

A Study of Employee Attrition Rate at Selected Manufacturing Industry

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Abstract: Employee attrition means not only losing employee, it also reflects to loss customer from organization. The impact of employee attrition proves negative sign in terms of less productivity and employee morale. Higher rate of employee attrition shows failure of organizational efficiency in terms of retaining skilled employee. The main objective of this study is to examine the work related causes for employee dissatisfaction at work place that results to attrition. The outcome of this research can be utilized for redesigning the HR policies and practices and take corrective actions to reduce the attrition rate.

Keywords: Employee Attrition, productivity, satisfaction.

I. INTRODUCTION

Employee is the most important human capital asset who results to reflect the success of organization. The brunt of globalization has resulted to mobilization of workforce from one organization to another, region to region and sometime from one country to another. Hence, it has become greatest challenge for HR manager to handle the loss of skilled employee's attrition.

In HR practice, the term Employee Turnover and Attrition are interchangeable with respect to industry and its causes. Attrition means reduction of employee through retirement, resignation, or death. Employee Attrition is serious issue that addresses the voluntary or forceful termination of talent and skilled employee, which affects the goodwill and productivity of organization. Employee Attrition can be indicated that employees are leaving due work related or personal problem. In most of the research it has been found that work related in the major cause for higher employee attrition rate

High attrition result to loss on the cost of company spent on recruitment and training. The impact of employee attrition leaves a long term negative impression on goodwill of organization. In simple words, it can said that employee attrition is caused due to non fulfillment of employee's perception or expectation towards employer or failure of employer's commitment towards employees satisfaction.

Definition:

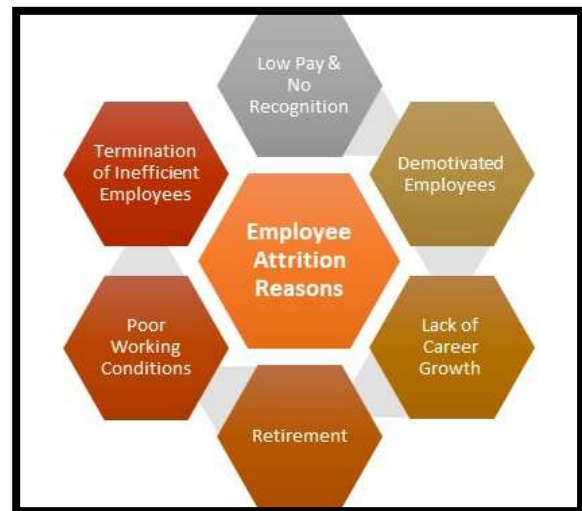
Gary Dessler: "Attrition rate defined as voluntary and involuntary reduction of a company workforce due to retirement, transfer, resignation, termination, or death."

Prasad L.M: "Employee turnover or employee attrition is defined as the rate of change in the working personnel of an organization during a specified period"

Types of Attrition:

1. Voluntary attrition- employee leaves organization for better career opportunity, pay, recognition, status.
2. Involuntary attrition: employee is terminated from a job due non-performance, disciplinary action or forceful termination.

Cause of Employee Attrition:



(Source: www.mbaskool.com)

II. RESEARCH METHODOLOGY

Research Type: Descriptive

Research Objectives:

1. To calculate the employee attrition rate of selected manufacturing industry.
2. To verify satisfaction level of employee in the organization

Data Collection:

1. Primary Data: The data that have been observed and recorded by the researcher for the first time in their knowledge is known as Primary Data.

2. Secondary Data: The data that have been compiled and stored by some agency or researcher in earlier study.

Sample Size: 50 Employees of Selected Manufacturing Industry.

Research Instrument:

1) Structured Questionnaire 2) Personal Interview 3) Journals & Reference Books

Analysis Technique: Percentage Analysis

Limitation of Study:

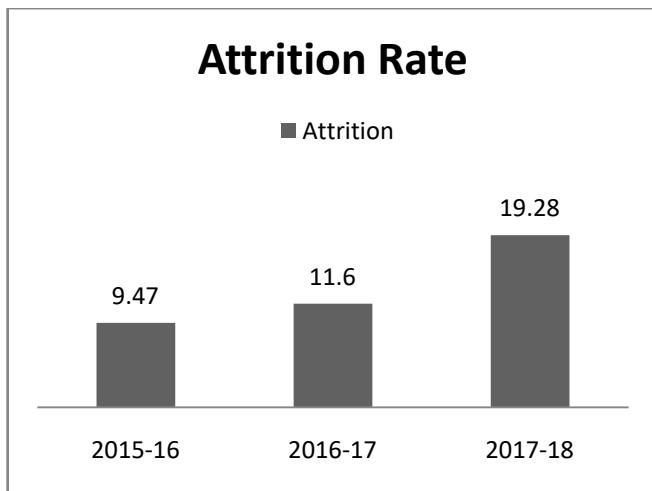
The study is only limited to data provided by organization for the period of last 03 years. (2016 to 2018) and response of selected employee.

III. DATA ANALYSIS

1) Attrition Rate:

Year	2015-16	2016-17	2017-18
Employee	90	101	119
Joined	14	24	48
Left	9	13	27
Attrition rate	9.47	11.60	19.28

Table no.1



Graph 1

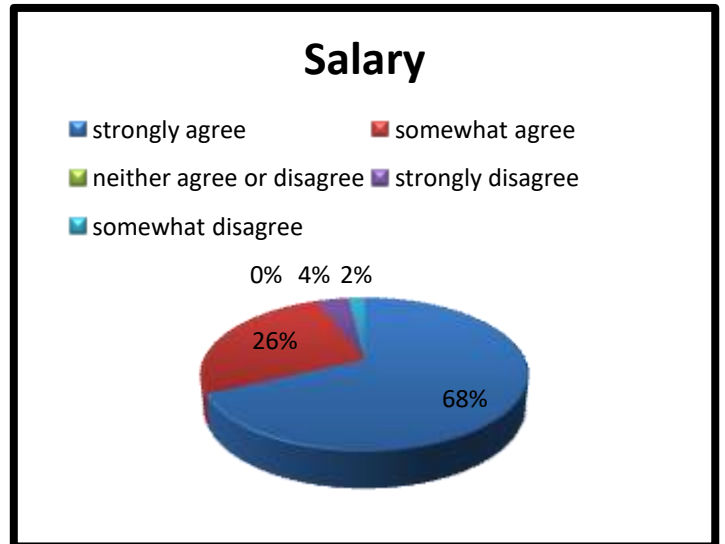
Inference: It is observed that attrition rate is gradually increasing every year which shows negative impact on employee retention.

2) Salary & Monetary Benefits:

Option	Frequency	Percentage %
Strongly agree	36	72
Somewhat agree	11	28
Neither agree or disagree	0	0

Somewhat disagree	2	04
Strongly disagree	1	02

Table no.2



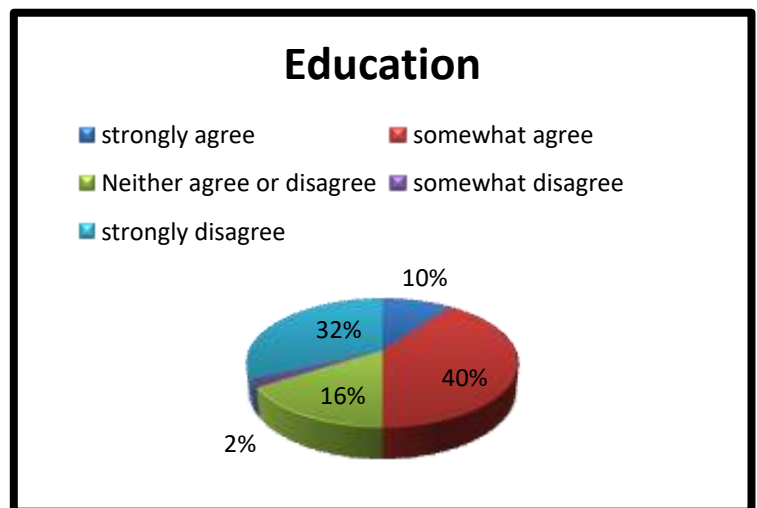
Graph 2

Inference: It is observed that salary is the main reason for employee attrition.

3) Education:

Options	Frequency	Percentage %
Strongly agree	05	10
Somewhat agree	20	40
Neither agree or disagree	08	16
Somewhat disagree	01	2
Strongly disagree	16	32

Table no.3



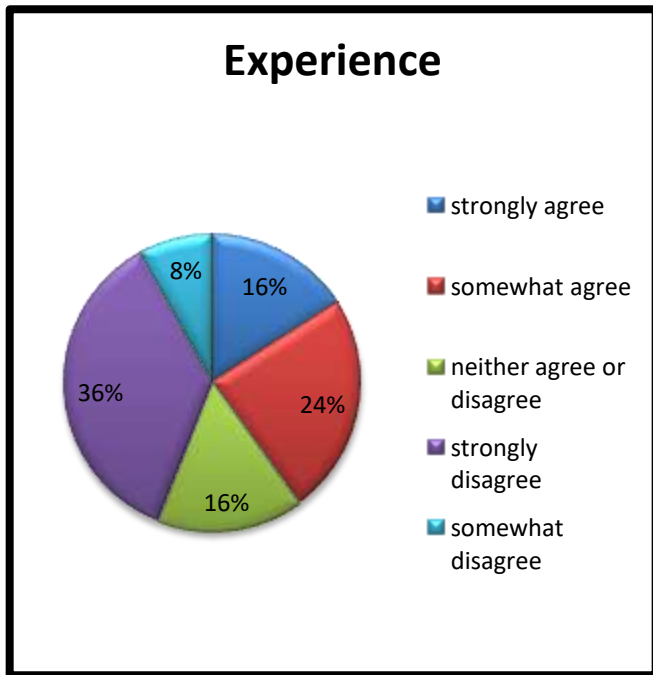
Graph 3

Inference: It is observed that majority of highly qualified and skilled employee quit the job for better career prospect.

4) *Work Experience:*

Option	Frequency	Percentage %
Strongly agree	08	16
Somewhat agree	12	24
Neither agree or disagree	08	16
Somewhat disagree	04	8
Strongly disagree	18	36

Table no. 4



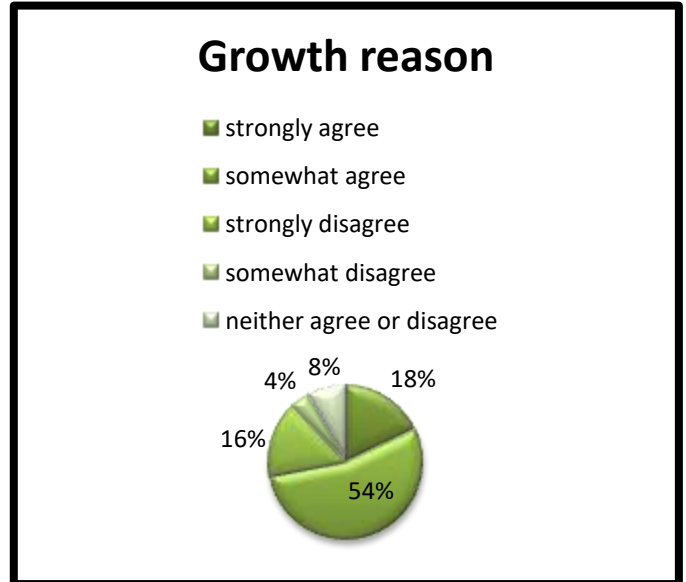
Graph 4

Inference: It is observed that experience is not the appropriate reason for employee attrition.

5) *Adequate growth opportunity:*

Option	Frequency	Percentage %
Strongly agree	09	18
Somewhat disagree	27	54
Neither agree or disagree	04	8
Somewhat disagree	02	4
Strongly disagree	08	16

Table no 5



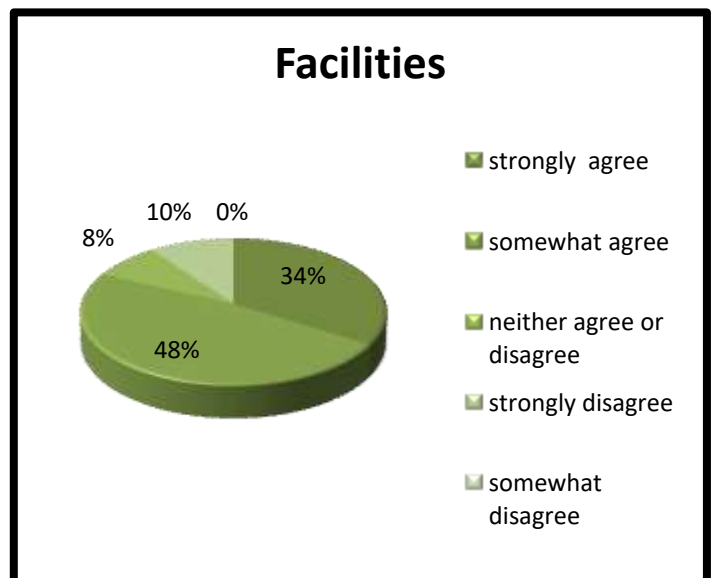
Graph 5

Inference: It is observed that majority of employee quit their job for better growth opportunity.

6) *Welfare Facilities:*

Option	Frequency	Percentage %
Strongly agree	17	34
Somewhat agree	24	48
Neither agree or disagree	4	8
Somewhat disagree	0	0
Strongly disagree	05	10

Table no. 6



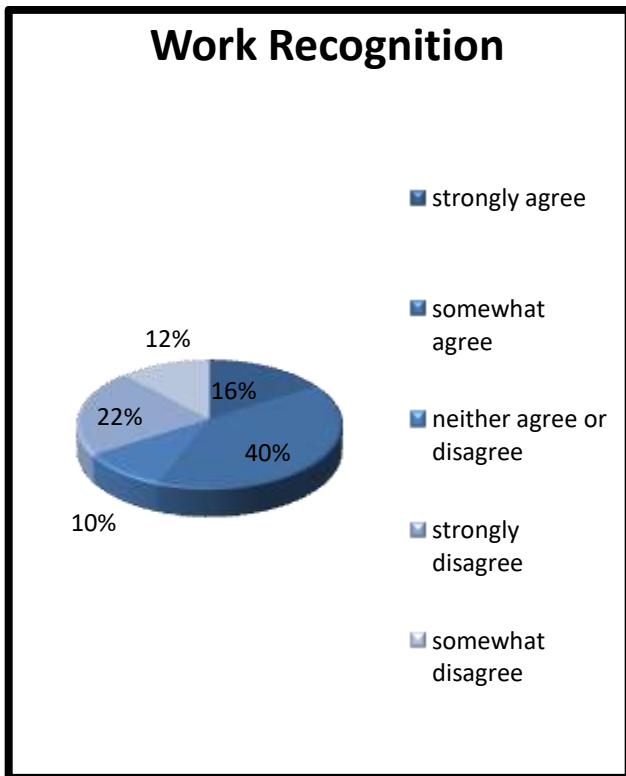
Graph 6

Inference: It is observed that majority of employees are not satisfied with the welfare facilities provided by organization.

7) *Work Recognition:*

option	Frequency	Percentage %
Strongly agree	08	16
Somewhat agree	20	40
Neither agree or disagree	05	10
Somewhat disagree	06	12
Strongly disagree	11	22

Table no.7



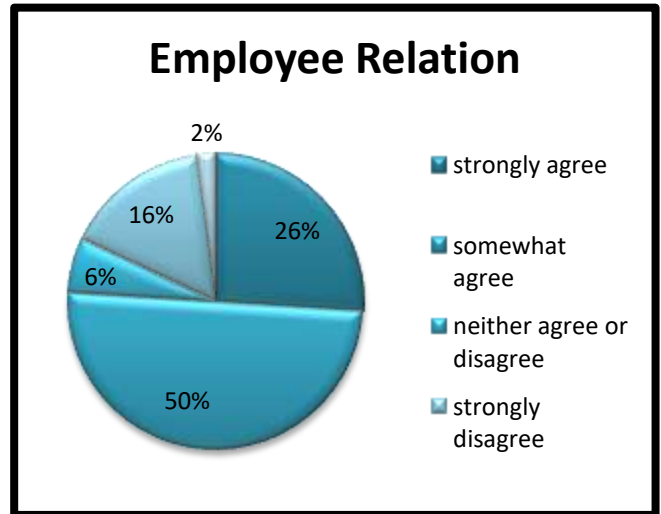
Graph 7

Inference: It is observed that majority of employees are not given recognition for their efforts taken in job.

8) *Employee Relation:*

option	Frequency	Percentage %
Strongly agree	13	26
Somewhat agree	25	50
Neither agree or disagree	03	6
Somewhat disagree	01	2
Strongly disagree	08	16

Table no 8



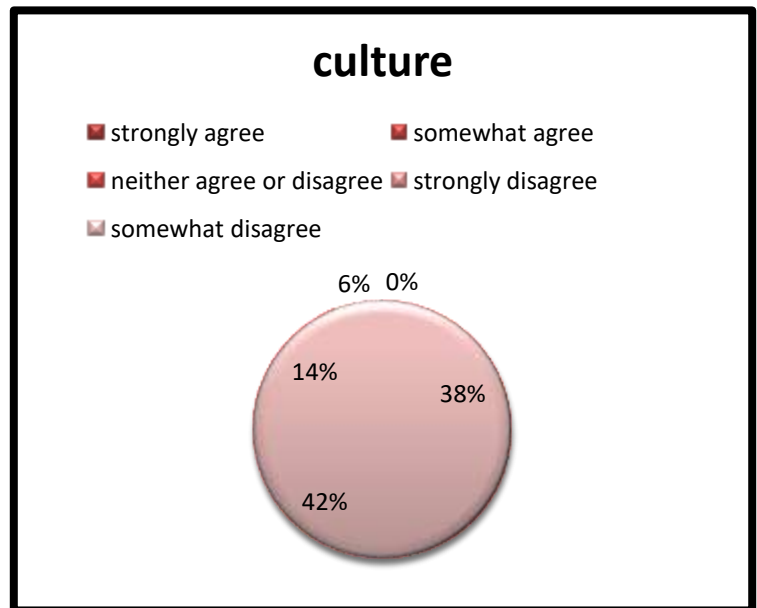
Graph 8

Inference: It is observed that poor employee relation leads dissatisfaction at work place to increase attrition rate.

9) *Organizational culture:*

Option	Frequency	Percentage %
Strongly agree	19	38
Somewhat agree	21	42
Neither agree or disagree	07	14
Somewhat disagree	0	0
Strongly disagree	03	6

Table no.9



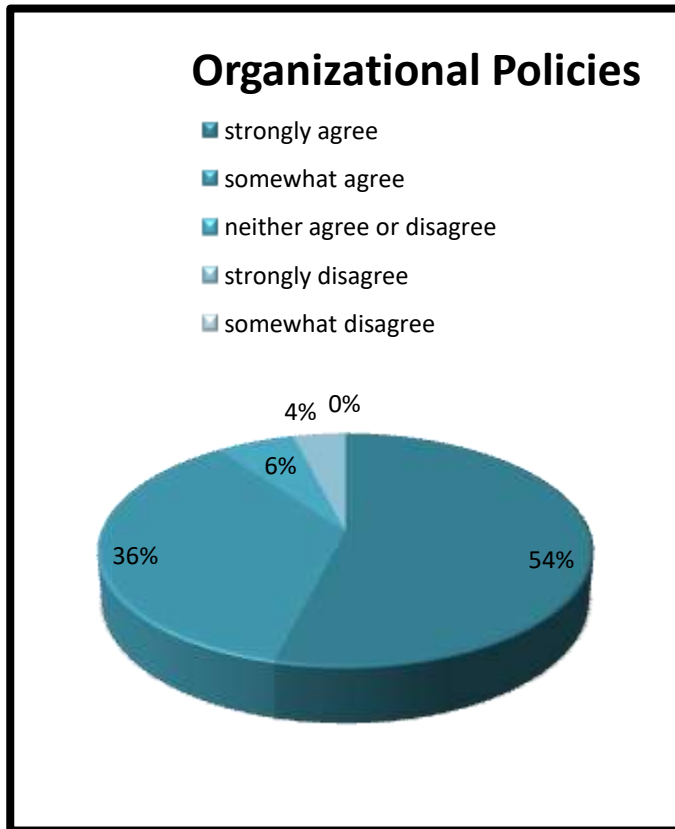
Graph 9

Inference: Poor work culture at work place leads dissatisfaction and hence it increases attrition rate.

10) Organization policies & Practices

Option	Frequency	Percentage %
Strongly agree	27	54
Somewhat agree	18	36
Neither agree or disagree	03	6
Somewhat disagree	0	0
Strongly disagree	02	4

Table no. 10



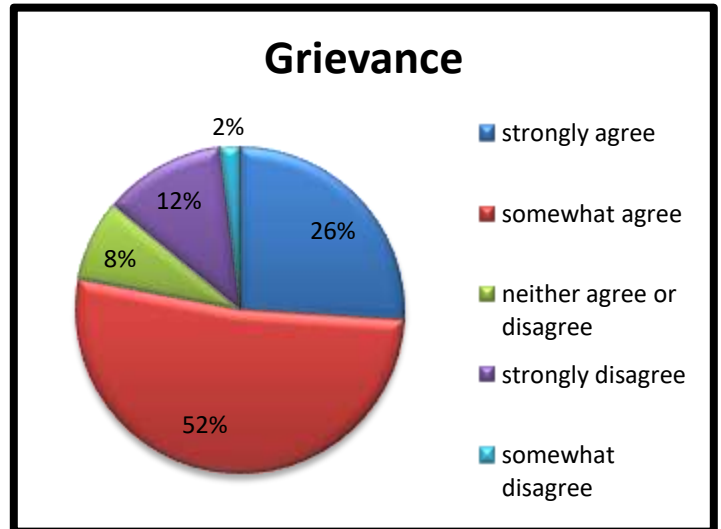
Graph 10

Inference: It is observed that Organization policies & Practices is the major reason for employee attrition.

11) Grievance Handling Procedure:

Options	Frequency	Percentage %
Strongly agree	13	26
Somewhat agree	26	52
Neither agree or disagree	04	8
Somewhat disagree	01	2
Strongly disagree	06	12

Table no. 11



Graph 11

Inference: It is observed that Grievance handling procedures is unfair among employee working in same department.

IV. FINDINGS

- It is observed that the attrition rate gradually decreases from 3.14 to 2.12 from year 2015-16 to 2017-2018.
- It was found that poor salary, lack of growth opportunity, inadequate welfare facilities, partial work recognition, poor employee relation, organization culture, organization policies and unfair grievance handling are the major reasons for employee attrition.

V. CONCLUSION

Retention of talent and skilled employee is crucial dilemma for HR Manager especially in manufacturing industry. This study has identified those complex factors which are key responsible for employee attrition in selected organization. The education and experience of employee creates opportunity for new job in market and it helps to enhance better career opportunity. The ethical work culture, cordial employee relation and implementation of organizational policies are the most attractive area of making employee to stay back in organization.

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