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A STUDY ON EMPLOYEE ATTRITION WITH REFERENCE TO LANSON TOYOTA, CHENNAI

V. Krishna Priya* and H. Hari Harasudha**

Abstract: 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. Chi-square, Anova, comparison and correlation are used for the analysis. 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. Due to lack of growth opportunities they prefer to change job. So, the organization has to provide atleast required benefits and rewards to employees to make them retain and explore their career.

Keywords: Employee Attrition, Expectation of employees, Job security.

INTRODUCTION

“Attrition creates a vacuum in the organization”

Attrition is the shrinkage in employees number through retirement, voluntary/ involuntary resignation or death. It is also called as the total turnover. The employee turnover has become a biggest issue in many organizations. (jeen,2014). Attrition reflects the organization internal strength and weakness as well as the ability of the company. Attrition is considered as a twofold issue in many company, first that is related to cost and second retaining the experienced talent. Most of the organizations are battling with the increasing rate of attrition globally. (Kadam & Thakar, 2014). Application of Human resources has no alternative and they have continuous role to play in any organization. So, the major problem against human resources is attrition. As the rate of attrition increases day to day the organization production and productivity will be effected. (Chandrasekar, 2011). Employee attitude and candidate absconding are the major entanglement for every organization.

Both these are bigger than attracting talent. In current knowledge impelled market place employees are the most vital human capital assets and attrition is the serious problem here. Attitude impacts organizations competing advantage. Employee attitude is a global issue. If the employees who are trained well and adapted to the organization leave the organization means it creates a vacuum which

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loses key skills, knowledge and business relationship. Maximum effectiveness, growth and progress of the organization become lower. Every organization need to be clear in the concept that attracts and retains a potential employee and need to predict attrition early in the recruitment process to curtail significant loss of productivity among hiring managers, recruiters and consequent loss of money and revenue.

Objectives

- To examine the reasons for attrition among employees.
- To find the expectation of employees to retain them.
- To provide suggestions and activities to reduce attrition rate and improve retention helps to maximize the profits.

REVIEW OF LITERATURE

Ade Abdulquadri, Bilau, Musibau Akintunde Ajagbe, Anthony Babatunde Sholanke, Tolani Abdulrahman Sani (2015), expressed the issue of employee turnover has raised burden in the construction industries which effects productivity. It was mentioned that only few resources have been used in recruiting, training and developing the employees, due to which they leave for other organizations. Their research was aimed at determining the impact of employee's turnover rate in small and medium construction firms in Nigeria.

N. Bharathi, P. Paramashivaiah (2015), articulated that in a BPO Sector, employees leave the organization either entirely or change their industry. Since all the research is focused on the issues and antecedents of attrition the consequences where not much focused so the study focuses on a holistic view rather than a specific portion.

Shine David (2015), in the research said that the employees working in the IT sector in various cities of India (Mumbai, Pune, Bangalore, Delhi and Indore) to analyse the case of attrition. Samples were collected with 21 factors/items which resulted in 5 factors. Findings of the study suggest that organisational culture, working conditions, career growth opportunities, work pressure and mutual trust. The conclusion that was provided was employee friendly organisational culture with positive working conditions, low pressure and higher opportunities for career growth.

Asma farooque, Habibuddin (2015), investigated several factors that are affecting high attrition rate in hotel industry. A study conducted by an industry chamber located in New Delhi reveals that the attrition rate in the hospitality industry in India is set to double to nearly 50 per cent by 2010, up from the earlier 25 per cent growing at an alarming rate of 10 per cent per annum. The result showed that the lack in salary, stress in job, compensation, better opportunities and stake issues were the major reasons behind the problem of attrition in the company.

Batty Dorance Jeen (2014), mentioned that many organizations have the concern of employee turnover. It is highly destructive to both the organization as well as the employees. The research was conducted for the retail industry in Bangalore. Despite the incentives, motivational techniques and old practises of HRM there is still high attrition rate so study showcases ways to reduce the intentions of employee leaving the organization. This is performed by distributing questionnaires to retail outlets in Bangalore. The study concluded that turnover intention has influence on attrition factors such as QWL, career growth, working hours, personal/family reasons, and relation with internal co – worker, welfare, working condition, and salary.

Venkata Naga Manjula, Ruchita Ramani, Swati John (2013), articulated that the objective of the study is to understand the growth of ITES sector in India. The study in the BPO Industry is to understand and gauge the attrition rate, its intensity and make a causal analysis, to design strategy to stabilise the sector by suggesting mitigating the attrition.

Shivani Mishra, Deepa Mishra (2013), articulated that the study carried out is for shipping industry of Kutch, Gujarat. The purpose of the study is to analyse the turnover and the commitment to identify several domains of organization, human resource practices and other like employee characteristic and environmental factors, which may have a positive or negative impact on employees' intention to stay with an organization.

Vibha Gupta (2013), stated that in recent years the turnover is high in BPO sectors either by absenteeism or employees absconding without any prior notice. Turnover rates for permanent Agents/Executives were 15.6% in 2009 and 35% in 2012. Department of Human Resources which also tracks attrition of temporary employees measured the turnover rate for temporary employees to be 77% in 2012. Therefore study is focused on recruitment and retention challenges that the IT/BPO industry currently faces and to examine ways to reduce high turnover rates among first year Employees in the leading Domestic Call Center based in Indore.

Michael O. Samuel, Crispen Chipunza (2013), articulated that due to the competition for top academic across the higher education and research landscape of South Africa has assumed a prominent dimension and this phenomenon has resulted in the ever increasing attrition. The research seeks to identify and evaluate factors that facilitate the attrition and retention of senior academic employees. Results of the study indicates that most of the respondents place greater importance on challenging work, inter-personal relationship, access to research resources and job security.

Gayatri Negi (2013), stated that the study explains that the attrition rate is inevitable but manageable cause its hard to provide permanent and promising workforce. This research shows the cause of attrition from various point of view and what are the effects for both the employer and employee. It also gives us a view on the positive side of the attrition and the role of leadership skills in controlling attrition.

Shashikala S, Sushma Ravindra (2013), articulated that the groundwork in the study is in Indian Industry where attrition is present everywhere not in specific sector. Mainly there are few organizations like IT, Telecom which faces high attrition. The study portrays that compensation does not lead to employee loyalty but also salary/wages below the market therefore what are the techniques that can be used to control attrition.

N. Malati, Dr. Prakash Sharma (2013), stated that the attrition have been associated with high costs be in the form of direct or indirect. Due to many Institutions, the availability of competent and qualified faculty is very difficult and change the institutions frequently. Therefore the study understands the relationship between direct cost incurred by the institutions and the faculty attrition and the study revealed that direct cost is decreasing with increasing attrition rates.

Rajesh Verma, Aanchal Aggarwal (2012), articulated that the last decade saw an outbreak in the growth and development of the Indian Economy. It was accompanied by the revolution in all fronts and a radical change in the way life insurance business was done. . It is expected that Indian Insurance sector will be amongst the top 3 in the world by 2020. To reach up to this level the insurance companies have to take steps to reduce the increasing rate of attrition. As this study says that the attrition rate increasing in the sales force in the Insurance sector, the author made focus on the reasons for attrition among the sales force and how to manage the attrition rate.

Ankita Srivastava, Yogesh Tiwari, Hradesh Kumar (2011), stated that the main focus of the study is to identify the root cause of attrition and analyzing the level of employee motivation, satisfaction and involvement to generate employee sustenance in the organization. They delivered strong recommendations, which will eventually be valuable to the organizations to retain their employees for a long term.

Ms. Shaveta Gupta, Dr. Sukhmani, Ms. HarsimranKaur (2011), articulated that talent is the critical success factor to any organization. The research concentrates on retaining the employees and the cost of attrition. Retaining the employees involves understanding the intrinsic motivators as individuals differ a lot. Attempts to find out approaches and strategies to retain the employees and also the cost pertained to attrition.

Research Methodology

This study is undertaken to determine the causes of attrition in automobile industry. In order to satisfy the above objectives, primary data is collected through the structured questionnaire, in which the Sec A comprises of questions of Demographical details and Sec B consist of variables related to attrition.

The sample size taken for this study is from 100 respondents. Stratified random sampling is used for this study because the data is collected from the various levels of employees.

DATA ANALYSIS & INTERPRETATION

CHI-Square

Association between Employee’s income and Experience

Hypothesis

H₀ : There is no association between employee’s experience and the opinion towards income the employee receive.

TABLE 1

<i>S. No</i>	<i>Description</i>	<i>Value</i>	<i>df</i>	<i>P-value</i>
1.	Pearson Chi- Square	1.440E2 ^A	9	0.000
2.	Likelihood Ratio	133.637	9	0.000
3.	Linear-by-Linear Association	78.676	1	0.000
4.	N of Valid Cases	100		

A. 10 cells (62.5%) have expected count less than 5. The minimum expected count is 0.45.

Interpretation

Since $P_{value} (0.000) < 0.05$ Accept H_1 .

Therefore, we can conclude that there is association between employee’s experience and the opinion towards income the employee receive.

Association between Stress level and Department members

Hypothesis

H₁ : There is association between different department members and the opinion towards the employee stress level.

TABLE 2

<i>S.No</i>	<i>Description</i>	<i>Value</i>	<i>df</i>	<i>P-value</i>
1.	Pearson Chi- Square	79.574 ^A	60	0.046
2.	Likelihood Ratio	82.539	60	0.028
3.	N of Valid Cases	100		

A. 75 cells (96.2%) have expected count less than 5. The minimum expected count is 0.08.

Interpretation

Since $P_{\text{value}} (0.046) < 0.05$ Accept H_1

Therefore, we can conclude that there is association between different department members and the opinion towards the employee stress level.

Even though there is synergy between different department members in the organization, sometimes when the synergy is broken, it leads to great disputes and an employee can be personally affected.

ANOVA

Comparison between Age, Experience and Promotion

Hypothesis

H_0 : There is no significant difference in opinion towards Experience and Promotion among different Age groups.

TABLE 3

<i>S. No</i>	<i>Variable</i>	<i>Frequency (n)</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>P-value</i>
1.	Age	100	2.23	.750	
2.	Experience	100	1.86	1.073	0.000
3.	Promotion	100	12.26	1.733	

Interpretation

Since $P_{\text{value}} (0.000) < 0.05$ Accept H_1

Therefore, we can conclude that there is significant difference in opinion towards Experience and Promotion among different Age groups. When there is increase in age for employees, the experience level also increases that may lead to promotion. There is a possibility that the promotion does not lead in increment in income which can turn the mindset of the employee.

Comparison between Income, Job Security, Stress

Hypothesis

H_0 : There is no significant difference in opinion towards employee's job security and stress among the income received to run the family.

TABLE 4

<i>S. No</i>	<i>Variable</i>	<i>Frequency (n)</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>P-value</i>
1.	Income	100	1.72	.877	
2.	Job Security (JB)	100	7.94	1.516	0.000
3.	Stress (ST)	100	19.67	2.659	

Interpretation

Since $P_{\text{value}} (0.000) < 0.05$ Reject H_0 , Accept H_1 .

Therefore, we can conclude that there is significant difference in opinion towards employee's job security and stress among the income received to run the family. Increase in income (run the family) provides a better job security and also reasonable stress level for the employee

CORRELATION

Comparison between Promotion, Compensation and benefits and Superior

TABLE 5

<i>Description</i>	<i>Promotion</i>	<i>Compensation and Benefit</i>	<i>Superior</i>
Promotion Pearson Correlation	1		
Compensation and Benefit Pearson Correlation	0.258**	1	
Superior Pearson Correlation	0.214*	0.167	1

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

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

Interpretation

The correlation between **promotion** and **Compensation and benefit** are **positively** correlated (0.258) at 5% significant level.

The correlation between **promotion** and **Superior** are positively correlated (0.214) at 5% significant level.

When the employee is given promotion and moves to the next level, there is also an increase in compensation and benefit but the employee may not be satisfied with the package and looks into other organization for better packages.

If there is an increase in the support and understanding of the superior towards the employee, the superior recommends for promotion for the employee and in turn there might be a promotion to the next level for the employee.

During that period there is a possibility of dispute rising within the employee and the superior which changes the mindset of the employee.

Findings of the Study

- It was noticed that employees with experience are not promoted which invokes dissatisfaction in employees.
- It was found that employees receiving low income or no promotion or no career growth develops stress and as a result decides to look out for better opportunities
- It was also found that employees expect job security to retain them in the organization.
- It was identified that employees prefer a change of job due to lack of growth opportunities in their job.
- It was noticed that even when good income is provided based on their designation; employees still shift to another organization if the prospects are higher.
- It was analysed that if there is no good understanding and support between superior and subordinate then employees would prefer to change to an organization with better environment.
- It was found that if the income and the benefits are low then employees will not retain in the organization rather join an organization where their value are recognized.
- If the workload is high for the employees it is noticed that the satisfaction is lowered thus leading to employee leaving the organization.
- It was identified that increase in age and experience should lead to promotion if not, employee does not retain in the same organization for a long period of time.
- It was noticed that if there is low income and less job security, the stress of the employee increases therefore employee will look for organization with a secure job and high income.
- It is identified that if there is no increase in income for the experienced employee, employee might have an intention to leave the organization.

RECOMMENDATIONS & SUGGESTIONS

Organization should have pro-active retention strategies to retain the employees. Providing opportunities for learning by constantly upgrading the skills of employees.

The organization can look provide excellent technologies and tools to reduce stress thereby decreasing the level of attrition. Enhancing training programs to develop their skills and knowledge.

Managing the expectation of the employees is the key to retain them. The organization can enhance the reward and recognition programs for employees to portray their valuable support and contribution. Setting up feedback mechanism can help in perceiving the expectations of the employee which in return can be used to fulfil the needs of the employee. The organization should focus on employee satisfaction from time to time to develop strategies to retain them.

Gather information when the employees leave the organization by conducting an exit interview to perceive why the employee is leaving the organization. This can help in developing strategies to retain other employees. Engaging employees over and beyond their day to day job and ensure that their insecurities and vulnerabilities are addressed appropriately.

CONCLUSION

From the research, we have indentified the reason and expectation of the employee. Organizations need to build their own motivation system like reward and recognition program based on employee's perspective to retain them for a long tenure. Employees need manageable work load and stress from superiors and management, and opportunities for growth and innovation. Good income and benefits will retain employees for a long period of time. Training programs can be conducted to increase the skill development of employees that lead to promotion and employee engagement.

Organizations can reduce the employee attrition to some extent but cannot eradicate completely due to employee's individual needs.

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