



A Study on Employee Attrition at Amara Raja Batteries Ltd., Karakambadi, Tirupati

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ABSTRACT

Employees are the most valuable assets of an organization. It is they who add value to the organization in terms of quantity and quality as well. Therefore, it is indispensable to maintain a permanent and promising workforce; which over the years has become a tough task for employers and thereby increased attrition in the organizations. This research paper is an attempt to find out the causes of attrition from different dimensions. Present study also suggested various retention strategies which could be helpful to retain employees of Amara Raja Batteries Ltd., Tirupati.

KEYWORDS : Employee attrition, retention strategies

INTRODUCTION:

Attrition mean "a reduction in the number of employees through retirement, resignation or death" employees would love their jobs, like their coworkers, work hard for their employers, get paid well for their work, have ample chances for advancement, and flexible schedules so they could attend to personal or family needs when necessary. And never leave, Attrition levels vary very considerably from industry to industry. The highest levels of turnover are found in private sector organizations

Attrition levels also vary from region to region. The highest rates are found where unemployment is lowest and where it is unproblematic for people to secure desirable alternative employment.

Calculating company's employee attrition rate allows to determine the percentage of employees that left your business over a specified period of time, usually one year. Attrition includes all employees who leave the company, whether the leaving was voluntarily and involuntarily. An employee who chooses to leave a company for another job is an example of voluntary employee attrition. On the other hand, an employee fired by the company is an example of involuntary attrition.

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.

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".

ATTRITION RATE:

An attrition rate, also known as a churn rate, can be a measure of two things. It can be a measure of how many customers leave over a certain period of time or how many employees leave over a certain period of time. An attrition rate can also be a combination of these two factors.

An attrition rate is typically used in connection with a subscription service. Whether it is a magazine, cell phone or Internet provider, all depend on stable relationships with current customers in order to protect and grow the bottom line. However, the term can be applied to other types of companies as well.

An attrition rate is a good way to measure growth for subscription services. If the growth rate is more than the attrition rate, then the company has a net increase in growth. The opposite, of course, is also true and a negative rate of growth could signal some type of change

is needed.

ATTRITION RATE FORMULA

$$\text{Attrition rate} = \frac{\left(\frac{\text{(No. Of attritions x 100)}}{\text{(Actual Employees + New Joined)}} \right)}{100}$$

LITERATURE REVIEW:-

Meaghan et al(2002) draws attention on controlling attrition, he states that the value of employees to an organization is a very crucial element in the success of the organization. He further states that this value is intangible and cannot easily be replicated, therefore, the managers should control attrition.

Mobley (1977) suggests a measure to predict attrition, he says that tenure of an employee is one of the best measures that can be used to predict turnover.

Firth et al (2007) tries to find out the causes of attrition, he says that there are a range of factors that lead to job related stress, lack of commitment towards the organization and job dissatisfaction which cause employees to quit.

Griffeth et al. (2000) concludes that pay and pay-related variables have a significant effect on employee turnover.

Hom & Griffeth (1995) state that several investigations in the past have revealed that organizational commitment and job satisfaction are crucial factors that influence turnover intention.

Wanous (1992) 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.

WHY DO EMPLOYEES LEAVE ORGANISATIONS

Employees resign for many different reasons. Sometimes it is the attraction of a new job or the prospect of a period outside the workforce which 'pulls' them; on other occasions they are 'pushed' due to dissatisfaction in their present jobs to seek alternative employment. Every company normally faces one common problem of high employee turnout ratio. People are leaving the company for better pay, better profile.

Sometimes it is mixtures of both pull and push factors. For a fourth group reasons for leaving are entirely explained by domestic circumstances outside the control of any employer, as is the case when someone relocates with their spouse or partner.

Recent research strongly suggests that push factors are a great deal more significant in most resignations than most managers appreciate. It is relatively rare for people to leave jobs in which they are happy, even when offered higher pay elsewhere. Most staff has a preference for stability.

It is important to appreciate that the reasons people give for their resignations are frequently untrue or only partially true. The use of exit interviews is widespread yet they are notoriously unreliable, particularly when conducted by someone who may later be asked to write a reference for the departing employee.

"People leave managers not companies," write the authors Marcus Buckingham and Curt Coffman. "So much money has been thrown at the challenge of keeping good people - in the form of better pay, better perks and better training - when, in the end, turnover is mostly manager issue." If you have a turnover problem, look first to your managers. Are they driving people away?

Kinds of Attrition

Voluntary attrition- Voluntary attrition takes place when the employee leave the organization by their own will. Pull factors like higher emoluments elsewhere, better opportunities of growth and promotion etc are responsible for this kind of attrition.

Involuntary attrition- Involuntary attrition takes place when the employees leave the organizations due to some negative forces or push factors like faulty promotion policy, biased performance appraisal etc.

Compulsory attrition- It takes place due to the rules and regulations of the government and that of the organization as well. It includes attrition taking place due to attaining the age of retirement, completion of tenure etc.

Natural attrition- It takes place due to the causes and factors that are beyond the control of the individual and organization as well. These factors may include end of life, insanity etc.

OBJECTIVES OF THE STUDY

- To study attrition at AMARA RAJA BATTERIES LIMITED., TIRUPATI
- To analyze and study the reasons as well as impact of attrition at AMARA RAJA BATTERIES LIMITED., TIRUPATI
- To bring out appropriate retention strategies that can be applied at AMARA RAJA BATTERIES LIMITED., TIRUPATI

RESEARCH METHODOLOGY:

Primary data : Questionnaires and personal interview

Secondary data : Through Company web sites, Hand books etc.,

RESEARCH DESIGN:

Research type : Descriptive

Sample size : 1000

Sample unit : Amara Raja Batteries Ltd., chittoor

Sample technique : Convenience

SCOPE OF THE STUDY : Present study can help the organization to find out the reasons why the employees leave ARPSL and further be expanded to find out the employee retention strategies. It provides platform for measuring Expectations of the current employees and can attain desired results.

FINDINGS OF THE STUDY: Attrition mean "a reduction in the number of employees through retirement, resignation or death" employees would love their jobs, like their coworkers, work hard for their employers, get paid well for their work, have ample chances for advancement, and flexible schedules so they could attend to personal or family needs when necessary. And never leave, Attrition levels vary very considerably from industry to industry. The highest levels of turnover are found in private sector organizations. The current situation of ARBL various reason reveals why employees leave their job most of the employee at ARBL left due to dissatisfaction in salary package and personal reason such as marriage, health and family situation.

- Employee feels salary package and incentives are main cause of job attritions
- Employee feels Target pressure, Monotonous job and Work stress are main cause of job related problems for job attrition.
- Employee feels recognition and job parity are main cause of HR related problem for job attrition
- Employees are very much aware of policy standards of the company.
- Most of the employees are agreed that the staff meetings are being conducting regularly.

SUGGESTIONS:

- The company can reduce disparities while setting salary to the employees
- The company can give consideration to outstation employees either by providing free accommodation and food or for less fee
- Frequent feedback from employees could be obtained and grievances based on genuinely could be handled
- Salaries could be revised and then based on experience performance and skill is would increase their commitment towards their job

CONCLUSION

The organization found moderate levels of attrition being a service sector with growing opportunity and trends. Employees were satisfied with the related trainings provided. Benefits at various levels were provided based on performance, skill and contribution to the organization ARBL can make considerable improvement in term of salary package, benefits and motivation program, regular meetings then strategy will help to increase employee commitment and reduce attrition in ARBL.

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