



A STUDY ON STRATEGIES FOR RETAINING EMPLOYEES IN MANUFACTURING INDUSTRY IN COIMBATORE

KEYWORDS

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1. INTRODUCTION

The success of the organization depends largely on the quality and quantity of its human resource. For the successful functioning of the organization, acquisition and retention of the cream talents is highly required especially in people intense industries like IT, manufacturing and banking sectors. Retaining the best employees is a very big challenge that every sector faces today. Job satisfaction, culture, organizational support. A booming economy will also give rise to new job opportunities that in turn becomes a challenge to the industries in retaining good talent.

Thus it becomes very important to study the various factors that help in retaining an employee. The HR needs to understand these factors and a timely intervention in understanding the same will help in retaining the best of the talent in an organization. Over a period of time, Every worker carries with him three kinds of experiences – Company experience, Industry experience and personal life experience. Every worker in the organization quits for a specific reason and understanding these reasons very important.

The loyalty of an employee to an organization can also depend on other factors such as belonging to the same city, living with joint family, proximity to schools / current education system of his or her kids. These factors make an employee stick to an organization even if he or she is dissatisfied with the job. The expectations of an employee from an organization various and thus the output quality also differs. For betterment of the organization and the employee it is important to understand and to understand the same, the major factors have been divided into three – Organizational culture, career planning incentive and organizational support.

2. REVIEW OF LITERATURE:

Eleanor Hunt (2014) Human resource managers working for multinational companies here and abroad face common issues that cross country borders. The most pressing concern are hiring, engaging and retaining the right talent. In its 2013 workplace forecast survey, the society for human resource management cites a shortfall of skilled workers and global competitiveness for talent as top trends for 2013 and beyond. The challenge is how to create that rational and emotional connection with the employees so that they fall in love with the company and give their 120 %.

Victor O'Leary, Strayer University (2014) American business faces the challenge of replacing 70 million experienced and talented workers over the coming decades as a baby boomer generation retires. This study also tested the predictive power of job security, compensation and opportunity on retention rates. Suggestion – To remain competitive, executive management must develop stable, long term talent management strategies to attract, hire, develop and retain talent. Methodology was to identify a causative relationship between an independent variable (talent management) and a dependable variable (employee retention). Survey questionnaire was used to

evaluate the talent management and retention as well as to analyze how retention in the organization has changed since those organization implemented talent management programs. Two main purpose of this questionnaire were recognized to be : to draw accurate information from the respondents, to provide a standard format with in which facts, comments and attitudes can be recorded. Instrumentation – survey questionnaire were used to evaluate the talent management and retention as well as to analyze how retention has changed. Open ended questions are asked to obtain unprompted opinions which are categorized as qualitative data. Procedure – Data was collected online by posting questionnaire online.

Castellano, Stephanie (Nov 2013) population shifts mean that attrition is a constant threat for companies worldwide. A study by achieve global. A business skill training firm found a high percentage of employees worldwide found that retention issue affects organizations differently from one geographic region to the next which surveyed 738 managers worldwide. In west baby boomers are retiring in droves. In Europe vacancies are multiplying due to low birth and migration rates, resulting in a deficit of younger worker. In China the one child policy also led to an employee deficit, its aging workforce is stretched even tighter over its expanding market. Managers worldwide agreed on the three top causes of attrition, insufficient compensation and benefits, Lack of growth and development opportunities. Lack of recognition for achievements by management and adding a forth strategy ensuring a healthy work life balance and providing development opportunities for key employees and incentives which will strengthen employee loyalty.

Saravana Praveen Kumar.P Dr. M. Dhamodaran (2013) : Employees attitude and behavior reflects their perception and expectations, reciprocating the treatment that they receive from the organization. the present study aims at developing insight on how employee retention is relevant in present business context. Primary data was collected by the research with the help of structured questionnaire administered to the middle level employee in two leading BPO companies in Chennai. 212 middle level employees from those organization constitute the same sample size. Simple random sampling using lottery method was adopted to select the respondents for this study using SPSS the following test were administered. 1) Multiple regression and 2) Factor Analysis. The major dimensions (Organisational fit, Remuneration and recognition, Career development, challenging opportunities, leadership, team relationship, Organisational policies, communication, Working environment, organisational commitment are taken to measure their influence in employee retention. In this study it is found that most of the employees in the BPO companies are retained due to the following factors such as challenging assignment, Remuneration. A recognition and opportunities to learn new things, infrastructure, potential talent and the prospective roles. If organization is going to practice these factors, the employee retention is possible. In the long run it will fetch a good result for the organization.

3. STATEMENT OF THE PROBLEM :

In a growing economy, an industry requires best of the Human resources to help them achieve their goals. However there is a constant struggle to retain the best talents. This study aims at understanding the factors that help organizations to retain the best of their employees.

4. RESEARCH OBJECTIVES

1. To understand the HR factor within an organization that helps an employee to stay in an organization for a longer period.
2. To analyze if demographic factors influence the retention of employees in an organization.

5. HYPOTHESES OF THE STUDY

1. There is significant correlation between age and job security, promotion opportunities.
2. There is significant correlation between age and welfare, entertainment environment.
3. There is no significant correlation between age and job security, promotion opportunities.
4. There is no significant correlation between age and welfare, entertainment environment.

6. METHODOLOGY

The present study aims at developing insight on how employee retention is relevant in the present business context. Primary data was collected with the help of structured questionnaire administered to the staff in three leading manufacturing companies in Coimbatore. 100 respondents from each company constitute the sample size. Simple random sampling was used for the study. Simple percentage, cross table percentage analysis and correlation is used to analyze the data.

7. RESULTS AND DISCUSSION :

Table No. 1 : Reasons for quitting the previous organization

Reasons	Frequency	Percent
Personal	41	13.7
Career growth	58	19.3
Relocation	50	16.7
Monetary benefits	10	3.3
Not willing to answer	11	3.7
First job	121	40.3
Job dissatisfaction	9	3.0
Total	300	100.0

More percentage of respondents were Fresher's and were in there first job (40.3%),13.7% of the employees have stated personal reason for quitting the previous job, 19.3% quit for their career growth, relocation has forced 16.7% of the respondents to quit there job, 3.3% have opted monetary benefits as the reason for quitting and a mere 3% job dissatisfaction.

Table No. 2 : Native place

Native Place	Frequency	Percent
Around Coimbatore	211	70.3
Other part of Tamil Nadu	83	27.7
Other states	6	2.0
Total	300	100.0

Getting a job in their native and living in an environment familiar to them and having their loved ones near them motivates an employee to perform better in an organization and keeping this in mind a survey was conducted and it was found that 70.3% belonged to Coimbatore and 27.7% were from other parts of Tamil Nadu, with just 2% of the respondents from other part of India and it was also noted that majority of them lived in joined family (80.3%) and the rest were from nuclear family (19.7%).

Table No. 3: Type of Family

Family Type	Frequency	Percent
Joint	241	80.3
Nuclear	59	19.7
Total	300	100.0

Table No. 4 : Factors Influencing to Stay in the company with regard to organisational culture

Name of the company	Stay in the present organisation for a long time-organisational culture			Total
	1 st choice	2 nd choice	3 rd choice	
A	28	44	28	100
B	15	55	30	100
C	22	32	46	100
Total	65	131	104	300

Out of the 300 respondents 65 respondents have opted organisational culture as there first choice to stay in an organization for a longer time, 131 respondents have opted it as their second choice and 104 have opted organisational culture as their third choice.

Table No. 5 : Factors Influencing to Stay in the company with regard to Career Planning & Incentives

Name of the company	Stay in the present organisation for a long time-career planning & incentive			Total
	1 st choice	2 nd choice	3 rd choice	
A	33	19	48	100
B	55	12	33	100
C	48	30	22	100
Total	136	61	103	300

Out of the 300 respondents 136 respondents has opted career planning and incentive as there first choice and 61 respondents have opted it as there second choice and 103 respondents have opted career planning and incentive as there third choice to be the organization for a long time.

Table No. 6 : Factors Influencing to Stay in the company with regard to organisational support

Name of the company	Stay in the present organisation for a long time- organisational support			Total
	1 st choice	2 nd choice	3 rd choice	
A	39	38	23	100
B	31	33	36	100
C	30	38	32	100
Total	100	109	91	300

Out of the 300 respondents expect organisational support and opt it as there first choice, 109 opt it as there second choice and 91 of the respondents opt organisational support as there third choice for staying in an organization for a longer period of time.

Table No. 7 Age and Satisfaction towards Employee Retention Strategy Available in Organisation-Promotion Opportunities

Age of the respondent	Satisfaction Level					Total
	Highly dissatisfied	Dissatisfied	Neither satisfied nor dissatisfied	Satisfied	Highly satisfied	
15 - 25	0	2	32	11	6	51
26 - 35	0	1	40	39	14	94
36 - 45	1	0	29	49	19	98
46 - 55	0	2	23	15	13	53
56 and above	0	0	1	1	2	4
Total	1	5	125	115	54	300

Table No. 8 Correlation Analysis

	Value	Asymptotic Standardized Error ^a	Approximate T ^b	Approximate Significance
Pearson's R	.161	.060	2.811	.005 ^c
Spearman Correlation	.165	.060	2.892	.004 ^c
N of Valid Cases	300			

The correlation between promotional opportunities and the age was also taken into account with the same number of respondents and it was found that only one person was highly dissatisfied and 5 people were dissatisfied with the promotion opportunities, majority of the respondents were neither satisfied nor dissatisfied (125). 115 of the respondents were satisfied and 54 respondents were highly satisfied with the promotion opportunity provided by the organization.

Table No. 9 Age and Satisfaction towards Employee retention strategy available in your organisation- Welfare Environment

Age of the respondent	Satisfaction Level					Total
	Highly dissatisfied	Dissatisfied	Neither satisfied nor dissatisfied	Satisfied	Highly satisfied	
15 - 25	0	0	23	20	8	51
26 - 35	0	2	34	45	13	94
36 - 45	1	2	26	50	19	98
46 - 55	2	6	14	25	6	53
56 and above	0	0	2	2	0	4
Total	3	10	99	142	46	300

Table No. 10 Correlation Analysis

	Value	Asymptotic Standardized Error ^a	Approximate T ^b	Approximate Significance
Pearson's R	-.049	.059	-.854	.394c
Spearman Correlation	-.001	.059	-.019	.985c
N of Valid Cases	300			

When the correlation between employee age and welfare was analyzed it was found that 3 of the respondents were highly dissatisfied, 10 respondents were dissatisfied, 99 of the respondents were neither satisfied nor dissatisfied, 142 majority of the respondents were satisfied with the welfare opportunity provided and 46 of the 300 respondents were highly satisfied with the welfare.

Table No. 11 Age and Satisfaction towards Employee retention strategy available in your organisation- Entertainment Facilities

Age of the respondent	Satisfaction Level					Total
	Highly dissatisfied	Dissatisfied	Neither satisfied nor dissatisfied	Satisfied	Highly satisfied	
15 - 25	0	1	17	23	10	51
26 - 35	0	2	39	38	15	94
36 - 45	0	3	24	56	15	98
46 - 55	1	1	21	18	12	53
56 and above	0	0	0	4	0	4
Total	1	7	101	139	52	300

Table No. 12 Correlation Analysis

	Value	Asymptotic Standardized Error ^a	Approximate T ^b	Approximate Significance
Pearson's R	.010	.059	.171	.864c
Spearman Correlation	.025	.059	.438	.662c
N of Valid Cases	300			

When the correlation between employee age and entertainment environment was analyzed it was found that 1 of the respondents were highly dissatisfied, 7 respondents were dissatisfied, 101 of the respondents were neither satisfied nor dissatisfied, 139 majority of the respondents were satisfied with the welfare opportunity provided and 52 of the 300 respondents were highly satisfied with the entertainment environment.

8. CONCLUSION

Identifying the important HR strategy for employee retention in an organization is becoming a major challenge for an hr manager and in this study it was analyzed that there is significant correlation between age and job security & promotion opportunity and there is no significant correlation between welfare & entertainment environment and the age of the respondent

9. References:

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