

# A Study on Reasons of Attrition and Strategies for Employee Retention

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## Abstract

The success of any manufacturing organization depends largely on the workers are considered as the backbone of any company. 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 assess the overall interest and the feelings of the employees towards their Retention.

**Keywords:** Attitude, Attrition, Retention, Reasons, Strategies.

## I. INTRODUCTION

During the past decade, employee turnover has become a very serious problem for organizations. Managing retention and keeping the turnover rate below target and including norms is one of the most challenging issues facing business. Managing employee retention is a practical guide for manager to retain their talented employees.

## II. RESEARCH METHODOLOGY

### 2.1 NEED OF THE STUDY:

This study can be helpful to the management to improve its core weaknesses by the suggestions and recommendations prescribed in the project. This study can serve as a basis for measuring the organization's overall performance in terms of employee satisfaction.

### 2.2 STATEMENT OF THE PROBLEM

The aim of the present report is to study factors like salary, superior – subordinate relationship, growth opportunities, facilities, policies and procedures, recognition, appreciation, suggestions, co- workers by which it helps to know the Attrition level in the organizations and factors relating to retain them.

### 2.3 SCOPE OF THE STUDY

The scope of this study is confined to manufacturing industries in medium scale industries category located Ananta Pvc Pipeps Private Limited, Hampapuram, Ananthapuramu. The study throws light through valuable suggestion to decrease attrition level in the organization.

### 2.4 OBJECTIVES OF THE STUDY:

- To know the Various Reasons of employee Attrition.
- To know the Strategies for Employee Retention.
- To examine the impact of three R's on the retention of the employee and development of the organization.

### 2.5 RESEARCH DESIGN:

Descriptive research procedure is used for describing the recent situations in the organization and analytical research to analyses the results by using research tools.

### 2.7 SAMPLING UNIT

Company name: ANANTHA PVCPIPES PRIVATE LIMITED

Location: Anantapur

**2.8 SAMPLE SIZE:** A total sample size of 120 employees was taken.

### 2.9 SAMPLING TECHNIQUE: Questionnaire.

### 2.10 SOURCES OF DATA:

Data for this research was collected both from primary and secondary sources.

### 2.12 ANALYSIS FRAMEWORK

The data collected through survey have been carefully, meaningfully analyzed by well established statistical tools like they are,

- Mean
- Chi-square test
- Coefficient of Correlation

**2.13 LIMITATIONS OF THE STUDY:**

- The period of the study having been very short.
- The interest of the employees towards the study lead to some limitations and this might have resulted in respondent bias.
- As the employees were busy, deep analysis and assessment was not possible before filling the questionnaire.
- The managers did not reveal the entire information due to confidentiality and study was made with the data collected.

**3.1: The below table which shows Attrition reasons and Ratings of Mean Values.**

S. no	Statements	Mean	Ratings
1	Lack of opportunity for advancement.	3.99	1
2	The job did not meet employee expectations.	3.93	2
3	Lack of support from supervisors.	3.83	3
4	Discourage the employees.	3.79	4
5	Lack of opportunity for advancement.	3.73	5
6	Insufficient skills of employees.	3.69	6
7	Unpleasant working environment.	3.67	7
8	Lack of training facilities.	3.58	8
9	Supervisor rude behavior towards employees.	3.41	9
10	Work life imbalance.	3.42	10
11	Lack of employee ability in decision making.	3.39	11

**INTERPRETATION:** The above table 3.1 which shows Attrition Reasons and Ratings of mean values. Lack of opportunity for advancement is major reason for employee attrition, so it gets rank 1. The job did not satisfy employee expectations, Lack of support from supervisors, Discourage the employees, Lack of opportunity for advancement, Insufficient skills of

employees, Unpleasant working environment, Lack of training facilities, Supervisor rude behavior towards employees, Work life imbalance and Lack of employee ability in decision making is last reason for employee attrition according to mean value which is shown in the table so it gets 11 rank.

**3.2: Chi-square values of the Statements and employee opinions:**

S.no	H <sub>0</sub> Statements	P Value	Opinions
1	Unpleasant working environment is not reason.	35.539 <sup>a</sup>	Accepted
2	Lack of opportunities for advancement is not reason.	14.636 <sup>a</sup>	Rejected
3	Inadequate employee compensation is not reason.	6.610 <sup>a</sup>	Rejected
4	Job did not meet employee expectation is not reason.	9.104 <sup>a</sup>	Rejected
5	Lack of training facilities is not reason.	5.552 <sup>a</sup>	Rejected
6	Does not give a chance to express employee ideas.	3.690 <sup>a</sup>	Rejected
7	Does not recognize the talented employees.	7.628 <sup>a</sup>	Rejected
8	Does not provide flexible working hours to employees.	9.900 <sup>a</sup>	Rejected

**INTERPRETATION:** The above table 3.2 which shows employee opinions towards the statements. Employees are accepted Unpleasant working environment is not reason for employee attrition, so the p value is greater than the table. Employee are rejected the statements like Lack of opportunities for advancement, inadequate employee compensation,

Job did not meet employee expectation, Lack of training facilities, lack of chance to express employee ideas, lack of recognize the talented employees and lack of flexible working hours to employees are not reasons for employee attrition, so the p value is the less than the table.

**3.3: The following table which shows the Impact of 3R's to employee and development of the organization:**

**Correlations**

		Respect Impact on employee and development of organization	Reward Impact on employee and development of organization	Recognition Impact on employee and development of organization
Respect Impact on employee and development of organization	Pearson Correlation	1	.010	.090
	Sig. (2-tailed)		.912	.330
	N	120	120	120
Reward Impact on employee and development of organization	Pearson Correlation	.010	1	.029
	Sig. (2-tailed)	.912		.753
	N	120	120	120
Recognition Impact on employee and development of organization	Pearson Correlation	.090	.029	1
	Sig. (2-tailed)	.330	.753	
	N	120	120	120

**INTERPRETATION:** The above table 3.3 which shows the Impact of 3R's to employee and development of the organization. There is a positive correlation between Respect, Reward and Recognition to Development of employee and organization.

**III. RESULTS**

- The retention strategies followed by the organization try to update and modified, then only the skilled employee will retain for a long time in the organization.
- The management should concentrate on job rotation in order to reduce boredom in doing the same work.
- The management should improve the role of HR manager in retaining the employees.
- The management has to improve the recreational facilities provided to the employees.

**IV. SUGGESTIONS**

- The company should implement better retention strategies for enhance the productivity in the organization. Retention Strategies should be revised based on the productivity.
- The rewards can be extended in order to motivate the employees.
- The company should provide opportunities for career and personal growth through training and education, challenging assignments and more.
- Training facilities is not adequate it should be improved.
- The company should give a chance to employees for participating in decision making.

**V. CONCLUSION**

Retention is the process of developing and implement practices that reward and support employees. It ensures better customer satisfaction

increased product sales, effective succession planning and deeply embedded organizational knowledge and learning. Most of the employees are facing the problem regarding to the accommodation and transportation facilities. The organization should increase these facilities so as to provide better facilities based on the availability and also give some additional monetary benefits to its employees to motivate them towards work and to achieve the targeted goals of the organization within a short span of time.

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