

A STUDY ON JOB ATTRITION AMONG EMPLOYEES IN MANUFACTURING INDUSTRIES WITH SPECIAL REFERENCE TO SALEM DISTRICT

S. Sekar*

Abstract *Attrition is the departure of employees from the organization for any reason like resignation, termination, death or retirement. The main aim of this paper is to recognise the reasons, why attrition occurs in manufacturing industries in Salem District, to identify the satisfactory level of employees towards their job and working conditions and to find the ways to reduce the attrition in manufacturing industries in Salem District. In this present study, the sample size of 50 respondents were selected from manufacturing industries like textile mills, cotton mills, steel industries, automobile industries and electrical industries which are situated in Salem District. The result showed that there is a significant Difference (at 0.05 levels) amongst the different categories of experience of the respondents with the attrition factors.*

Keywords *Job Attrition, Motivational Factors, Attrition Factors, Manufacturing Industries*

INTRODUCTION

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. Modern managers and personnel administrators are greatly interested in reducing Attrition in the organization, in such a way that it will contribute to the maximum effectiveness, growth, and progress of the organization. High attrition result to loss on the cost of company spent on recruitment and training. The impact of employee attrition leaves a long term negative impression on goodwill of organization. In simple words, it can said that employee attrition is caused due to non-fulfilment of employee's perception or expectation towards employer or failure of employer's commitment towards employee's satisfaction. The main objectives of this study is to know the reasons, why job attrition occurs, to identify the factors which make employees dissatisfy, to know the satisfactory level of employees towards their

job and working conditions and to find the areas where manufacturing industries in Salem District is lagging behind.

INDUSTRIES IN SALEM DISTRICT

One of the most famous industries of Salem is the textile industries. Salem has Indian Institute of Handloom Technology, which is second of its kind all over the country. Apart from that, the head office of State Department of Sericulture is located in Salem. The town also has many industries like sago, textile, automotive, poultry and steel industries, which provides employment to the citizens of Salem. With its rich resources in various fields and the means of transportation, Salem is an upcoming and fast-growing city in Tamil Nadu and South India. It is just a matter of time, when it catches up with the other cities. Salem district has a greater establishment of Large Scale Industries. Large Scale Industrial Units covers a wide range of product lines grouped into Chemical, Mineral based Industries, Opportunities in the district. There are 57139 registered micro, small and Medium Scale Industrial Units Steel, spinning etc., Major Large Scale Industries in the district are SAIL, Burn and Co., JSW Steels, MALCO, Chemplast Sanmar, Tamil Nadu Magnesite, Sago Serve, etc., providing employment with State Industries department. The district is bestowed with rich wealth of minerals such as Bauxite, Limestone, Quartz, Felspar, Magnasite and Granite.

* Assistant Professor, Department of Business Administration, Government Arts College, Darmapuri, Tamil Nadu, India.
Email: ssekar5175@gmail.com

TYPES OF ATTRITION

Employee attrition is classified into five types, namely: (1) Internal versus External Attrition; (2) Skilled versus Unskilled Employee Attrition; (3) Functional and Dysfunctional Attrition; (4) Voluntary versus Involuntary; and (5) Pull and Push form of Attrition.

Internal Versus External Attrition

Like Recruitment attrition can also be classified into Internal and External attrition. Internal attrition involves employees leaving their current position in the organization and they take up new position inside the organization. This could happen either in positive as well as negative aspect. In the case of Positive aspect of employee attrition it could be because of increase in employee morale, appreciation of employees, etc. The negative aspect of employee attrition would be due to project or relational disruption and lack of expertise in a particular department. Internal attrition can be moderated and controlled by typical HR mechanisms such as Succession Planning. On the other hand, External attrition refers to employees leaving the organization for better terms of employment status or preferring higher salary. External attrition creates more impact to the organization and the employer is more concerned about it.

Skilled Versus Unskilled Employee Attrition

Unskilled positions often have high attrition, and employees can generally be replaced without the organization incurring any loss of performance. The ease of replacing these employees provides little incentive to employers to offer generous employment contracts; conversely, contracts may strongly favor the employer and lead to increased attrition as employees seek, and eventually find, more favorable employment. However, high attrition rates of skilled professionals may pose a risk to the business or organization, due to the human capital lost - skills, training, and knowledge lost. Notably, given the natural specialization of skilled professionals, these employees are likely to be re-employed within the same industry by a competitor. Therefore, attrition of these individuals incurs both replacement costs to the organization, as well as a competitive disadvantage to the business.

Functional and Dysfunctional Attrition

Functional attrition doesn't hurt the company. Employees who elect to leave their jobs might be part-time employees without unique skills, or they're simply not top performers.

The loss of their talents doesn't prevent work from getting done effectively. If they're poor performers, the company can even benefit by replacing them with better performers and improving the quality outcome of the affected jobs. With functional attrition, the benefits gained by replacing outgoing employees exceed the costs incurred. Dysfunctional attrition does hurt the company. The costs exceed any potential benefits. Some employees who are leaving might be top performers whose work has proved to have a direct impact on profitability. Others might have unique skills that are hard to come by, making it difficult – and costly – to recruit and hire replacements. Losing too many minority group members can affect the diversity of a company's workforce. When a company loses too many employees that fit any of these scenarios, the costs associated with replacing them combine with other costs, such as those associated with quality problems and customer complaints.

Voluntary versus Involuntary Attrition

Voluntary attrition or voluntary attrition means employees leave the organization out of their own will. They may tend to leave the job due to various factors such as lack of interest, salary problems and various problems with their peer groups, supervisors etc. Involuntary attrition refers to the employee discharge by the organization and it happens for various reasons such as retirement, unethical behavior, suspension, dismissals, corporate changes etc. There is another form of attrition known as compulsory attrition where the employees leave the organization due to the implementation of government rules and regulations and the impact of those rules on the organization.

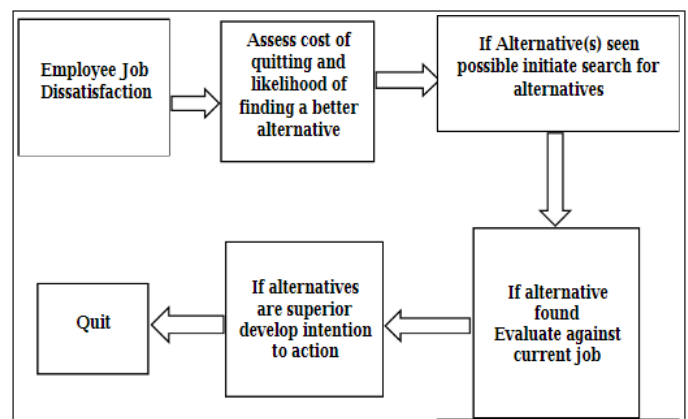


Fig. 1: Traditional Model of Attrition

Pull and Push Form of Attrition

The employee attrition is also interpreted in terms of causes arising from which side – the employee side or the employer

side? When an employee leaves his job/employment in an organization for his own reasons it is labeled as the Drag or Pull form of Attrition – the reasons for leaving drag the employee out of his job and the organization. On the other hand, the attrition is labeled as Drive or Push form of Attrition when the employer takes the initiative to ask the employee to quit the job and the organization. This classification of employee attrition does not make any distinction between the employees – anyone can be affected by the drag or drive factors.

CAUSES OF EMPLOYEE ATTRITION



REVIEW OF LITERATURE

Latha (2010) in her article “A Study on Employee Attrition and Retention in Manufacturing Industries in Nellore District, Andhra Pradesh” suggested that even though the employees are satisfied with their nature of job, it is identified in the study that many employees prefer to change their job due to lack of growth opportunities in their job. So the companies can look for some innovative technologies to decrease their attrition level by providing growth opportunities. The company should also think of recruiting people who are in the vicinity of the industry, so that the family related problems will not lead to attrition.

Brijesh Kish, Goswami, Sushmita Jha (2012), in their article “Attrition Issues and Retention Challenges of Employees” conclude that, Organizations planning for the future should be giving close attention to why attrition is occurring in the present. To ignore why people are leaving the organization is to ignore the organization’s greatest asset - its people. People are needed to accomplish the task but people are more than just tasks they perform. They are dreams, hopes, ambitions, creativity and innovation. To recognize and cultivate these valuable assets is one of the surest ways to build an

organization that leads rather than follows in domestic and global markets. Zahra et al. (2013) have highlighted the significance of commercialization of education which leads to faculty turnover. As the number of Universities are increasing there is a paradigm shift which is increasing the staff turnover because of abundant opportunities. (Vinit et al., 2013) highlighted that factors like appraisal, openness, training, and flexibility act as key influencers for employee turnover. Thus these are the parameters on which an employee thinks before deciding to leave an organization. Saleem and Affandi, (2014) investigated the impact which Human Resources practices have on the employee attrition. Fairness of rewards and growth opportunities were considered to be the key factors influencing the employee’s decision to leave an organization.

Even though there are many studies related to employee attrition, no study have focused on the manufacturing industries in Salem district. Hence, the present study helps to recognise the reasons, why attrition occurs in manufacturing industries in Salem District.

NEED FOR THE STUDY

The success of any manufacturing organization depends largely on the workers, the employees 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 nature of job and organization. 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. The need of this study can be recognized when the result of the related study need suggestions and recommendations to the similar situation.

STATEMENT OF PROBLEM

The aim of the present study 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. This study also helps to find out where the organizations are lagging in retaining.

SCOPE OF THE STUDY

The scope of this study is confined to manufacturing industries, which are located in Salem District, Tamil Nadu. The study is taken the survey with the employees of the Industries. The study throws light through valuable suggestion to decrease attrition level in the organization

OBJECTIVES OF THE STUDY

- To recognise the reasons, why attrition occurs in manufacturing industries in Salem District.
- To identify the satisfactory level of employees towards their job and working conditions.
- To find the ways to reduce the attrition in manufacturing industries in Salem District.

HYPOTHESES

H1: There is a significant relation between educational qualification and attrition factors of the employees.

H2: There is a significant relation between experience and attrition factors of the employees.

H3: There is a significant relation between educational qualification and motivational factors relating to employee retention.

H4: There is a significant relation between experience and motivational factors relating to employee retention.

RESEARCH DESIGN

The survey method used in the present study is sample survey and the research design choice, particularly for small scale enterprises, depends on the kind of problems being studied. Here descriptive research design may suit research topics for small enterprises.

SAMPLE SIZE AND SAMPLING METHOD

The target respondents of the study are the employees of manufacturing industries located industrial parks of Salem District, Tamil Nadu. The total sample size taken for the present study is 50 and the sample method used is convenient sample method. The selected respondents belonged to the manufacturing industries like textile mills, cotton mills, steel industries, automobile industries and

electrical industries. It is important to recognize that these categories of manufacturing industries are the predominant type of small scale enterprises in the Salem District.

DATA COLLECTION

The primary data were collected through questionnaire followed by the discussions with management and employees of manufacturing industries located in the Salem District, Tamil Nadu. The secondary data collected through websites, journals and magazines.

ANALYSIS TECHNIQUE

Statistical tools like Percentage Analysis and ANOVA Test are used to find the result.

LIMITATION OF THE STUDY

Almost 100 employees were interviewed before floating the questionnaire but only 50 of them agreed upon to respond. So the response were from 50 employee only. Moreover the study only focuses on five factors of attrition thus leaving many more.

ANALYSIS AND INTERPRETATION

Employee's Opinion about Salary

A salary is a form of remuneration paid periodically by an employer to an employee, the amount and frequency of which may be specified in an employment contract. The following table shows the employee's opinion about salary in various attributes.

Table 1: Employee's Opinion about Salary

Attributes	Very High	High	Medium	Low	Very Low	Total
My Salary when compared with Competitor company.	14 (28%)	19 (38%)	3 (6%)	10 (20%)	4 (8%)	50 (100%)
Performance Bonus given to me by the company.	9 (18%)	12 (24%)	21 (42%)	5 (10%)	3 (6%)	50 (100%)
Satisfaction level in Salary & Increment.	8 (16%)	7 (14%)	9 (18%)	19 (38%)	7 (14%)	50 (100%)

Source: Primary Data.

Table 1 explains that 38 percent of employees have the opinion that their salary compared with the competitor company as high, 42 percent of employees has an opinion that the performance bonus they getting is medium and 38 percent of employees has an opinion that they have low level of satisfaction with their salary & increment.

Employee’s Opinion about Superior – Subordinate Relationship

In an organization communication occurs between members of different hierarchical positions. Superior-subordinate communication refers to the inter actions between organizational leaders and their subordinates and how they work together to achieve personal and organizational goals. The following table shows the employee’s opinion about superior – subordinate relationship in various attributes.

Table 2: Employee’s Opinion about Superior – Subordinate Relationship

Attributes	Very High	High	Med-ium	Low	Very Low	Total
The encouragement getting from supervisors to work asteam.	14 (28%)	20 (40%)	5 (10%)	7 (14%)	4 (8%)	50 (100%)
The Supervisor’s effort for job Promotion.	8 (16%)	12 (24%)	10 (20%)	17 (34%)	3 (6%)	50 (100%)

Source: Primary Data.

Table 2 leads to conclusion that 40 percent of employees have the opinion that their encouragement from superior is high and 34 percent of employees have an opinion that the superior’s effort to help for job promotion is low.

Employee’s Opinion about Growth Opportunities

An employee’s perception of internal opportunities for growth and development is one of the more important predictors of employee engagement. The following table shows the employee’s opinion about growth opportunities in various attributes.

Table 3: Employee’s Opinion about Growth Opportunities

Attributes	Very High	High	Med-ium	Low	Very Low	Total
Opportunities provided by the company.	20 (40%)	10 (20%)	6 (12%)	9 (18%)	5 (10%)	50 (100%)

Attributes	Very High	High	Med-ium	Low	Very Low	Total
Chances of getting Promotion.	11 (22%)	18 (36%)	9 (18%)	6 (12%)	6 (12%)	50 (100%)

Source: Primary Data.

Table 3 leads to conclude that 40 percent of employees have the opinion that their opportunities provided by the company are very high and 36 percent of employees have an opinion that the chances of promotion are high.

Employee’s Opinion about Facilities

Facilities management is very important whatever type of organization is considered, the management of the pool and sports halls in a leisure center, including changing pool water, making sure that electricity and lighting is regularly maintained etc., the machinery and equipment in a manufacturing plant, the maintenance of the pitch, and stadium for a sports club -including regular checks on floodlights, health and safety equipment etc. The following table shows the employee’s opinion about facilities in various attributes.

Table 4: Employee’s Opinion about Facilities

Attributes	Very High	High	Med-ium	Low	Very Low	Total
Benefit and welfare facilities provided by the company.	12 (24%)	6 (12%)	10 (20%)	17 (34%)	5 (10%)	50 (100%)
Satisfaction getting with the physical working condition.	10 (20%)	19 (38%)	4 (8%)	8 (16%)	9 (18%)	50 (100%)

Source: Primary Data.

Table 4 leads to conclusion that 34 percent of employees have the opinion that the welfare facilities provided to them by the company is low and 38 percent of employees has an opinion that the physical working conditions are high.

Employee’s Opinion about Policies and Procedures

A policy is a principle or rule to guide decisions and achieve rational outcomes. A policy is a statement of intent, and is implemented as a procedure or protocol. Policies are generally adopted by the Board of or senior governance body within an organization whereas procedures or protocols would be developed and adopted by senior executive

officers. The following tables shows the employee's opinion about policies and procedures in various attributes.

Table 5: Employee's Opinion about Policies and Procedures

Attributes	Very High	High	Medium	Low	Very Low	Total
Employee policies and Procedures.	10 (20%)	6 (12%)	22 (44%)	5 (10%)	7 (14%)	50 (100%)
Administration of employee Policies.	9 (18%)	23 (46%)	6 (12%)	4 (8%)	8 (16%)	50 (100%)

Source: Primary Data.

Table 5 explains that 44 percent of employees have the opinion that the employee policies and procedures of the company are medium and 46 percent of employees have an opinion that the administrations of the policies are high.

Employee's Opinion about Recognition

Employee Recognition is the timely, informal or formal acknowledgement of a person's or team's behavior, effort or business result that supports the organization's goals and values, and which has clearly been beyond normal expectations. The following table shows the employee's opinion about recognition in various attributes.

Table 6: Employee's Opinion about Recognition

Attributes	Very High	High	Medium	Low	Very Low	Total
Recognition received abilities, efficiency and good work done.	13 (26%)	9 (18%)	21 (42%)	4 (8%)	3 (6%)	50 (100%)
Cash award/salary increase/promotion getting for outstanding performance.	10 (20%)	7 (14%)	6 (12%)	19 (38%)	8 (16%)	50 (100%)

Source: Primary Data.

Table 6 explains that 42 percent of employees have the opinion that the Recognition received by the company for their abilities, efficiency and good work done are medium and 38 percent of employees has an opinion that the Cash award/salary increase/promotion getting for outstanding performance are low.

Employee's Opinion about Appreciation

Employees expecting that for their hard work and contributions, their need appreciation. And, don't forget to say please often as well. Social niceties do belong at work. A more gracious, polite workplace is appreciated by all. The following table shows the employee's opinion about appreciation in various attributes.

Table 7: Employee's Opinion about Appreciation

Attributes	Very High	High	Medium	Low	Very Low	Total
Appreciation receiving for the good work done.	11 (22%)	7 (14%)	3 (6%)	9 (18%)	20 (40%)	50 (100%)
Encouragement receiving to learn new skills on the job.	8 (16%)	5 (10%)	6 (12%)	17 (34%)	14 (28%)	50 (100%)

Source: Primary Data.

Table 7 explains that 40 percent of employees have the opinion that the Appreciation receiving for the good work done are very low and 34 percent of employees has an opinion that the Encouragement receiving to learn new skills on the job are low.

Educational Qualification Vs Attrition Factor

H1: There is a significant relation between educational qualification and attrition factors of the employees. The following table shows relation between educational qualification and attrition factors.

Table 8: Educational Qualification Vs Attrition Factor

Factors	Mean Square	F Value	Sig.
Salaries	9.124	22.943	.000
Superior – Subordinate Relationship	2.971	31.648	.000
Growth Opportunities	3.954	19.247	.000
Facilities	4.102	26.513	.000
Policies & Procedures	2.184	23.514	.000

Source: Computed from Primary Data.

It was found by ANOVA test that there is a significant difference (at 0.05 levels) amongst the different categories

of educational qualification of the respondents with the attrition factors. So, hypothesis is accepted.

Experience Vs Attrition Factors Relating to Employee Retention

H2: There is a significant relation between experience and attrition factors of the employees. The following table shows relation between experience and attrition factors.

Table 9: Experience Vs Attrition Factors

Factors	Mean Square	F Value	Sig.
Salaries	13.246	4.002	.008
Superior – Subordinate Relationship	4.318	5.167	.001
Growth Opportunities	5.217	6.127	.001
Facilities	6.237	3.275	.012
Policies & Procedures	2.768	9.120	.000

Source: Computed from Primary Data.

It was found by ANOVA test that there is a significant Difference (at 0.05 levels) amongst the different categories of experience of the respondents with the attrition factors. So, hypothesis is accepted.

Educational Qualification Vs Motivational Factors relating to Employee Retention

H3: There is a significant relation between educational qualification and motivational factors relating to employee retention. The following table shows relation between educational qualification and motivational factors relating to employee retention.

Table 10: Educational Qualification Vs Motivational Factors

Factors	Mean Square	F Value	Sig.
Training	2.751	23.154	.000
Recognition	2.364	19.821	.000
Appreciation	1.372	23.340	.000
Suggestions	1.672	17.320	.000
Co-Workers Relationship	1.008	31.957	.000

Sources: Computed from Primary Data.

It was found by ANOVA test that there is a significant Difference (at 0.05 levels) amongst the different categories

of educational qualification of the respondent with the motivational factors relating to employee retention. So, hypothesis is accepted.

Experience Vs Motivational Factors Relating to Employee Retention

H4: There is a significant relation between experience and motivational factors relating to employee retention. The following table shows relation between experience and motivational factors relating to employee retention.

Table 11: Experience Vs Motivational Factors

Factors	Mean Square	F Value	Sig.
Training	2.943	9.327	.000
Recognition	3.612	1.057	.031
Appreciation	2.301	2.364	.027
Suggestions	2.473	2.120	.035
Co-Workers Relationship	2.750	7.329	.000

It was found by ANOVA test that there is a significant Difference (at 0.05 levels) amongst the different categories of experience of the respondent with the motivational factors relating to employee retention. So, hypothesis is accepted.

SUGGESTIONS

- Many employees have suggested improvement in working environment and employee motivation in the survey. So the companies should give attention to the factors which it can improve itself internally.
- Keeping open lines of communication is essential for employee retention.
- Even though the employees are satisfied with their nature of job, it is identified in the study that many employees prefer to change their job due to lack of growth opportunities in their job. So the companies can look for some innovative technologies to decrease their attrition level by providing growth opportunities.
- Employee compensation is absolutely essential in this competitive labor market for companies to offer attractive compensation packages.
- Every workplace has to deal with unpleasant changes occasionally, and the staff looks to leadership for reassurance.
- The companies should conduct regular meetings to know about what exactly employees expect. Organizations should focus on exit interviews.
- The companies 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.

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. From the study it is identified that lack of growth opportunities and salary are the major factors which force employees to change their jobs. This study concludes that to reduce attrition industries should create some opportunities for the growth of their employees within the organization by adopting new Innovative Technologies and Effective training programs. The company should also think of recruiting people who are in the vicinity of the industry, so that the family related problems will not lead to attrition.

REFERENCES

- Michael, A. (2009). *Armstrong's handbook of human resource management practice* (p. 498). London: Kogan Page.
- Cascio, W. F. (1986). *Managing human resources* (p. 54). New York: McGraw-Hill.
- DeNisi, A., & Griffin, R. (2015). *HR3*. Cengage Learning.
- Mobley, W. H. (1982). *Employee turnover: Causes, consequences, and control*. Philippines: Addison-Wesley Publishing.
- Pettman, B. O. (1975). *Labour turnover and retention*. New York: John Wiley & Sons.
- Schervish, P. G. (1983). *The structural determinants of unemployment, vulnerability and power in market relations*. New York: Academic Press.
- Terborg, J. R., & Lee, T. W. (1984). A predictive study of organizational tenure rates. *Academy of Management Journal*, 27, 793-810.
- Arthur, W., Bell, S., Donerspike, D., & Villado, A. (2006). The use of person-organization fit in employment decision making: An assessment of its criterion related validity. *Journal of Applied Psychology*, 91, 786-801.
- Trevor, C. O. (2001). Interactions among actual ease-of-movement determinants and job satisfaction in the prediction of voluntary turnover. *Academy of Management Journal*, 44, 621-638.
- Glebbeck, A. C., & Bax, E. H. (2004). Is high employee turnover really harmful? An empirical test using company records. *Academy of Management Journal*, 47, 277-286.