

## A CRITICAL STUDY ON EMPLOYEE ATTRITION IN PRIVATE ENGINEERING COLLEGES AT KURNOOL

Sushana

Professor & HOD of MBA, ABC University, Amaravati, Andhra Pradesh

### ABSTRACT

Indian companies are facing a fast growth-high opportunity “challenge. Human capital is the epitome of their business growth which makes it imperative for the organizations to deal with this never ceasing problem of Attrition. Whatever be the reason for employees leaving the job, it’s a issue of concern for organizations to retrospect on their HR Strategies and avert turnover and build Brand loyalty for themselves in this competitive market environment. Attrition or employee turnover is a natural reduction in the workforce of an organization for various reasons like retirement, resignation, sickness, death or for reasons that can not be disclosed. Many of the undisclosed factors which can be perceived are, anticipating higher pay, lack of job security, lack of career advancement, non-compatibility with fellow employees, desire for change in search of better opportunities and family reasons. High attrition rates result in escalating recruitment and training costs and lot of time involved in new employee adjustment to the work environment and thereby enhance their morale. The present study aims to look into the reasons for attrition in select private engineering colleges at Kurnool. Needless to say, companies are serious in averting this problem by resorting to solutions ranging from traditional to extraordinary HR Strategies. The study reveals that employees are shifting their jobs mainly for pay related issues followed by job security, better opportunities and congenial working conditions.

**KEYWORDS:** Attrition, HR Strategies, Congenial Work Climate, Job Security

### INTRODUCTION

Employee Attrition is also referred to as employee or labour turnover. It is defined as “a gradual, natural reduction in membership or personnel, as through retirement, resignation or death”. It is also described as “how long employees tend to stay “or the rate of traffic through the revolving door” The most common way of measuring employee attrition is

$$\text{Employee Turnover} = \frac{\text{Total number of leavers over a period}}{\text{Average total number employed over the said period}} \times 100$$

### RESEARCH METHODOLOGY

#### Objectives of the Study

The present study is carried out with the following objectives

- Explore the reasons for Attrition in Private Engineering Colleges.
- Critically examine the reasons influencing attrition of employees.
- HR Strategies to combat attrition.

## Hypotheses

Derived from the above objectives, the hypotheses of the study are stated as follows in null forms for testing of the same:

- **H01:** There is no significant relation between pay and attrition.
- **H02:** There is no significant relation between employee benefits provided with jobs and attrition.
- **H03:** There is no significant relation between quality of supervision and attrition.

## Data Collection

The primary data is collected through direct discussions with teaching and also non teaching staff of colleges and also by distributing questionnaire. The questionnaire had 25 questions and the respondents were asked to rate their response on a 5 point Likerts scale, 1 being the least and 5 being top.

The Secondary data is collected through books, college websites, and journals. Effort has also been made to gather information from doctoral works on this area of Employee Attrition.

## Sampling

The sample chosen for this study is 15 Private Engineering Colleges present in and around Kurnool district. This study includes large and medium colleges (based on annual intake of students) approved by AICTE, New Delhi and Affiliated to Jawaharlal Nehru Technological University, Ananthapuramu.

The sampling method adopted for this study is Non-Probability sampling method in which Judgment sampling and convenient sampling methods are used. Totally questionnaires were distributed to 140 employees (90 male and 50 female employees), 20 to each branch employees of 15 colleges covering all five branches of Engineering (CSE, ECE, EEE, Civil and Mechanical Engineering, MBA and MCA. Of the questionnaires distributed, the researcher could get back only 120 completely filled in questionnaires.

**Table 1: Analysis: Questionnaires Issued, Completed and Returned**

Branch	Issued	Returned	%
CSE	20	18	15
ECE	20	18	15
EEE	20	18	15
Civil	20	18	15
ME	20	15	12
MBA	20	18	15
MCA	20	15	13
<b>Total</b>	<b>140</b>	<b>120</b>	<b>100</b>

The sum of 120 questionnaires representing 85% of issued questionnaires are presented in tables of descriptive statistics and analysed with the help of chi-square statistical tool.

**Table 2: Demographic Factors**

Gender	Male Female	64% 36%	No. of Children	0 1
Age	<25	53%	No of Companies served	3
	25-35	36%		2
	36-45	8%		1
	>45	2%		2
Marital Status	Married	41%		3
	Unmarried	59%		4
Total Experience	1	23%	Present company experience	5
	2	38%		1
	3	27%		2
	4	11%		3
	5	1%		4

The range of questions put to faculty included like their opinion on Rate of turnover is low, if the employees are planning to leave in next academic year, employees are unable to leave immediately, employees know the reasons while leaving, colleges retain the employees if they know the reason. The above table clearly states that many employees are in the age group of below 25, not married and a low experience of 1 year are having more tendency to leave the present college and are in search of new college which assures better pay, better benefits and good quality of supervision at higher level of hierarchy.

Factors considered by the employees for leaving the organization

- Dissatisfaction with pay - 86%
- Lack of recognition at job - 75%
- Dissatisfaction with benefits provided - 67%
- Amicable working conditions - 50%
- Quality of Supervision - 69%
- Self-employment - 22%
- Type of work - 14%
- Conflicts with co-workers - 39%
- No advancement opportunities - 47%
- Health problems - 41%
- Care for family members - 25%
- Transportation problems - 13%
- Vacations/Week off - 15%
- Company's corporate culture - 12%
- Business/product direction - 10%

## Analysis

The analysis clearly states that majority of employees are shifting their jobs because of pay related issues and they feel that they do not receive pay in accordance with their qualifications and experience. If a better opportunity is available, preferably with a better pay, they are ready to quit the present job and organization. Next influential factor for employee turnover is dissatisfaction with the benefits offered with job and followed by lack of recognition at the workplace.

For any employee, job satisfaction is an element which boosts the morale of employee and prevents the rate of attrition. Followed by these factors are quality of supervision and better amicable working conditions. If working conditions are better, output of employees increase and thereby organization success rate increases as the employees would be reluctant to leave.

No better advancement career chances, work affecting the health of employees, conflicts with co-workers are some of the factors that increase employee dissatisfaction and motivate them to leave the organization. The least important criteria for attrition are self-employment, care for family members, transportation problems, nature of work and company's corporate culture are having lesser influence on attrition of employees. This indicates that career advancement is the priority with pay related issues and all other factors are given secondary importance by the employees. No single factor majorly influences attrition rate and it is a combination of effects.

## Data Presentation and Analysis

- **Does Pay Related Issues Affect Attrition in Organizations?**

**Table 3**

Employee Response	Frequency	%
Yes	90	75
No	15	13
Depends on organization pay policy	10	08
Can't say	05	04
<b>Total</b>	<b>120</b>	<b>100</b>

In Table, 90 employees representing 75% are of the opinion the opinion that pay related issues influence employee turnover in the colleges, 15 employees feel pay is no way related, 10 employees express that turnover depends on pay policy in college and a minute 05 employees could not speak out their mind.

- **Do Provisions of Employee Benefits Affect Employee Attrition?**

**Table 4**

Employee Response	Frequency	%
Yes	105	88
No	10	08
Can't say	05	04
<b>Total</b>	<b>120</b>	<b>100</b>

The above data says that 105 employees (88%) in college feel that employee turnover is high when they are not recognized at work and only 10 employees (08%), said no relation to recognition and a minor 05 employees (04%) could not express any relation to recognition and attrition.

- Does Quality of Supervision Influence and Affect Employee Attrition in Colleges?

Table 5

Employee Response	Frequency	%
Yes	108	90
No	05	04
Depends on HOD	07	06
Can't say	0	00
<b>Total</b>	<b>120</b>	<b>100</b>

The above table clearly emphasizes that 108 employees representing 90% of the population strongly relate attrition to quality of supervision at the HOD level and only 07 employees (06%) felt related to HOD and 05 employees said no relation to quality of supervision and attrition levels at colleges.

### Chi-Square Analysis

Chi – square test was used to find the relationship between the factors affecting employee attrition in private engineering colleges. The results are as

- The calculated value of  $\chi^2=169$  is greater than the table value of 2.366 (DF=3) (at 5% level of significant) hence null hypothesis is rejected and it was concluded that the employees leave their present college for pay related issues only.
- The calculated value of  $\chi^2=157$  is greater than the table value of 1.386 (DF=2) (at 5% level of significant) hence null hypothesis is rejected and it was concluded that employees attrition is high if employee is not provided with benefits on job.
- The calculated value of  $\chi^2=275$  is less than the table value of 2.366 (DF=3) (at 5% level of significant) hence null hypothesis is rejected and it is concluded that quality of supervision influences the level of employee attrition in colleges.

### Remedies for Organizations

To reduce attrition and improve employee job satisfaction levels in the organizations, the following strategies may be adopted:

- Create confidence in employees that the organizations care for them and propose all that is necessary so that employees advance in his/her career.
- Provide with regular trainings so that broadens employee experiences and provides scope for development.
- Not just implementing but communicating and providing ample scope for achievement and thereby recognizing and rewarding the employees would be apt.
- Well trained managers and their mettle in order that they can reduce or eliminate the employee conflicts.
- Making the reward system well consistent with organizational goals.

## CONCLUSIONS

Employee Attrition is an issue which every organization should give due concern and consideration in order that they retain employees and who could be influential in bringing stability, growth and foster organization development and thereby help realize organizations vision. If the three prolonged strategies of empowerment at work, professional development and strong bonding is followed, colleges can start seeing results at a faster rate.

## REFERENCES

1. Abassi SM, Hollman KW(2000). "Turnover: THE REAL BOTTOM LINE" Public Personnel Management, 2(3):333-342.
2. Cascio, W.F. (2000a), Costing Human Resources: The financial impact of behavior in organizations (4<sup>th</sup> edition) Cincinnati, OH: Southwestern.
3. Phillips DJ (1990). "The price tag on turnover", Pers, J.pp.58-6.
4. Report by Global Consulting Company, Hay Group.
5. Study by Associated Chambers of Commerce and Industry of India (ASSOCHAM)