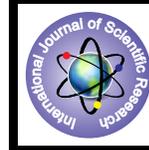


The Problem of Job Attrition : An HRD Challenge



Management

KEYWORDS :

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ABSTRACT

HRD has been an important area for investigation as Human Resource Development is directly linked with the progress of the nation. Of lately Attrition has become number one challenge for HRD. This paper tries to delve and investigate the reasons for Attrition and how can the talent be retained. To understand it is a HRD challenge which can be understood by a case study at Modi Xerox. Finally Innovation in any HR practice comes through two methods one you see what is happening in your neighbourhood and you want to adopt the same policy and secondly sometimes the organizations evolve themselves. So therefore the final ROI is not the money; but it is the kind of legacy you are creating.

Human Resources are the back bone of any organisation. A high motivated and enlightened workforce is the heart of any organisation. They are the repository of knowledge as they provide competitive advantage to any organisation. If human resources are in a bad shape than one can only think of an organisation without soul.

Attrition if defined in its real team means "A reduction in the number of employees through retirement, resignation or death".

Attrition rate "Is the rate of shrinkage in size or number". It is also known as 'Churn rate'.

In recent times attrition rate across the globe has zoomed from all sectors testimony to this fact has been from top-notch companies ranging from IT giants like TCS, Wipro, Infosys, Satyam to BPO sector struggling for breathing space.

An survey was conducted by ASSOCHAM which says 'Growing Companies face higher attrition rate exceeding 20%, with the services sector facing the maximum burnt'.

The survey further commented that immediate gains in salary packages was found to be responsible for the job change in 61% of the cases. Women employees were more stable than male employees. For every 10 males changing jobs, there was only two females crossing over.

in the college of Business at Florida State University)

"Employees don't leave their jobs or Co., they leave their manager".

However, it is interesting to note that an online manager services solution allows a manager to constantly counsel employees, manage their career growth and aspiration to reach their achievements.

3. Compensation & Job profile : 53.82% people were dissatisfied by the pay structure and the compensation packages given to them. The responsibility for compensation policy and enriching the job profile was on the senior management.

A public poll was conducted at cite HR to find the opinion of the HR community on the reasons for attrition.

The poll was titled "who will be held responsible for attrition"?

Options were :-

Employee

Supervisor or like Manager

Compensation and job profile

Poll results

'Who is responsible for attrition'?

Reasons for exit	% of respondents
Employee	08.03%
Supervisor or Like Manager	38.15%
Compensation & Job Profile	53.82%

Having a quick look at the attrition levels of the country's around the globe.

US	29%
Australia	24%
India	18%
Global average	24%

Source - Times, New York

After going through facts one series to ponder on the question as to why the problem of attrition arises or occurs. The factors if explored can be innumerable in quantity and qualitative in its nature. There have been innumerable reasons for attrition because employees leaving this organization is very costly and the replacements are not easy to come by.

According to Greg Weiss, HR Consultancy and Principal of Human Management in extensive interviews with HR directors of 30 Co.'s found that most Co.'s have little real understanding of why employees leave.

Article on www.zdnet.com

In a study conducted by Zinnor Management consulting firm, multi-national R/D centers in India will continue to witness attrition during the first and second quarter of 2010. This is expected to level out during the second half of the year. For the 1st quarter of 2010, average attrition rate was 4.7%. This is an increase of 1 percent over the previous quarter and 0.5% increase over the same quarter last year.

Bengaluru witnessed lower attrition rate of 3.1% as compared to city Pune attrition level was high and stored at 5.6%. Companies with over 1,000 employees witnessed attrition rate at 8% than smaller companies which retained the employees and had attrition rate at 4%.

Praveen Bhadede, Engagement Manager, Zinnor Management consulting firm -

Author - Fourth Dimension, Thursday (3rd, 2010)

The formula for calculating the attrition rate is here as follows :-

No. of attritions x 100 / Actual employees + New/100 Joined

Examples :-

Actual employees No. of people left No. of Joined Total employees
 Opening Balance : 150
 Attrition : 20
 Current head count : 155, 25
 So according to the formula : $(20 \times 100) / (150 + 25) / 100$ which comes to 0.1142 i.e. 11%
 Now we had 150 previously and new 25 joined so : it makes $150 + 25 = 175$
 Now if you calculate 11.42% of 175 i.e. $175 \times 0.1142 = 20$ which clearly shows that $175 - 20 = 155$

So : my attrition is 11.42% that means you lost 20 employees of 150 and 25 joined which makes count to 175.

In fact all organisations across the globe are using this universal formula to calculate the attrition rate.

An interesting gesture has been made by Exmp & track goal setting and tracking module "which allows to achieve this effectively and the appraisal module automatically captures achievements to allow a transparent system of rewards based on performance.

The Indian FMCG sector demonstrated a steady rise in the attrition rate over the past three years. The attrition rate was 9.8% in 2004 iin moved up to 10.8% in 2005. In 2006 the attrition rate became 17%. The major companies in FMCG sector are Asian Paints

HRD CHALLENGES

Human Resources D as a field of study has evolved recently. Developments in its essence in the meaning of physical, menial and cultural expansion of the individual as well as of the organisation. HRD means optimum utilization of resources. It includes utilization of intellectual, technological grafting and cultivating creative minds.

HRD is basically done to enhance the quality of life. HRD planning has an importance fail their swill composition of its human resources.

The main factors or rather groups influencing productivity are :

- (1) Quantity and quality of capital equipment.
- (2) Use of available capacities
- (3) The snills of the workers
- (4) Natural factors. HRD is on cross roads, caught between the vortex of deep varied traditions and ever emerging organizational compulsions.

HRD climate is essentially an integrated part of an organisational climate and is characterised by the presence of values of openness, confrontation, trust, authenticity, proactively, autonomy and collaboration.

In fact to improve the working and standards HRD practices in the department were given a revamp in Indian railways. In public sector becomes the focus of HRD effort was to develop veestating and to ensure flowering of potential individuals as unnorators. Banns

1.4 HRD Challenges

HRD role in various organizations

From part one decade the need and the impetus for HRD has been felt since a long time in various organizations. The reason being the social change in the making of the society. Social values in an society have undergone a sea change. The ratio between skilled and unskilled labourers have changed.

Some case studies have been taken up from various organisations in which the role of "HRD" in various facts have been explored.

HRD in Modi Xerox

Modi Xerox was incorporated in September 1983 as an office automation company. The company existed as graphics India which was authorised agent for Rank Xerox for photo copiers of India.

Modi Xerox and Rank Xerox in U.K. had a collaboration each holding an equity of 40%. 20% was held by public. At present Modi Xerox holds 41.6% of market share. It has two products in like i.e. Laser Printer and Fax machines.

The organisation is divided into 3 segments.

Manufacturing and Technical operations (MTO)

Business Operations and

Corporate Office under the control of Chairman & President.

Performance Appraisal (Responses) (%)

S.No.	Variables True	Seldom True	Partially True	Always True	No Response
1.	Appraisal discussed gives confident that appraisal is Fair & unbiased	7.5	13.98	77.42	1.08
	A tool for satisfaction	16.13	17.30	65.59	1.08
	Subjective depends on appraiser Useful in identifying development needs	48.39	21.51	26.88	3.22
2.	In case the performance of an individual Exposed to refresher courses	10.75	21.51	66.67	1.08
	Asked to leave the organization	38.71	26.88	26.88	7.53
	Counseled by the superior	50.54	31.18	12.90	5.38
		11.83	29.03	53.76	5.38

(Source) - Successful applications of HRD

(Case Studies) on

The system provides freedom and scope for expressing disagreement by the appraisal on any aspect.

At Modi Xerox appraisals are delinked from appraisals focusing on development. Performance appraisals formats are sent to personnel department, in which training needs are identified and action is taken there of performance appraisals are generating positive regards and its effectiveness by all levels respondents.

68.82% employees were of the opinion the performance appraisals are done for the generation of improving relationships with immediate superiors.

If there is unsatisfactory performance counseling by superiors (53.76%) was the medium for further development.

Suggestion & Conclusion :

In the age of social media reputation today flows seamlessly. If an organisation is branded as anything, but progressive and cool, Gen Y will shun it. So for the growth and retaining talent in today's time five critical factors have to be taken in consideration like.¹

1. Competitive Salaries & Rewards
2. Recognition Programmes
3. Challenging work environment
4. Work hour flexibility

Thus studying and going through the above scenario on attrition as a HRD challenge one can say that attrition rates are soaring high and high, and retention strategies have to be devised for further non escalating rates as Attrition since decades has become no.1 challenge for all type of Corporates for future. I hope my small piece of venture into 'Job Attrition as a HRD Challenge' will help into rope in some kind of suggestions to improve the conditions.

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