A STUDY ON EMPLOYEE ATTRITION AND RETENTION ANALYSIS – INDIABULLS

[1]SEEGIRI SRILATHA, [2]V. DIVYA

[1]*MBA STUDENT*, [2]*ASSISTANT PROFESSOR*
DEPARTMENT OF MBA
Sree Chaitanya College Of Engineering, Karimnagar

ABSTRACT

Employee attrition is one of the major factors that affect overall business performance. Organizations incur huge costs in terms of lost productivity and expertise, recruitment as well as training costs. For this reason, they are struggling hard to find and extirpate the causes for high attrition. These causes may vary with industry and location. This paper aims at finding the causes of attrition in a reputed sales organization with its presence in all major cities in India. This sampling method was used to ensure that the employees from all regions, tenure range, business units and grades are included. After conducting the attrition and exit interview analysis, the major reasons for attrition across all tenure ranges, grades and regions was found. After the data analysis, it was found that workplace politics, role stress, supervisor-related issues, better working opportunities and personal problems like relocation predominantly contribute to job dissatisfaction. Key Words: Attrition, productivity, recruitment, role ambiguity, training cost

Effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs. A strong retention strategy becomes a powerful recruitment tool. Retention of key employees is critical to the long-term health and success of any organization. It is a known fact that retaining your best employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning and deeply embedded organizational knowledge and learning.

Employee retention matters as organizational issues such as training time and investment, lost knowledge, insecure employees and a costly candidate search are involved. Hence failing to retain a key employee is a costly proposition for an organization. Various estimates suggest that losing a middle manager in most organizations costs up to five times of his salary. Intelligent employers always realize the importance of retaining the best talent. Retaining talent has never been so important in the Indian scenario; however, things have changed in recent years. In prominent Indian metros at least, there is no dearth of opportunities for the best in the business, or even for the second or the third best. Retention of key employees and treating attrition troubles has never been so important to companies

1. INTRODUCTION

ATTRITION:

In the best of worlds, employees would love their jobs, like their coworkers, work hard for their employers, get paid well for their work, have ample chances for advancement, and flexible schedules so they could attend to personal or family needs when necessary and never leave.

But then there's the real world. And in the real world, employees do leave, either because they want more money, hate the working conditions, hate their coworkers, want a change, or because their spouse gets a dream job in another state.

In today's competitive global world, hiring the right people & retaining them has become the greatest challenge faced by any organization. With increased job opportunities and business developments, Attrition has become the major problem faced by organizations. Retaining the key talent is essential for an organization's sustainable growth and hence, countering & controlling attrition has become one of the major concerns in the business world.

Clearly a competitive advantage in today's turbulent employment environment is not achieved easily. Building a stable workforce takes considerably more than just throwing money at people or giving them use of a fancy car. There's more involved than just a lot of aggressive recruiting or strong attention to retention. To achieve workforce stability, with all its financial and operational advantages, employers must invest energy in resources in a range of discrete strategies. When woven together, these various aspects create a comprehensive model for building and maintaining that coveted condition of a solid, stable workforce that drives more dollars to the bottom line.

In the recent decades the Indian industry has changed its outlook. The employment scene has changed its appearance. The factors like skill sets, job satisfaction drive the employment and not just the money. The employer hence faces the heat of continuous employee turnover. Continuous efforts are made by organisations to control the employee turnover rate as it directly affects the performance of the organisation as many key people leave the organisations for various reasons at crucial points. This turnover is normally known as ATTRITION.

EMPLOYEE RETENTION:

During the past decade, employee turnover has become a very serious problem for organizations. Managing retention & keeping the turnover rate below target & including norms is one of the most challenging issues facing business. All indications point toward the issue compounding in the future and even as economic time change, turnover will continue to be an important issue for most job groups. The causes of turnover are not adequately identified & solutions are often not matched with the causes, so the fail. Preventive measures are either not in place or do not target the issue properly, and therefore have little or no effect, and a method for measuring progress & identifying a monetary value (ROI) on retention does not exists in most organizations. Managing employee retention is a practical guide for manager to retain their talented employees. It shows how to manage & monitor turnover and how to develop the ROI of keeping their talent using innovative retention program.

Employees are the most important and valuable assets of an organization. Organizations today are doing their best to hold on to their employees. Retaining them is as important as hiring them in the first place. Retention is the next challenge after hiring the employees. Retention is important because to make good people stick in the organization.

Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best employees.

Importance of Employee retention

Now that so much is being done by organizations to retain its employees why is retention so important? Is it just to reduce the turnover costs? The answer is a definite no. It's not only the cost incurred by a company that emphasizes the need of retaining employees but also the need to retain talented employees from getting poached. The process of retention will benefit an organization in the following ways:

1. **The Cost of Turnover**: The cost of employee turnover adds hundreds of thousands of money to a company's expenses. While it is difficult to fully calculate the cost of turnover, industry experts often quote 25% of the average employee salary as a conservative estimate.

2. **Loss of Company Knowledge:** When an employee leaves, he takes with him valuable knowledge about the company, customers, current projects and past history. Often much time and money has been spent on the employee is expectation of a future return.

3. **Interruption of Customer Service:** Customers and clients do business with a company in part because of the people. Relationships are developed that encourage continued sponsorship of the business. When an employee leaves, the relationships that employee built for the company are severed, which could lead to potential customer loss.

4. **Turnover leads to more turnovers**: When an employee terminates, the effect is felt throughout the organizations. Co-workers are often required to pick up the slack. The unspoken negativity often intensifies for the remaining staff.

5. **Goodwill of the Company**: The goodwill of a company is maintained when the attrition rates are low. Higher retention rates motivate potential employees to join the organization.

6. **Regaining efficiency:** If an employee resigns, then good amount of time is lost in hiring a new employee and then training him/her and this goes to the loss of the company directly which many a times goes unnoticed and even after this you cannot assure us of the same efficiency from the new employee.

7.

OBJECTIVES OF THE STUDY

➢ To study the present retention strategies adopted by the company.

➢ To assess the satisfaction level of employee with existing retention strategies.

➢ To study the common reasons of employee voluntarily leaving or staying in organization.

➢ To suggest the strategies and steps for reducing turnover and improving retention.

➢ To study various career development programs offered by the organization.

➢ To study the impact of induction & training programs on retention of employees

➢ To determine the organizational climate.

➢ To streamline the retention process to ensure that we always keep the RIGHT people at RIGHT role at RIGHT time.

➢ To know the satisfactory level of employees towards their job and working conditions.

➢ To identify the factors which make employees dissatisfy.

➢ To find the areas where Indiabulls lagging behind.

- To know the reasons, why attrition occurs.

- To find the ways to reduce the attrition in Indiabulls.

The major objective of the study undertaken was to recognize the reasons for attrition in Indiabulls & to determine ways & policies to counter attrition. The retention strategy formulation includes the study of the HR activities from exit process. Recommendations backed by data are given in order to formulate a complete strategy for retaining the younger talent in particular.

Attrition is a major setback in a company's progress. The expenditure on recruitment & training in case of filling up for an employee who has resigned adds up as extra costs for the organization. Moreover, the productivity loss for the period when the position was vacant is also considerable. After recruitment also it takes time for the new employee to get oriented and hence, the productivity is less. Lastly, constant manpower loss also reduces the credibility of the organization as a good work place.

Recognizing & dealing with the reasons for attrition is the primary concern for Indiabulls in order to get a more firm grip over the market which it leads today edge over its competitors and to ensure its expansion and fast growth.

NEED FOR THE STUDY

- The success of any organization depends largely on the workers, the employees are considered as the backbone of Indiabulls.

- The study was mainly undertaken to identify the level of employee's attitude, the dissatisfaction factors they face in the organization and for what reason they prefer to change their job. Once the levels of Employee's attitude are identified, it would be possible for the management to take necessary action to reduce attrition level. Since they are considered as backbone of the Company, their progression will lead to the success of the Company for the long run.

- This study can be helpful in knowing, why the employees prefer to change their job and which factors make employee dissatisfy.

- Since the study is critical issue, it is needed by the originations in order to asses the overall interest and the feelings of the employees towards their nature of job and organization.

Employers have a need to keep employees from leaving and going to work for other companies. This is true because of the great costs associated with hiring and retraining new employees. The best way to retain employees is by providing them with job satisfaction and opportunities for advancement in their careers. The saying, good help is hard to find, is even truer these days than ever before because the job market is becoming increasingly tight.

Employers are fighting to get talented employees in order to maintain a prosperous business.

Researchers believe that, there is a straight line between employee satisfaction and customer satisfaction. They believes that today's employees pose a complete new set of challenges, especially when businesses are forced to confront one of the tightest labor markets in decades. Therefore, it is getting more difficult to retain employees, as the pool of talent is becoming more-and-more tapped-out. The research below, which focuses primarily on

employee retention through job satisfaction, supports this contention.

This study can serve as a basis for measuring the organization's overall performance in terms of employee satisfaction.

SCOPE OF THE STUDY

➢ The scope of this study is confined to Indiabulls. with respect to the employees at all the levels of management.

➢ This study can help the management to know where the company is lagging behind and helps to improve its internal and external environment.

➢ The project throws light through valuable suggestion to decrease attrition level in the organization.

➢ This study can help the management to find the weaker parts of the employee feels towards the organization and also helps in converting those weaker part in to stronger by providing the optimum suggestions or solutions.

➢ This study has a wider for scope in any kind of organization since "attrition" is general one and makes the employees to put forth their practical difficulties and need factors in the organization.

➢ This study can help the management to know for which the reason employees tend to change their job, through dissatisfaction factors faced in the organization and also helps to recover by providing the optimum suggestions or solutions.

➢ This project can be base for the students who are doing the project in the related area.

2. RESEARCH METHODOLOGY

Research methodology is considered as the nerve of the project. Without a proper well-organized research plan, it is impossible to complete the project and reach to any conclusion. The project was based on the survey plan. The main objective of survey was to collect appropriate data, which work as a base for drawing conclusion and getting result.

Therefore, research methodology is the way to systematically solve the research problem. Research methodology not only talks of the methods but also logic behind the methods used in the context of a research study and it explains why a particular method has been used in the preference of the other methods.

Research Design:

"A research design is the arrangement of conditions for collection and analysis data in a manner that aims to combine relevance to the researcher purpose with economy in procedure".

It constitutes the blueprint for the collection, measurement and analysis of data. As such the design includes an outline of what the researcher will do form writing the hypothesis and its operational implication to the final analysis of data

Research design is important primarily because of the increased complexity in the market. In fact, it is the key to the evolution successful of companies. It is an important tool to study the employee retention strategies. A research design specifies the methods and procedures for conducting a particular study. According to Kerlinger, 'research design is a plan, conceptual structure, and strategy of investigation conceives as to obtain answers to research questions and to control variance.

Research Design specifies methods and procedures for study. In this study the company designs new strategies for employee retention and attrition analysis.

Source of Data:

Research design specifies the method and procedures for the collection and analysis of the data in the manner that aims to combine relevance to the research purpose.

Data Collection:

The data for the proposed study was collected from one source Primary data.

Primary Data:

It includes collection of first hand information from the response who is concerns with the market research.

E.g. Survey, Questionnaire.

Secondary Data:

It includes collection of data from other source which is concerned with the market research.

E.g. Books.

Analysis method:

The analysis and the interpretation have been done using the questionnaire, survey and interview method.

SAMPLING PLAN

A sampling plan is a definite design for obtaining a sample from the sampling frame. It refers to the technique or the procedure the researcher would adopt in selecting some

sampling units from which inferences about the population is drawn. Sampling design is determined before any data are collected.

SAMPLE SIZE

Nearly 50 samples are taken in Indiabulls.,

Factors affecting Attrition and Retention

There are various reasons why people leave their current job. These reasons may vary from individual to individual and when data are collected from a large number of individuals leaving or who have left an organization, some consistencies may be observed providing more insights as to why people leave in large numbers. If these are controllable-one attempts to control. If these are not within the control of the organization, the organization should prepare itself for managing the attrition.

Managing attrition does not mean reducing attrition only. It could also mean bringing down the negative affects of attrition and increasing the positive affects of the attrition. To increase the positive effects of attrition and reduce the negative effects of attrition, appropriate retention and capacity utilization or talent utilization tactics should be used. In one of the organizations, attrition has been used as brand building opportunity. Thus an organization may say that we provide talent for other companies or they may say if you join us your brand value goes up and you will get good jobs etc.,

Today when a person leaves it causes lot of disturbances in the organization. If it is a small organization the disturbance is even greater. Hence it is important to understand and manage attrition. There can be various reasons for people leaving their current jobs.

3. DATA ANALAYSIS AND INTERPRETATION

1. Classification of the respondents based on their **AGE LEVEL**

| SNO	AGE	NO OF RESPONDANT	PERCENTAGE
1	**18-25**	35	70
2	**26-35**	12	24
3	**36-45**	03	06
4	Above 45	0	0
total		50	100
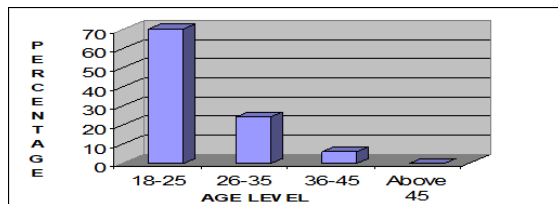
Interpretation:

Opinion of study reveals that, 70 percent belongs to the age group of 18-25 years, 24 percent belongs to the age group of 26-35 years, and 6 percent belongs to the age group of 36-45 years.

2. Classification of the Respondents based on their **YEARS OF EXPERIENCE**

| S.no	Years of Experience	No. of Respondents	Percentage
1	0-2 years	23	46
2	3-5 years	22	42
3	6-8 years	01	02
4	Above 8 years	04	08
Total		50	100
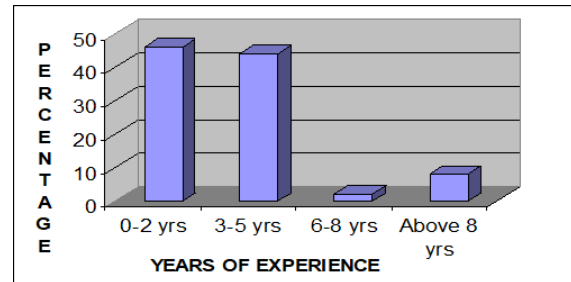
Interpretation:

The above table infers that, 46 percent of the respondents are having 0-2 years experience, 42 percent of the respondents are having 3-5 years, and 2 percent has above 5 years of experience.

3. Classification of the Respondents based on their **ROLE**

| S.no	Role of Employees	No. of Respondents	Percentage
1	Top Level Management	03	06
2	Middle Level Management	17	34
3	Low Level Management	30	60
4	Contract Persons	0	0
Total		50	100

ROLE OF EMPLOYEES
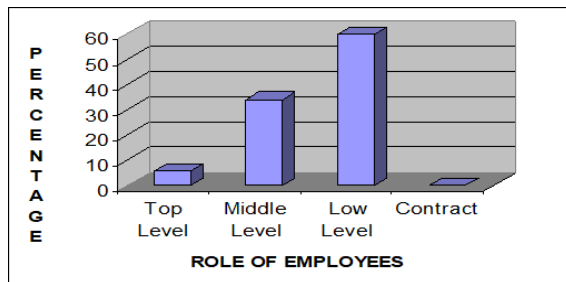
Interpretation:

The above table infers that, 06 percent of the respondents are in Top Level Management,34 percent of the respondents are in Middle Level Management and 60% are Lower Level Management.

4. Classification of the Respondents based on their **MOTIVATION**

S.no	Level of Attitude	No. of Respondents	Percentage
1	Highly Satisfied (H.S)	07	14
2	Moderately Satisfied (M.S)	26	52
3	Neutral (N)	15	30
4	Moderately Dissatisfied (M.D	02	04
5	Highly Dissatisfied (H.D)	0	0
Total		50	100

LEVEL OF ATTITUDE
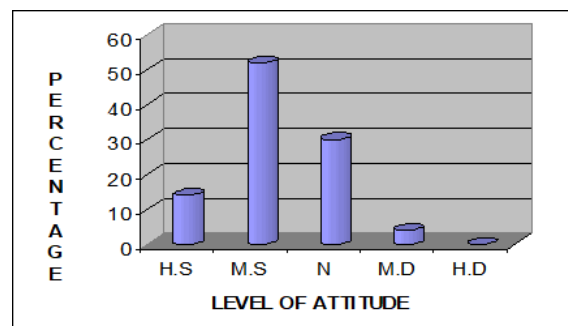
Interpretation:

The above table shows regarding Motivation that, 14 percent of the respondents are highly satisfied, 52 percent of the respondents are moderately satisfied, 30 percent of the respondents are neutral.

4. FINDINGS

- From the Survey it is found that most of them has understood the Human resource policies and about there job expectation
- Maximum of the employees are working in the organization for a long period of time i.e. 8-9 years
- Maximum of the employees are dissatisfied due other personal factors
- It has been found that the major respondents say that they have some decrease level in their dissatisfaction level, so majorly there is a decrease in those factors.
- The study has found that 34% of respondents suggest working environment and 28% suggest employee motivation to be improved internally.
- From the survey it is found that 38% suggest for development in the existing products, 20% suggest for training programs to be improved externally.
- From the respondents it has been found that 40% prefers to change job due to lack of growth in their career, 36% for family issues, and 16% for their monetary benefits.
- The study has found that the employees have opportunity to learn further, so it infers that the respondents have opportunity to learn.
- Respondents have freedom to convey problems to the top-level, so it infers that there is a good flow of communication channel.

- The study has found that 78% of respondent's creativity is considered in the organization.
- It has been found that there is significant difference regarding Freedom to convey problems and Considerations for employee's creativity factors.
- it has been found that there is significant difference regarding Freedom to convey problems and Considerations for employee's creativity factors.

SUGGESTIONS

- More than half of the employees are satisfied with their nature of job and with their working conditions. So the company can attain a further improvement level for the rest if it guides its employees.
- Very few employees are comfortable with their present salary. Majority of them has the opinion that low salary is their problem in their organization. So the Company is suggested to provide salary, which satisfies its employees at least to some extent.
- Many employees suggest improving working environment and employee motivation in the survey. So the company should give attention to the factors which it can improve itself internally.
- Many of the respondents suggest improving some developments in the existing product. So the company can be benefited if they consider the employees view for their long run.
- The company has less number of employees so the company could recruit many new employees. So, there will be a decrease level in work pressure among employees.

- Even though the employees are satisfied with their job nature, it is identified in the study that many employees prefer to change their job due to lack in their growth opportunities in their job. So the company can look for some Innovative technologies to decrease their attrition level by providing growth opportunities.
- The company should conduct regular meetings to know about what exactly employee expects.
- The company may give training like Personality Development and Self improvement training to the employees, every three or six months once this status has to be reviewed and necessary action can be taken. It is better to have such training in the future.

5. 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.

To control attrition level in the Indiabulls., the company should focus on

- What the employees really expect from the organization?
- The common reasons for which the employees feel to change their job?
- What makes employee to get dissatisfy in the organization?

From the study it is identified that, the Lack of growth opportunities and the Family issues are the major problem which makes employees to change their job from this organization.

Employee retention not only reduces the attrition rate but also increases the goodwill of a company in a market. This shows a good culture of the organization.

The study gave a clear picture about the employees and their areas of dissatisfaction, the outcome of the study will help the organization to spot out the areas of dissatisfaction, there by the organization can take effective steps to improve the employees satisfaction level towards their job and to implement various policy implications, Most of the employees are satisfied with their jobs and most of them are satisfied with the policies of the organization and also towards the other aspects taken in to account for measuring the level of job satisfaction among the employees in the organization and there are some of the employees who are not satisfied with their jobs due to some of the aspects, also some of the suggestions can be taken in to account to make those employees feel better about their jobs so if the suggestions are taken in to account and done there is chance for making the unsatisfied employees to change their attitude towards their respective jobs.

This study concludes that to reduce attrition, Indiabulls should create some opportunities for the growth of their employees through adopting new Innovative Technologies, Effective training programs and the company can recruit people's who are around , so the family issue factor will not lead to attrition in future and the company can curb attrition.

BIBILIOGRAPHY

➢ **BOOKS**
- Human Resource Management. The ICFAI Center of Management Research, Banjara Hills, Hyderabad.
- Kothari, C.R., Research Methodology - Methods & Techniques , New Delhi, New Age international (P) Ltd., Publishers, Second Edition,2004.

- Gupta, S.P., Statistical Methods, New Delhi, Sultan Chand & Sons Publishers, Thirty Fourth Edition, 2005.
- V.S.P.RAO, Human Resource Management Texts & Cases Part II, Excel books Publishers.
- S.S.KHANKA, Human Resource Management S.Chand Publishers & Co.Ltd
- MOHIT GUPTA, NAVDEEP AGARWAL, Social Research Methods, Kalyani Publishers
- C R KOTHARI, Research Methodology, New age international publishers