

Employee Attrition and Retention – A gain to the Textile Industry.

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Abstract

Human resources are the livelihood of all types of an organization. Even though all types of the organizations are now a days, found to be technology driven, yet human resources are required to run the technology. With all round development in each and every area of the economy, there is stiff competition in the market. With this development and competition, there are lots and lots of avenues and opportunities available in the hands of the human resources. The biggest challenge that organizations are facing today is not only managing these resources but also retaining them. Securing and retaining skilled employees plays an important role in any organization, because employees' knowledge and skills are central to companies' ability to be economically competitive. Besides, continuously satisfying the employees is another challenge that the employers are facing today. Keeping into account the importance and sensitivity of the issue of retention to any organization, the present study tries to review the various available literature and research work on employee retention and the factors affecting employee retention and job satisfaction among the employees. The present study is bound to assess the causes of attrition and to find the expectation of employees to retain them in the organization.. Employees receiving low income, no promotion or no career growth, developing stress may look for better opportunities. Employees except job security to retain themselves in the organization.

Keywords: Employee Attrition, Expectation of Employees, Employee Retention, Job Satisfaction

I INTRODUCTION

Organizations are facing the challenge of employee retention due to increased competition in the market. It is crucial for organizations to hire competent employees to gain a competitive advantage in the market. However, retaining competent employee is more important than hiring. Organizations are always searching for talented employees and spent time and money on their employees for future return aspects. Factors like lack of skilled workforce, economic growth and employee turnover demand to devise policies to increase employee retention. It is hard to measure the exact cost associated with turnover for organizations. When an employee departs from an organization, he/she brings out with him all the information about the company, clients, projects and past history, very often to competitors. There are different human resource (HR) practices employed by the organization to increase the retention level (Khan et al., 2014). The current study is aimed to investigate the impact of these practices on employee retention. It is imperative for an organization to develop an environment within the organization to motivate employees to stay in the organization. The organizations are also concerned about the costs associated with employee turnover, which is usually 2.5 times greater than the salary of an individual. However, organization facing employee turnover may not bear the cost of this situation in monetary terms only. If we assume that the overall workload remains constant, the short time burden on the remaining employees will increase and will have a negative impact on their motivation. In long run the organization losses the long-time employees that possess specific knowledge, know-how and skills (Yamamoto, 2011). The cost is the shape of customer loss, productivity loss and business should also be considered (Self and Dewald, 2011). Moreover, the hiring of new employees is associated with additional expenses. These expenses are incurred in the form of advertising, screening, verifying credentials, interviewing and training of new employees etc. (Nair, 2009). Employee retention consists of procedures through which employees are boosted to become part of the organization for a longer period of time until he/she gets retired or until the project gets completed. For achieving individual as well as organizational goals, it is very much essential to retain talented employees. The HR manager must know how to attract and keep good employees because these are the employees who can make or break the organization's goodwill (Wisnefski, 2008; Rasli et al., 2014). Successful employee retention does not rely on a single strategy. The decision of an employee to stay in the organization is effected by a number of factors depending on a variety of elements like the individual's age, the family situation, mentoring, career and learning opportunities, good benefits, networking and the external job market or job title (Musser, 2001; Sinnott et al., 2002; Yusoff et al., 2013).

Talented and good employees are asset of an organization. Retaining talented employees is highly important for the long-term growth as well as success of the business (Heathfield, 1995), but the retention of employees has become the major problem facing today's organizations (www.retentionconnection.com, retrieved on May 22, 2010). The cost of hiring new employee varies and it includes a wide variety of expenses such as advertisements, recruiters' salaries and reimbursements of candidates' expenses. The company also incurs the various start-up costs of replacing an employee such as administrative expenses and training (Carsen, 2002; Wocke and Heymann, 2012). Thus, it is necessary to retain the talented employees not because of the costs incurred on them by employers, but also because of the required output they give to the organization should do their level best to adopt such measures, which minimize employee's turnover. Employee turnover is such a phenomenon, for the understanding of which no standard formula exists; therefore, so many elements have been determined which would be helpful in understanding employee turnover (Kevin et al., 2004). Chipunza and Samuel (2009) highlight that it is not only the private sector, but governments are also facing difficulty in retaining skilled employees. Private sector managers admit these facts that retaining key employees of the organization is the most difficult aspect of their job. Most of the time when these employees move, they migrate to competing organizations with the knowledge and trade secrets acquired from their former employers, thus, creating a critical situation for the former bosses. This situation demands that management should identify the reason/s for frequent change of employment by employees. Once this reason/s has been identified, management can then devise retention strategies that would help in keeping essential employees for a longer tenure. Combating retention problems is a challenging task. Extensive policy debate is required to combat this problem. It cannot be accomplished merely through monetary incentives. While devising an organizational retention plan, management must take into account on-the-job and off-the-job factors. The top brass of the organization should cause a survey to be conducted for identification of those critical factors, which compel employees to leave that organization (Mitchell et al., 2001). Organizations should opt the retention approach that amalgamate the organization's distinct culture, pay, and total rewards, and value key talent by making them feel important (Zingheim et al., 2009).

In the post colonial period, having a formal employment was considered desirable and sufficient candidates could be found to fill them in the past. Moreover, once employed, workers would often spend their entire careers in those jobs. In areas where there was high turnover, new employees could be recruited easily. Similarly, workers were loyal to their

organizations and stayed often on the job until their retirement. As a result of this, employers were loyal to their employees by taking care of them in a more paternalistic way. Interestingly, while today's organizations are indeed different, the challenge of retention is growing. It is quite sad that businesses today are not adopting some of the strategies used in the past to ensure that more employees are retained. Moreover, most organizations in Ghana, are not being creative in devising strategies to keep their employees. Companies today are not creating an environment which encourages their employees to remain loyal to the organization. Smith (2001) suggests that there may be several factors involved in why employees leave their job. It could be voluntary, where the employee chooses to leave. It could also be for reasons that may include better career opportunities, increased compensation and broadening of current tasks and responsibilities and boredom with current task. Involuntary turnover occurs when employees are asked to leave for reasons including poor performance or inappropriate behavior. Company benefits, employee attitude and job performance are all factors which play an important role in employee retention. When a company replaces a worker the company incurs direct and indirect expenses. These expenses include the cost of advertising, headhunting fees, human resources fee and new hiring cost. Most companies will react to employee turnover if it is found that its effect is felt companywide. By offering employees benefit such as reasonable flexibility with work and family balance, performance reviews and performance based salary upgrade along with traditional benefits such as paid holidays and sick days companies are better able to manage their employee retention rates. When a business loses employees, it loses skills, experience and "corporate memory". The magnitude and nature of these losses is a critical management issue, affecting productivity, profitability, and product and service quality. For employees, high turnover can negatively affect employment relationships, morale and workplace safety. The cost of replacing workers can be high, the problems associated with finding and training new employees can be considerable, and the specific work place acquired skills and knowledge people walk away with can take years to replace.

Objectives:

- To Exhibit the Employee Attrition and Retention Strategies.
- To identify the impact of employee attrition on organizational performance
- To identify the factors influencing employee attrition and retention
- To identify factors influencing employee retention
- To analyze the role of profile in employee attrition and retention

II REVIEW OF LITERATURE

Pavithra ,Thirukumaran (2018) has undertaken the study is to analyze the organizational factors influencing the employee retention and to find individual factors leading employees to leave the organization and to examine the necessary conditions to retain the employees. The study has done through descriptive research method and the collection of primary data has done through single cluster sampling method under probability sampling method. The research design followed in this study is descriptive research.

Ms. B. Kavyasree, Dr. T. NareshKumar(2020)has undertaken theEmployees are a helpful asset for every association. It is indispensable to guarantee this basic asset as skilled and inspired employees have an earnest impact as a rule improvement and in the achievement of the association, anyway, attrition is the serious issue looked by BPOs right now. The attrition rate in the BPO business is more than the attrition rate in different sections. It is basic to control this attrition rate. Various retention plans are executed in BPOs for holding the employees.

Dr. K. BalajiMathimaran, Prof. Dr. A. Ananda Kumar(2017) has undertaken the study onHuman resources are the livelihood of all types of an organization. Even though all types of the organizations are now a days, found to be technology driven, yet human resources are required to run the technology. With all round development in each and every area of the economy, there is stiff competition in the market. With this development and competition, there are lots and lots of avenues and opportunities available in the hands of the human resources. The biggest challenge that organizations are facing today is not only managing these resources but also retaining them. Securing and retaining skilled employees plays an important role in any organization, because employees' knowledge and skills are central to companies' ability to be economically competitive.

2.4 V. Krishna Priya, H. HariHarasudha has undertaken the present study is bound to assess the causes of attrition and to find the expectation of employees to retain them in the organization. The primary data is collected through the structured questionnaire from 100 stakeholders, through stratified random sampling. It includes various levels of employees in the automobile industry. The result shows that employees with experience are not promoted due to which they are dissatisfied. Employees receiving low income, no promotion or no career growth ,developing stress may look for better opportunities. Employees except job security to retain themselves in the organization.

MaqsoodHaider, AmranRasli (2015) has undertaken the study examines the human resource (HR) practices that promote employee retention. Effective HR practices can

reduce employee turnover and increase retention within an organization. Key employees are the instrument for overall growth and development of an organization. This study focuses on telecom sector of Pakistan. The most important HR practices have been identified with the help of literature. These practices are training and development, compensation and culture.

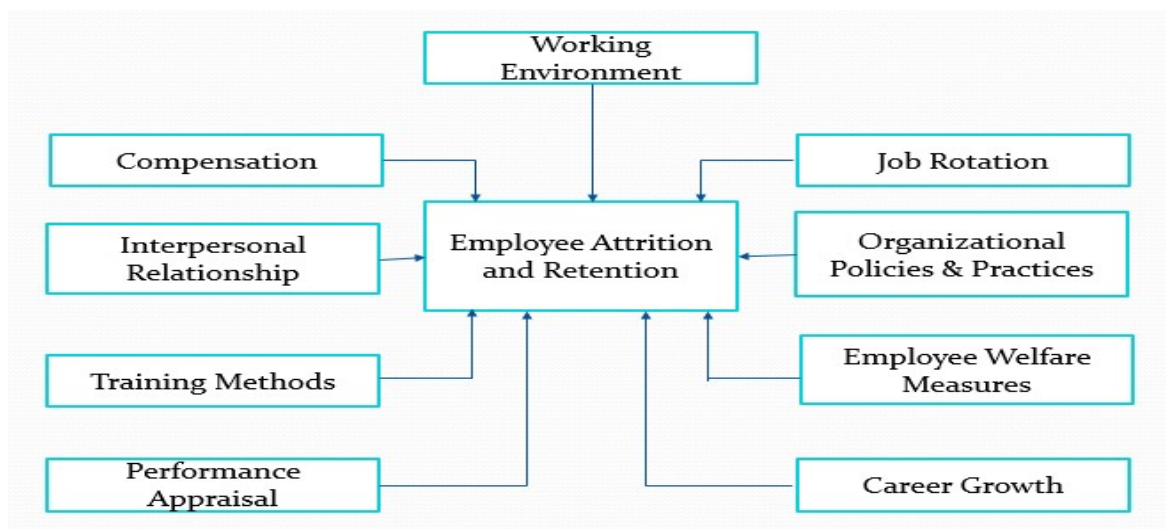
Dr. D. Kishore Kumar , Dr. G. Srinivas Rao(2021) Workers are the most significant assets of any association, and yet, they are the most troublesome asset to oversee. They are all used as the key resources of the association. The differing idea of human starts and their significance to the association has persuaded scientists to concentrate on HR. In spite of the fact that researchers have learned about the representatives in new companies, generally their inspiration and maintenances issues are disregarded.

LichiaYiu , Raymond Saner(2014) has undertaken Attrition rates have been high in several of the key sectors of the Indian Economy leading to discussions about which could be the best retention strategies to counter high labour turnover. Measurements are scarce of HR functions in Indian companies Srimannarayana, M. (2010). This article contributes to the measurement of Indian HR function by reporting on the findings of a survey of attrition in Indian companies and by discussing the possible strategies chosen by Indian companies to counter costly labour turnover. The authors question the causal link assumed by a large number of Indian companies that higher attrition can be contained through the payment of higher compensation packages. Paying higher salaries to retain staff increases operational costs without that this measure can guarantee lower attrition or ensure positive performance levels

Dr. PoojaJaiswal(2019) has undertaken the study In this competitive business world the most important asset of the organization is the human resource and they are the one who can create the competitive advantage for the company. If theses employees leave the organization the organization has to bear a lot of cost invested in this employee but also they lose edge over the competition.

Amandeep Kaur , Prabhjot K. Dilawari(2015) has undertaken the study Employee retention strategy include various measures to ensure an employee's stays in an organization for the maximum period of time and feeling themselves as a part of organization and refers to policies and practices use to prevent valuable employees from leaving their jobs. The study explores to identify the main factors of retention management strategies in organizations.

III CONCEPTUAL FRAME WORK



Hypothesis:

- There is a relationship between HR Policies and Employee Inspiration.
- There is a relationship between Promotion and Recognition.
- There is a relationship between Engagement and Involvement.

IV RESEARCH METHODOLOGY

Research design refers to the overall strategy utilized to carry out research that defines a succinct and logical plan to tackle established research question through the collection, analysis and discussion of data. The researcher has done descriptive research for this study. The data are collected from primary and secondary sources. The study contains a Sample size of 500. The researcher adopted stratified random sampling method.

V ANALYSIS AND FINDINGS

HR Policies * Employee Inspiration

Z	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
HR Policies * Employee Inspiration	300	100.0%	0	0.0%	300	100.0%

Count							
		Employee Inspiration					Total
		Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
HR Policies	Highly Satisfied	16	44	15	3	0	78
	Satisfied	19	49	13	33	4	118
	Neutral	7	35	38	0	0	80
	Dissatisfied	7	8	0	6	3	24
Total		49	136	66	42	7	300

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	95.378 ^a	12	.000
Likelihood Ratio	103.769	12	.000
Linear-by-Linear Association	4.654	1	.031
N of Valid Cases	300		

Mentoring and Adaptation to Work

		Mentoring	Adaption to Work
Mentoring	Pearson Correlation	1	.323**
	Sig. (2-tailed)		.000
	N	300	300
Adaption to Work	Pearson Correlation	.323**	1
	Sig. (2-tailed)	.000	
	N	300	300

** . Correlation is significant at the 0.01 level (2-tailed).

The hypothesis has that stated as customer mentoring on adaption to work and employee retention in the company. The null hypothesis would be mentoring on adaptation to work and mentoring during the adaption to work has no significant. The correlation matrix shows there is no evidence to reject the null hypothesis. So, with respect to study, there is no significant evidence to say that adaption to work and mentoring have any role in employee attrition and retention.

Employee Performance and Induction

		Employee Performance	Induction
Employee Performance	Pearson Correlation	1	.141*
	Sig. (2-tailed)		.014
	N	300	300
Induction	Pearson Correlation	.141*	1
	Sig. (2-tailed)	.014	
	N	300	300

*. Correlation is significant at the 0.05 level (2-tailed).

Team Work and Achievement

		Team Work	Achievement
Team Work	Pearson Correlation	1	.043
	Sig. (2-tailed)		.462
	N	300	300
Achievement	Pearson Correlation	.043	1
	Sig. (2-tailed)	.462	
	N	300	300

The hypothesis has that stated as team work on achievement and employee attrition positively affects employee retention. The null hypothesis would be team work on achievement and have no significant. The correlation matrix shows there is no evidence to reject the null hypothesis. So, with respect to study, there is no significant evidence to say that team work and achievement have any difference in employee attrition and retention.

Orientation Training and Knowledge			
		Orientation Training	Knowledge
Orientation Training	Pearson Correlation	1	.334**
	Sig. (2-tailed)		.000
	N	300	300
Knowledge	Pearson Correlation	.334**	1
	Sig. (2-tailed)	.000	
	N	300	300

The hypothesis has that stated as team work on orientation training and employee attrition positively affects employee retention. The null hypothesis would be orientation on knowledge and have no significant. The correlation matrix shows there is no evidence to reject the attrition positively affects employee retention. The null hypothesis would be team work on achievement null hypothesis. So, with respect to study, there is no significant evidence to say that orientation training and knowledge have any difference in employee attrition and retention.

V DISCUSSION AND CONCLUSION

The organization must give proper remuneration to the employees in order to retain them for a long period of time. The employees are feeling over burden towards the workload. The organization should focus on their smooth workload to reduce the stress on the employees. The relationship between employees and management has to improve. Return to the employee retention strategy in any event once per year. That incorporates remaining current on showcase models for pay and advantages and best practices in building up an alluring workplace culture and solid director employee relations. That is the best approach to keep gifted experts glad about working for your firm. It can be stated that opportunities for growth and promotion, compensation, working condition, offering benefits, with the managers/superiors, reduce workload are some of the major reasons to be kept in mind for employee turnover. High attrition in the company destroys production.

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