the causes of employee/staff turnover as well as the

5. DATA ANALYSIS & INTERPRETATION

Table-1: About Employee voluntary resignation

Factors	Very high	high	medium	low	Very low	total
About employees voluntary resignation	28.10	5.40	19.90	29.50	17.10	100.0

It is found that, 28.1% of employees have a very high opinion of leaving organization.

Table -2

Employees about Recognition

Factors	Very high	high	medium	low	very low	total
Recognition for capability,	34.10	15.70	36.30	13.90	0.00	100

reasons why the company is having trouble keeping its workers. Employee success determines the success of the organization. Workers are the foundation of any business. The administration can take the required steps to lower attrition once the level of personnel is recognized.

Research Methodology: The descriptive research approach has been used. In the Hyderabad district, five small-scale businesses have been chosen for the study. A 150-person sample is used. The sample has been chosen using a practical sampling technique. The respondents' information was gathered using a questionnaire approach.

4. STATISTICAL TOOLS APPLIED:

The data collected has been analyzed and the statistical tools applied are

1. Percentage Analysis
2. Mean
3. ANOVA
4. Chi Square Test

efficiency and good work done						
Cash award/Increment/Promotion received for outstanding performance	7.30	23.90	46.90	15.90	6.00	100

From table-2, it was understood that 36.3% of employees have opinion that recognition for capability, efficiency and good work done are medium. 23.9% of employees said that cash/award/award/increment/promotion received for outstanding performance are high.

Table-3: Employees about Appreciation

Factors	Very high	high	medium	low	very low	total
Appreciation received for the work done	18.80	46.80	19.80	14.60	0.00	100
Motivation received to learn new skills on the job	16.50	39.90	32.40	11.20	0.00	100

From the above table, it was inferred that 46.80 % of employees agree that they receive appreciation for the work done and 39.90 % of employees agree that they are motivated to learn new skills on the job.

Table-4-Tests of ANIOVA

Age and Attrition factor

H0: There is no significant difference between age and attrition factor of the employees

Factors	Mean	Square	F Sig.
	11.22	23.84.	.000
Lack of competitive compensation package	4.30	9.38	.000
Dysfunctional work life balance	4.81	11.19	.000
Organizational failure and poor commitments	5.54	17.58	.000
Career mobility and training programs	3.34	5.56	.000

From the table above, there is a significance difference among all the categories of employees belonging to different age groups with the attrition factors. Hence the alternative hypothesis is accepted.

Table 5-(ANOVA)

Educational Qualification Vs Attrition Factor

H0 : There is no significant difference between educational qualification and attrition factors

Factors	Mean	Square	F Sig
Salaried	9.41	23.56	.000
Superior-subordinate Relationship	2.79	31.17	.000
Growth Opportunities	3.89	19.54	.000
Facilities	4.39	26.61	.000
Policies & procedures	2.35	23.66	.000

From the above table it is concluded that there is a significant difference between the educational qualifications of employees with the attrition factors.

Hence, the null hypothesis is rejected.

Table 6 - (ANOVA)

Experience Vs Attrition Factors

H0: There is no significant difference between experience and attrition factors of the employees.

Factors	Mean	Square	F Sig
Salaried	13.42	4.03	.000
Superior-subordinate Relationship	4.48	5.59	.000
Growth Opportunities	5.23	6.11	.000
Facilities	6.49	7.25	.000
Policies & procedures	2.89	9.70	.000

The aforementioned table suggests that there is a large discrepancy between the employees' work experiences and the attrition variables. So, the null theory is rejected and the other theory is accepted.

Table 7- (Ranking)

Reasons of Attrition

Statement	Mean	Rank
Workers management	3.54	VIII
Better job	4.02	I
Desire to pursue a different career path	3.39	X
Pay	3.97	II
Workload	3.69	VI
Flexibility	3.47	IX
Inadequate training and skills	3.79	IV
Lack of supportive management	3.71	V
Role conflict	3.66	VII
Little to no feedback or recognition	3.81	III

It is inferred from the above table that, Worker's management is the main reason for the attrition.

Table 8

(Chi-Square Test) – Opinion of Employees

Statement	(P) value	Accepted or Rejected
Worker's management is not a reason	34.54	Accepted
Better job is not a reason	13.56	Rejected
Desire to pursue a different career path is not a reason	5.54	Rejected
Pay is not a reason	9.17	Rejected
Workload is not a reason	5.95	Rejected
Flexibility is not a reason	3.86	Rejected
Inadequate training and skills is not a reason	7.98	Rejected
Lack of supportive management is not a reason	9.980	Rejected

Using Chi-square Test the above results are analyzed.

SUGGESTIONS:

- The key reasons contributing to employee churn are pay, better jobs, and worker management. The majority of employees recommended that the workplace environment be improved.
- The staff should have access to adequate amenities.
- Salaries must be revised based on performance appraisal and feedback.
- Recognition is must to motivate the employees.
- Conduct exit interviews, determine the causes, and develop a plan of action to minimize or completely stop attrition in the future.

CONCLUSIONS: Being the market leader is every organization's main goal. The organization needs to focus more on its personnel in order to achieve this aim, and long-term retention strategies must be used. It has been determined that the biggest factor driving individuals to leave jobs is a lack of career advancement chances. From the research findings, businesses should try to decrease attrition through new & an innovative technology and an effective training method would give employees to excel and sustain in the company.

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