



RESEARCH ARTICLE

A STUDY ON ATTRITION LEVEL CONSEQUENCES, CONTRIBUTING FACTORS AND REMEDIES

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Manuscript Info

Manuscript History:

Received: 22 February 2014
Final Accepted: 22 March 2014
Published Online: April 2014

Key words:

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Abstract

Attrition is a critical issue and pretty high in the industry these days. It's the major problem which highlights in all the organizations. Though the term 'ATTRITION' is common, many would be at a loss to define what actually Attrition is, "Attrition is said to be the gradual reduction in the number of employees through retirement, resignation or death. It can also be said as Employee Turnover or Employee Defection" Whenever a well-trained and well-adapted employee leaves the organization, it creates a vacuum. So, the organization loses key skills, knowledge and business relationships.

The main objectives of this study is to know the reasons, why attrition occurs, to identify the factors which make employees dissatisfied, to know the satisfactory level of employees towards their job and working conditions

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1. INTRODUCTION:

1) What is Attrition..?

"A reduction in the number of employees through retirement, resignation or death". **Attrition**, also known as employee churn, employee turnover, or employee defection, is an industrial term used to describe loss of employees or Man power.

2) Attrition is pretty high in the industry these days. Attrition is a universal phenomenon and no industry is devoid of it, but the degree fluctuates from industry to industry. Attrition is a serious issue in the industries because the industry is knowledge-based and hence employees are its "assets".

FIVE PRINCIPAL REASONS FOR WHICH THE PEOPLE CHANGE JOBS

- It doesn't feel good around here. This is a corporate culture issue in most cases.
- They wouldn't miss me if I were gone. Even though leaders do value employees, they don't tell them often enough. If people don't feel important, they're not motivated to stay.
- I don't get the support I need to get my job done. Contrary to opinions heard all-too-often from management, people really do want to do a good job.

- There's no opportunity for advancement. No, we're not talking about promotions, although many deserving people would like to move up. The issue here is learning. People want to learn, to sharpen their skills and pick-up new ones.
- Compensation is the last reason people most leave. That's a brash statement, but it's true. Workers want fair compensation, but the first four aspects must be strong.

ATTRITION OCCURS DUE TO...

- Ineffective managers and management.
- Employee's ineffective compatibility with supervisors.
- Inadequate working environment and conditions.
- Lack of pay for performance.
- Loss of opportunity for employee's advancement.
- Pushing employees into contracts, agreements or bonds.

2. OBJECTIVES OF THE STUDY:

- To know the satisfactory level of employees towards their job and working conditions.
- To identify the factors which make employees dissatisfied.
- To know the reasons, why attrition occurs.
- To find the ways to reduce the attrition.

3. RESEARCH METHODOLOGY:

SAMPLING PLAN:

Selective Sampling technique was adopted. In this method the researcher select those units of the population in the sample, which appear convenient to them or the management of the organization where they are conducting research.

DESCRIPTION OF STATISTICAL TOOLS USED

- ❖ Chi-square test
- ❖ Correlation
- ❖ Weighted average method and
- ❖ Analysis of variance (TWO-WAY ANOVA)

3.1 CHI-SQUARE TEST

Chi-square, symbolically written as χ^2 (Pronounce as Ki-Spare), is a statistical measure used in the context of sampling analysis for comparing a variance to a theoretical variance.

Formula

$$\chi^2 = \frac{(O-E)^2}{E}$$

O = Observed frequency

E = Expected frequency

3.2 CORRELATION

SPEARMAN Correlation method, it also can be said as Rank Correlation. It is defined by the symbol 'r'

$$\text{FORMULA } r = 1 - \frac{6 \sum d_i^2}{n(n^2-1)}$$

Correlation value shall always lie between +1 and -1. When $r = 1$, it shows there is perfect positive correlation between variables. When $r = 0$, There is no correlation.

3.3 WEIGHTED AVERAGE METHOD

- ❖ Weighted average can be defined as an average whose component items are multiplied by certain values (weights) and the aggregate of the products are divided by the total of weights.
- ❖ In certain cases relative importance of all the items in the distribution is not the same. Where the importance of the items varies.
- ❖ It is essential to allocate weight applied but may vary in different cases. Thus weightage is a number standing for the relative importance of the items.

3.4 ANALYSIS OF VARIANCE (ANOVA)

Steps involved in Two-way ANOVA are

1. Name of the Row samples as $x_1, x_2, x_3, x_4, \dots$
2. Name of the Column samples as $y_1, y_2, y_3, y_4, \dots$
3. Calculate the sum of all items by $T = \sum x_1 + \sum x_2 + \sum x_3, \dots$

$$4. \text{ Correction factor } CF = CF = \frac{T^2}{N}$$

5. Calculate Total sum of squares $SST = \sum x_1^2 + \sum x_2^2 + \sum x_3^2, \dots$

$$6. \text{ Sum of squares between column samples } SSC = \frac{(\sum y_1)^2}{n} + \frac{(\sum y_2)^2}{n} + \frac{(\sum y_3)^2}{n} - \frac{T^2}{N}$$

$$7. \text{ Sum of squares between column samples } SSR = \frac{(\sum x_1)^2}{n} + \frac{(\sum x_2)^2}{n} + \frac{(\sum x_3)^2}{n} - \frac{T^2}{N}$$

8. Calculating Residual or Error $SSE = [SST - (SSC + SSR)]$

The basic principle of the Anova is to test for differences amongst the means of the population by examining the amount of variation within the samples, relation to the amount of variation between the samples.

4. ANALYSIS & INTERPRETATION: ANALYSIS USING CHI-SQUARE TEST- χ^2

FREEDOM TO CONVEY PROBLEMS TO TOP-LEVEL Vs CONSIDERATIONS FOR EMPLOYEE CREATIVITY

Null Hypothesis

There is no any significance difference between Freedom to convey problems and Considerations for employee creativity factors.

FORMULA

$$\chi^2 = \frac{(O-E)^2}{E}$$

O = Observed frequency

E = Expected frequency

COMPUTATION OF CHI-SQUARE (χ^2)

INFERENCE

Thus Chi-Square test infers that there is significance difference regarding Freedom to convey problems and Considerations for employee creativity factors.

ANALYSIS USING CORRELATION ANALYSIS

BASED ON RESPONDENT UNDERSTANDING ABOUT JOB VS DECREASE IN THE DISSATISFACTION LEVEL

Let X be the understanding Level of Employees about their job.

Let Y be the decrease in the dissatisfaction level.

$$\text{Formula } r = 1 - \frac{6 \sum d_i^2}{n(n^2-1)}$$

By substituting the data to the formula,

$$6 * 6$$

$$\text{Formula } r = 1 - \frac{-0.5}{3(3^2-1)}$$

Therefore we get $r = -0.5$

INFERENCE:

The value obtained is in negative, where it infers that a change in one variable has an opposite change in another variable. From the correlation analysis it is inferred that, when the employee's understand about their job well then they adopt to the organization, so the level of dissatisfaction get decreases.

ANALYSIS USING WEIGHTED AVERAGE METHOD

The respondents are asked about some factors listed below in the organization. Their levels of attitude for those factors are calculated below.

This shows that the employees are very much satisfied with their job nature and they tend to retain in the same company.

ANALYSIS USING ANOVA

YEARS OF EXPERIENCE IN THE COMPANY Vs DECREASE IN DISSATISFACTION LEVEL

Null Hypothesis

- i. There is no any significance difference between years of experience in the existing company.
- ii. There is no any significance difference between the decreases in dissatisfaction level.

STEPS IN TWO-WAY ANOVA

Number of all items $N = 16$

Sum of all items are $T = 50$

$$\text{Correction factor } CF = \frac{T^2}{N} = 156.25$$

Total sum of squares $SST = 127.75$

Sum of squares between column samples $SSC = 39.25$

Sum of squares between column samples $SSR = 20.75$

Residual or Error $SSE = 67.75$

INFERENCE

- i. Calculated value (1.737) < Tabulated value (3.86)
 - Therefore H_0 is accepted.

- This shows that there is no any significant difference between the decreases in the dissatisfaction level of employees.

ii. Calculated value (1.088) < Tabulated value (3.86)

- Therefore H₀ is accepted.
- This shows that there is no any significant difference between the years of experience in the existing company.

5. 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.

6. CONCLUSION:

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.

This study concludes that to reduce attrition, Pondicherry Polymers Private Ltd 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.

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➤ BOOKS

- 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.

TWO-WAY ANOVA TABLE

SOURCE OF VARIATION	Sum of Squares	Degrees of Freedom (d.f)	Mean Square (MS)	F-ratio
Between Columns Treatment	SSC	V1	$MSC = \frac{SSC}{K-1}$	$F1 = \frac{MSC}{MSE}$
Between Rows Treatment	SSR	V2	$MSR = \frac{SSR}{R-1}$	
Residual or Error	SSE	(K-1) (R-1)	$MSE = \frac{SSE}{(K-1) (R-1)}$	$F2 = \frac{MSR}{MSE}$

- If the calculated value (C.V) of F1 < tabulated value (T.V) of F1 then H0 is ACCEPTED.
- If the calculated value (C.V) of F1 > tabulated value (T.V) of F1 then H0 is REJECTED.

TABLE .1**OBSERVED COUNT**

S.No.	Freedom to Convey problems	Yes	No	Total
	Employee Creativity			
1	Yes	33	02	35
2	No	06	09	15
Total		39	11	50

TABLE .2**EXPECTED COUNT**

S.No	Freedom to Convey problems	Yes	No	Total
	Employee Creativity			
1	Yes	+27.3	7.7	35.0
2	No	11.7	3.3	15.0
Total		39.0	11.0	50.0

TABLE No. 3

S.No	O	E	(O-E)	(O-E) ²	(O-E) ² /E
1	33	27.3	5.7	32.49	1.19
2	2	7.7	-5.7	-32.49	4.22
3	6	11.7	-5.7	-32.49	2.78
4	9	3.3	5.7	32.49	9.84
TOTAL					18.03

The calculated value is 18.03

Degree of freedom = (R-1) (C-1) = (2-1) (2-1)
= 1

Level of significance = 5%

Table value 1 of DGF and 5% level of significance = 3.854

18.03 > 3.854 - Calculated Value is greater than Tabulated Value

Hence, Null hypothesis is rejected.

TABLE NO.4

S.No.	Factors	X	Y
1	Not At All	0	7
2	Average	22	37
3	Really Good	28	6
Total		50	50

**RANKS
TABLE NO.5**

S.no	Rank of X	Rank of Y	di ² = (Xi-Yi) ²
1	3	2	1
2	2	1	1
3	1	3	4
Total $\sum (Xi-Yi)^2$			6

TABLE No. 6

FACTORS	Highly satisfied	Satisfied	Neutral	Dissatisfied
Motivation	7	26	15	2
Appraisal	5	19	24	2
Basic needs	17	25	5	3
Job nature	28	16	2	4

TABLE No.7

POINT WEIGHTAGE	4	3	2	1			
FACTORS	Highly satisfied	Satisfied	Neutral	Dissatisfied	TOTAL	AVG	RANK
Motivation	28	78	30	2	138	2.76	3
Appraisal	20	57	48	2	127	2.54	4
Basic needs	68	75	10	3	156	3.12	2
Job nature	12	48	4	4	168	3.36	1

INFERENCE:

The above table infers that the company gives more weightage

- First to the job nature of employees,
- Second to the basic needs,
- Third to motivation and
- Finally to the appraisal factor.

TABLE .7

S.No.	Decrease in Dissatisfaction Level	Not at All	Somewhat Ok	Average	Really Good	Total
	Working Years					
1	<1 year	1	3	11	1	16
2	1-2 years	1	3	3	1	8
3	2-3 years	0	2	5	1	8
4	>3 years	5	8	2	3	18
Total		7	16	21	6	50

ANOVA TABLE

Source Of Variation	Sum of Squares	Degrees of Freedom (d.f)	Mean Square (MS)	F-ratio
Treatment between Decrease in Dissatisfaction level	39.25	3	13.08	1.737
Treatment between Years of Experience in the Company	20.75	3	6.916	
Residual or Error	67.75	9	7.527	1.088

Tabulated value for (3,9) d.f at 5% level of Significance is 3.86