



A STUDY ON EMPLOYEES ATTRITION IN PRIVATE ENGINEERING COLLEGE AT AHMEDABAD

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ABSTRACT

One in four employees in the organized sector in India is set to switch jobs, the highest attrition rate globally, according to a Hay Group study (2014). The series of fresh investments planned across sectors could raise demand for talent even as economic conditions remain tepid, raising concerns on employee engagement and retention. 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 Ahmedabad.

KEYWORDS : Attrition, working condition, etc

Introduction

Attrition may refer to the gradual reduction of the size of a workforce by not replacing personnel lost through retirement or resignation. Human resources teams factor attrition rates into their department budgets to account for potential losses in productivity and the costs associated with replacing departing employees. Employee turnover may be understood as the employee leaving the organization or profession voluntarily. It has been observed that voluntary turnover is an interdisciplinary and multidimensional construct. Various studies, over the years, have been conducted and different models have been proposed to explain turnover of employees. Employee attrition is predicted to rise to 26.9% in 2013 with an employee base of Rs 3 crore compared with 26% in 2010 on an employee base of Rs 2.8 crore, according to the study, 'Preparing for Take-Off', conducted in association with the Centre for Economics and Business Research. It covered 700 million employees in 19 countries. Worldwide, attrition is predicted at 21.2% in 2013 on an employee base of Rs 71.6 crore compared with 20.3% in 2010 on an employee base of Rs 64.4 crore. The number of workers expected to take flight will reach Rs 161.7 million in 2014 - a 12.9% increase compared with 2012 - as growth builds and employment opportunities increase, according to the study. Comparatively, turnover was minimal between 2010 and 2012. In the next five years, 49 million employees will leave their employers globally.

traditional and nontraditional students is that nontraditional students are more affected by the external environment than by the social integration variables affecting traditional student attrition.

Nachreiner (2002) argues that local unemployment rates interact with job satisfaction to predict turnover in the market. Role stressors also lead to employees' turnover. Role ambiguity refers to the difference between what people expect of us on the job and what we feel we should do. This causes uncertainty about what our role should be. It can be a result of misunderstanding what is expected, how to meet the expectations, or the employee thinking the job should be different.

Robert A. Baron (2004) the study disclosed that the perception of organizational justice had an influence on work outcomes. A low degree of turnover intention was observed on employees who showed positive feelings towards procedural and distributive justice.

Naruka (2006) argue that employees quit from organization due economic reasons. Using economic model they showed that people quit from organization due to economic reasons and these can be used to predict the labour turnover in the market.

Louis Harris (2005) focuses on new employee attrition and says that new employees often leave the organization because their expectations are not met which results into a violation of their psychological contract resulting into turnover.

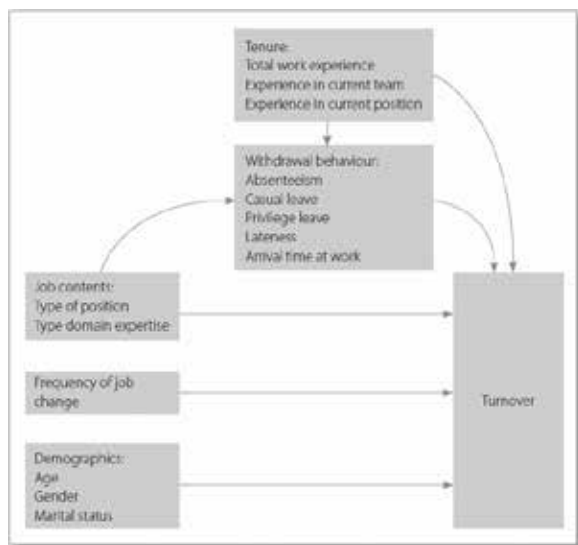
Magner et al. (2007) argues that employees feel comfortable to stay longer, in positions where they are involved in some level of the decision-making process. That is employees should fully understand about issues that affect their working atmosphere.

Ongori (2007) focuses on stress as a cause of attrition; he says that the good workers in organization may tend to leave when they start experiencing signs of occupational stress. This turnover affects the organization adversely in increasing the recruitment and selection costs of the organization

Costly et al. (2008) points out that a high labour turnover may mean poor personnel policies, poor recruitment policies, poor supervisory practices, poor grievance procedures, or lack of motivation. All these factors contribute to high employee turnover in the sense that there is no proper management practices and policies on personnel matters hence employees are not recruited scientifically, promotions of employees are not based on spelled out policies, no grievance procedures in place and thus employees decides to quit.

Price & Muller (2010) observed that job dissatisfaction influenced actual turnover indirectly through its direct effect on turnover intention. The variables that affect job satisfaction are pay, promotion opportunities, immediate supervisor, fringe benefits, contingent rewards, rules and procedures, relation with co-workers, type of work done, and communication within the organization.

Hinkin & Tracey (2009) Estimates of the losses for each employee vary from a few thousand dollars to more than two times the person's



(Source : India Today , March, 2014)

Review of literature

Houkes & Nijhuis (2001), Older, part-time, and commuter students have composed an increasingly larger portion of college student bodies. The reasons why these students drop out of school are not well understood. The purpose of this paper is to describe the rise in nontraditional enrollments, define the nontraditional undergraduate student, and develop a conceptual model of the attrition process for these students. The chief difference between the attrition process of

salary depending on the industry, the content of the job, the availability of replacements and other factors.

Pettman, (2011) The reasons for employee turnover may vary from external environmental factors such as economy that influence the business that in turn affects the employment levels to Organizational variables such as type of industry, occupational category, Organization size, payment, supervisory level, location, selection process, work environment, work assignments, benefits, promotions and the other factors that influence employee turnover in Organizations include the individual work variables like demographic variables, integrative variables like job satisfaction, pay, promotion and working condition and the individual nonworking variables such as family related variables.

Trevor, (2012) Organizations should be mainly concerned about voluntary turnover and not involuntary turnover as it is within their control. Also it is found that employees who perform better and are intelligent enough have more external employment opportunities available compared to average or poor performance employees and thus they are more likely to leave.

Research Methodology

Research methodology defines the systematic and scientific procedures used to arrive at the results and findings for a study against which claims for knowledge are evaluated. A methodology is therefore shaped by the perspective the researcher chooses to approach the study.

Objectives of the study

To identify the cause of Attrition in Private Engineering Colleges.

To Critically examine the reasons influencing attrition of employees.

To come out with suggestion to prevent attrition.

Research design

A research design is a framework or blue print for conducting the research project. It details the procedures necessary for obtaining the information need to structure and/or solve research problems. The research design lays the foundation for conducting the project. The descriptive research design is being used to study the formulated problem.

Hypothesis of the study

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.

Sampling method

The sampling design provides detailed explanation of the target population and the sampling method used for this research. The sampling procedure followed for the selection of the sample is convenience. Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher.

Sample size

Sample size is the number of observations used for calculating estimates of a given population. Large sized sample leads to increased precision in estimates of various properties of the population. Sample size should neither be too small nor too large. It should be optimum size. It should fulfil the requirement of efficiency, representativeness, reliability and flexibility. The final sample consist of 200 respondents

Method of data collection

Both the primary and secondary sources of data were used in this study. Primary data is a type of information that is obtained directly from first-hand sources by means of surveys, observation or experimentation. Secondary data is the data that have been already collected by and readily available from other sources. Primary data was collected through a structured questionnaire. Five-point Likert scale was used in designing the questionnaire. Questionnaire consists of both open and close ended questions. Secondary data was collected from the internet, published reports and books, magazines, and web-sites etc.

Data analysis

Data analysis consist of two parts first is processing of data and second is analysis of data. Processing implies editing, coding, classification and tabulation of collected data so that they are amenable to analysis. The term analysis refers to seeing the data in the light of hypothesis of research questions and drawing conclusion. Qualitative data was descriptively analyzed while quantitative data was analyzed using a statistical package (SPSS) and Microsoft office Excel. Chi square test was used to test the hypothesis. Analytical tools such as pie chart, bar diagram, line chart, cumulative percentage etc were used to analyze the data.

Analysis & Interpretation

Chi-Square Analysis

Chi square (χ^2) test is a measure to evaluate the difference between observed frequencies and expected frequencies to examine whether the difference so obtained is due to a chance factor or due to sampling error. The Chi Square (χ^2) test is undoubtedly the most important and most used member of the nonparametric family of statistical tests. The Chi square test is a non parametric test where no assumption is made about the parameters of population. The Chi square test was first used by Helmer which was later on systematically analyzed by Karl Pearson. Chi Square can be calculated as under:

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

O = the frequencies observed

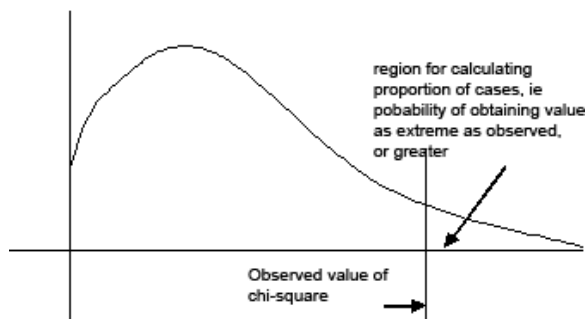
E = the frequencies expected

\sum = the 'sum of'

The results of Chi Square test is as under :

The calculated value of $c^2=169$ 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 $c^2=157$ 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 $c^2 = 275$ 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.

Conclusion

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.

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