AN EMPIRICAL STUDY OF EMPLOYEE ATTRITION IN SELECT PROFESSIONAL INSTITUTES OF LUCKNOW

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ABSTRACT

Employee attrition is referred to the turnover or loss of the employees through a number of situations, such as- resignation and retirement. Each industry has its own standards for acceptable attrition rates, and these rates can also differ between skilled and unskilled positions. If we want to create future leader for industry who brings change in the traditional HR policies of organization then we must look towards the institutions nurture them. Innovative leaders can't be nurtured, if the institution does not provide ample opportunities for development and career advancement to their employees, HRM policies of any institutions can be better judged by evaluating its attrition rate. The study is a fair trial to examine and find the relevant factors affecting the level of job satisfaction among employees specially in the educational sector i.e., engineering and management education .The target sample are the faculty members working in the various management and engineering colleges of Lucknow and affiliated to Dr. A.P.J. Abdul Kalam Technical University, Lucknow (AKTU).This study focuses on different reasons and their effects on institutions and also the education system. With analyzing the data and result, the purpose of this study is to make suggestions so as to improve the level of job satisfaction and resolve the attrition rate problem of the employees.

KEYWORDS: Employee attrition, Attrition rate, Job Satisfaction, Employee Turnover, HR policies, Innovative leaders, etc.

INTRODUCTION

Employee attrition is the ratio of comparison of the number of employees a company must replace in a given time period to the average number of total employees. A huge concern to most of the organizations companies, employee attrition is a costly affair especially in lower paying job roles, for which the employee turnover rate is highest. Many factors play a role in the employee attrition rate of any organization. Few are salary, company benefits, employee satisfaction, job performance etc. that play a significant role in employee turnover. Employee attrition has been one of the main issues of concern for the H.R people in Institutions. The task of any manager is to select the talented and suitable employee for an organization and also to retain that talented workforce for a long tenure. In some cases, organizations used to try to make optimum effort to make their employee happy at workplace, so that the employee works effectively and efficiently for them but still the employees leave those organizations and switches to the others.

Attrition Rate

The rate of shrinkage in size or number of employees is known as Attrition rate. It is usually expressed in percentage.

Attrition Rate can be calculated as:

$$\frac{\text{Number of separations during the period}}{\text{Average number of employees during the period}} * 100$$

Where, Average number of Employees during the period =
Number of employees at the beginning of the period + Number of employees at the end of a period

Reasons For Faculty Attrition

1. **The economy** - In exit interviews one of the most common reasons given for leaving is the availability of higher paying jobs. Some minimum wage workers report leaving one job for another that pays only 50 cents an hour more. Obviously, in a better economy the availability of alternative jobs plays a role in turnover, but this tends to be overstated in exit interviews.

2. **The lack of admission in the Institution** - An institution perceived to be in economic difficulty will always be it situation of layoffs. Workers believe that it is rational to seek other employment.

3. **The organizational culture** - Much have been written about organizational culture. It is sufficient to note here that the reward system, the strength of leadership, the ability of the organizations to elicit a sense of commitment on the part of workers, and its development of a sense of shared goals, among other factors, will influence such indices of job satisfaction as turnover intentions and turnover rate.

4. **The characteristics of the job** - some jobs are intrinsically more attractive than others. A job's attractiveness will be affected by many characteristics, including its repetitiveness, challenge, danger, perceived importance, and capacity to elicit a sense of accomplishment. A job's status is also important, as are many other factors.

5. **Unrealistic expectations** - Another factor is the unrealistic expectations and general lack of knowledge that many job applicants has about the job at the time that they receive an offer. When these unrealistic expectations are not realized, the worker becomes disillusioned and decides to quit.

6. **Demographics** - Empirical studies have demonstrated that turnover is associated in particular situations with demographic and biographical characteristics of workers. But to use lifestyle factors (e.g., smoking) or past employment history (e.g., many job changes) as an explicit basis for screening applicants, it is important for legality and fairness to job applicants to verify such bio data empirically.

7. **The person** - In addition to the factors listed above, there are also factors specific to the individual that can influence turnover rates. These include both personal and trait-based factors. Personal factors include things such as changes in family situation, a desire to learn a new skill or trade, or an unsolicited job offer. In addition to these personal factors, there are also trait-based or personality features that are associated with turnover. These traits are some of the same characteristics that predict job performance and counterproductive behaviors such as loafing, absenteeism, theft, substance abuse on the job, and sabotage of employer's equipment or production. These traits can be measured and used in employee screening to identify individuals showing lower probability of turnover.

8. **Other Reasons are:**

   i. Time schedule of work
   ii. Salary package.
   iii. Growth and development of Employee's career.
   iv. Improper HR practices.
   v. Compensation
   vi. Gap between employee expectation and job role.
   vii. Relation between Peer group.
   viii. Communication and co-ordination between immediate boss, seniors and employees.

LITERATURE REVIEW

Werbel & Bedeian, (1989) found that the new employees often bring positive input into the company if the turnover is handled correctly. (Gordon Bowden, 1952) introduces what he calls a simple solution to the turnover problem, that being to pay employees more than the competition. An Adequate orientation and training program is necessary in order to well- equip personnel with the proper knowledge and skills necessary to do accomplish the job efficiently and effectively (Coleman 1989). In the widely cited paper (white, 1995) found that the causes of Employee Attrition fall under three categories: job dissatisfaction, errors in employee selection and poor management. (Sheelan, 1995) found that the most common cause of turnover is job satisfaction. (Hom & Kinicki 2001) found that employees blame work and thus become dissatisfied with their jobs as part of the inter role conflict caused by the combined responsibilities of work, family, community and personal. (Lyun Colemon, 1989) offers ideas on how to correct and prevent employee turnover. Some of his recommendation includes the institution of exit interview and other

methods of finding the reasons for people leaving the company. (Noah and Yong Pin, 2002) agree that properly selecting employees is in fact a huge aspect of employee turnover. Turnover is often utilized as the indicator of company performance and can easily be observed negatively towards the organization's efficiency and effectiveness (Glebbek & Bax, 2004). The report concludes that teacher recruitment programs - traditionally dominant in the policy realm - will not solve the staffing problems of such technical institutes if they do not also address the organizational sources of low teacher retention (Rathnakar g. & Prahallada M. C., 2012). The amount of turnover accounted for by retirement is relatively minor when compared to that associated with other factors, such as teacher job dissatisfaction, teachers pursuing other jobs, considering teaching as a nonlucrative job and prioritizing it as their last option. This report concludes that teacher recruitment programs - traditionally dominant in the policy realm - will not solve the staffing problems of such technical institutes if they do not also address the organizational sources of low teacher retention (Rathnakar G & Pal Pandian P, 2015).

SIGNIFICANCE OF THE STUDY

The prospect of getting higher salary or pay somewhere else is one of the most common factors for the attrition. This can be observed at all levels of the economic ladder, from executives and generously paid professionals in high-stress positions to entry-level workers in relatively undemanding jobs of any academic institution. However, there are evidences that money is often not the main cause of attrition, even when it is a factor in an employee's decision to quit. Moreover, it is observed that high turnover persists in certain jobs and organizations because they have an atmosphere in which employees look for reasons to leave, and money is a convenient and sometimes compelling justification. Attrition tends to be higher in organizations where employees feel they are taken advantage of, where they feel undervalued or ignored, and where they feel helpless or unimportant. Clearly, if managers are impersonal, arbitrary, and demanding, there is greater risk of alienation and turnover. High turnover can be a serious obstacle to productivity, quality, and profitability at firms of all sizes. For the smallest of organizations, a high turnover rate can mean that simply having enough staff to fulfill daily functions is a challenge, even beyond the consideration of how well the work is done when staff is available. Turnover is no less a problem for major organizations, which often spend millions of dollars a year on turnover-related costs.

OBJECTIVES OF THE STUDY

The purpose of this study is to undertake an empirical approach to investigate the potential relationship between the working satisfaction structure and the organization employee turnover. The primary objectives were defined as following:

1. To study and analyze the causes (monetary and non monetary or allowances) of high attrition rate in the technical and professional colleges in Lucknow.

2. To study the measures to reduce attrition and improve employee retention in the technical colleges affiliated to AKTU, Lucknow.

3. To find the factors responsible for faculty turnover and further make suggestions for the Institutions.

LIMITATIONS OF THE STUDY

1. This study was limited to only Lucknow city, UP.

2. This study was restricted only to ten Technical and Professional institutes in Lucknow.

RESEARCH METHODOLOGY

In this study researcher has taken a structured questionnaire for collecting data from current faculty members and faculties who left from the institutions from selected technical colleges in Lucknow city. The close ended questions includes pertaining to the respondent's personal information, respondent's tenure in the college, respondent's opinion about employee loyalty and employee satisfaction. Other questions asked to the respondents to evaluate their level of importance of employee characteristics and their perceived manifestation of these characteristics. To predict retention, respondents were also asked to indicate their level of satisfaction with their current organization, the effectiveness of company to retain good employee, their likelihood to find another job and their confidence. The last set of questions asked respondents to assess employment features that would cause dissatisfaction. The study introduces employee's working satisfaction and external, internal encouragement and questionnaires were carried through the colleges of Lucknow. To collect the primary data, researcher used stratified random sampling, by collecting the list of present faculties and faculties left out recently from the selected colleges which are established on or before 2017, from these lists researcher make strata according to the cadre and select the sample randomly from list. Sample size is 100 consisting different teaching cadres. The questionnaires were distributed among all those respondents during the time period of January 2018, in total of 100 questionnaires were distributed. By the mid of March, 2018 participants returned 90 questionnaires to yield a response rate of 90%. In the investigation it is not only important to know how the people feel about a specific aspect or if the score is high or low, but also how important the aspects is for them. After collecting the data researcher used measures of central tendency and measure of dispersion to analyze and interprets the data by using MS Excel.

DATA ANALYSIS AND INTERPRETATION

Fig. 1 Impact of HR Challenges faced by institutions:
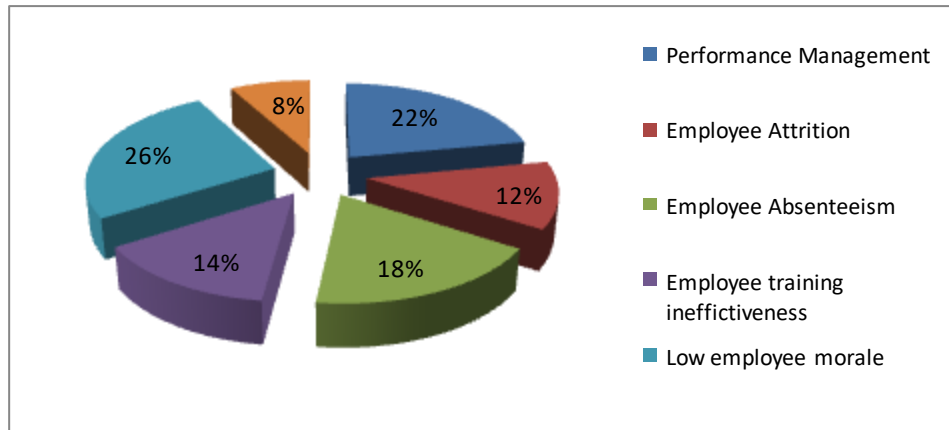
Interpretation:

As per the Figure 1, 26% employees said that low employee morale is the greatest HR challenge faced by their organization. Performance management, employee absenteeism & training ineffectiveness are believed to be other major problems that an organization faces. 12% of the total sample feels that employee attrition is a matter of concern for their organization and the rest 8% consider lack of employee engagement as the major HR challenge. The possible reasons for low employee morale & absenteeism could be less pay, poor working condition, lack of challenging job etc.

Fig. 2. Is Employee Attrition a recognized HR Challenge for your Organization?
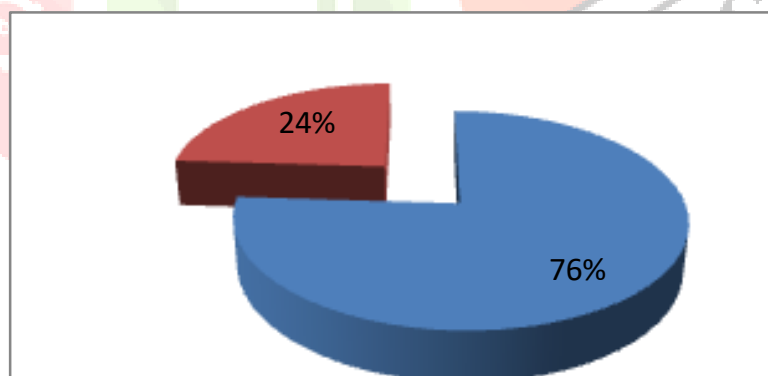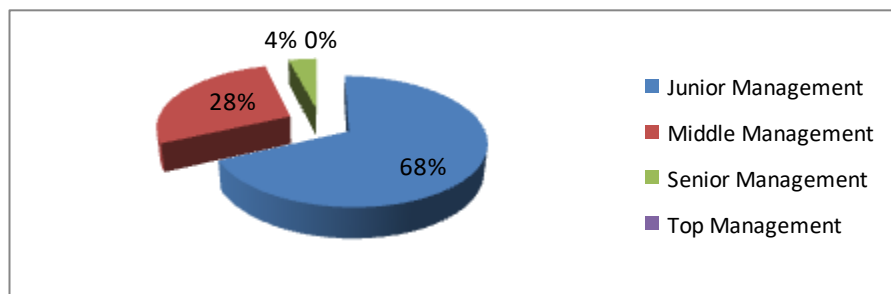

Interpretation:

According to figure 2, major portion i.e., 76% of the total sample feels that employee attrition is a recognized HR challenge of their organization. Many factors can be cited out that causes attrition. Some of them are-

- Low employee morale
- Insufficient Pay
- Poor working conditions.
- Lack of growth opportunity

Fig. 3. . State the major reasons of attrition in your college.
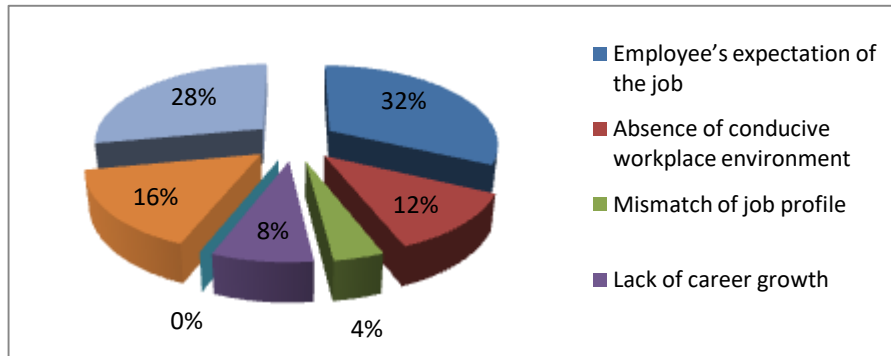
Interpretation:

As per Figure 3, the major reason that contribute to attrition in an organization is faculties expectation of the job, followed by lack of proper compensation, stress, absence of conducive workplace environment, lack of career growth & odd working hours. An employee has various expectations while joining an organization. When these expectations are not met by the employer, employee attrition occurs. The second major reason that leads to attrition is lack of proper compensation. Employees often leave their job if they are not compensated well.

Fig. 4 State Level of employees in your Organization is most susceptible to Attrition:

Interpretation:

From the Figure 4, it can be seen that junior management is most susceptible while top management is least susceptible to attrition. The employees at junior level are more into career exploration. They keep on searching for the organization which provides better remuneration, flexible working hours; career growth opportunities etc. Junior level employees often leave an organization in search of a better employer. On the other hand, middle level employees seek for career establishment. They are more concerned with job security.

Analytical description:

Table 1. Friedman Test for Factors influence Satisfaction towards monetary and non monetary benefits

Factors	Sub factors	Mean	Std. Dev.	Mean	Std. Dev.
Non Monetary	Growth opportunity	3.46	1.3		
	Ambience of Workplace	3.24	.89		
	Relationship with Fellow Employees	2.6	1.04	3.39	1.13
	Teaching Load	4.07	1.22		
	Administrative Load	3.60	1.23		
Monetary	Overtime	3.31	1.06		
	Regular increments	4.12	1.31		
	Salary and timely payment	4.54	.93	3.67	1.83
	Transparency in grade system	3.48	1.60		
	Fund/Paid study leave	4.17	1.07		
	Fringe benefits/ incentives	3.65	.82		

Interpretation**:**

It can be stated from above table 1 that among all sub factors in case of non monetary aspects the Mean of "teaching and administrative load" respectively 4.07 and 3.60 influencing most to the respondents. Further mean of "Salary and Timely payment" is 4.54 was ranked first for monetary aspects. Hence, we may conclude that teaching load and salary and timely payment affects the most to level of satisfaction.

Table 2. Factors influence Satisfaction towards training and development and appraisal system

Factors	Sub Factors	Mean	Std. Dev.	Mean	Std. Dev.
Training and Development	On Job training	3.14	0.85		
	Development of teaching Skills	3.12	0.91		
	Monetary Provision for training	3.28	0.89	3.19	0.61
	FDPs/MDPs	3.18	0.85		
	Institutional Pedagogical Approach	3.25	1.05		
Appraisal	Appreciation/recognition	3.13	0.86		
	Fair Performance appraisal	4.22	.94		
	Transparent System of feedback	3.25	1.23	3.15	0.78
	Reward for good work	3.01	0.97		
	Dealing with personal Issues	3.37	1.32		
	Timely redressal of problem	3.07	0.88		

Interpretation**:**

From analysis of table 2, it is noted that monetary help for training (seminars and conferences) and fair appraisal system influences the most and broadly said that training and development and Appraisal system are equally important to satisfy the employee in context of training and development and appraisal system.

FINDINGS OF THE STUDY

- The demographic factors in the study reveals that the major respondents are male 60%, the maximum respondents belong to the age group 20-30 years i.e., 35%, and the majority of respondents experience is above 5 years and the monthly income earned by majority of respondents belongs to above 20,000 and the majority of the respondents' qualification belongs to Post-graduate and Ph.D.

- The comparison between the working condition of employees in the organization and the work load of employees reveals that is not significant to each other. Hence the work load and working condition does not coincide.

- The relationship between training program provided to employees and the reasons for leaving the organization by employees analyzed reveals that both has an equal variation.

- More than three fourth (64%) of the respondents think that highest possible turnover by age groups 26-30, followed by 31-35 age group.

- Almost 53% of the respondents believe that highest sources of turnover are by position/jobs followed by age groups.

- More than half (51%) of the participants think that the financial incentives are used significantly in their colleges to combat turnover.

- Around 45 percent of the respondents believe that the non-financial incentives are used significantly in their colleges to combat turnover.

- 45 percent of the respondents think that employees leave due to insufficiently attractive incentives in their institutes.

- About 46 percent of the participants believe that employees leave due to reasons outside managerial/organizational control. (e.g. seasonal unemployment).

- About three quarter of the respondents think that employees leave due to more attractive incentives in competing Colleges.

- 43 percent of the respondents think that the existing measures taken to counter turnover have proven insufficient.

- More than half (57%) of the respondents think that significant proportion of employees are constantly on the lookout to leave the Colleges for better prospects elsewhere.

- Just over half (50%) of the respondents believe that attrition is a serious concern for their College management.

- About 68 percent of the respondents think that having portable / flexible benefits is important to any College's employee retention efforts.

SUGGESTIONS

- **Develop an attractive employee value proposition**: An employee value proposition means that your organization has something attractive to offer that is perceived as valuable to an employee.

- **Create a total reward structure that includes more than compensation:** The total reward structure should include, in addition to compensation, support for employees to attain their personal objectives aligned with the goals of their organization.

- **Give feedback on employee performance on a regular basis:** Most of the employees are not enamored with the performance appraisal process in their organization. Yet, an effective performance management process serves many purposes. Ongoing performance feedback allows employees to better know where they stand, gives them a formal means to provide input, and indicates that their managers pay attention to them and that their performance matters. This feedback contributes to employee engagement and retention.

- **Be flexible in terms of work-life balance:** Workers more and more value a balance between work and life. They want more flexible ways to engage with their employer. To attract and retain workers with different work and career expectations, organizations have to be more flexible in structuring work and its expectations.

- **Create a culture of engagement:** Engaged and responsible employees are more likely to stay with their employer. So HR managers or employers should have some moral policies to reward them for their loyalty.

CONCLUSION

The researcher has attempted to study some of the factors which may be the possible reasons for an employee to leave the organization. This research might help the institutions as well as faculties to make necessary measures for retention and reduce the attrition rate simultaneously. This study will certainly bring down the causes for employee turnover and help the management to reduce the employee turnover level. To reduce the employee turnover rate, the colleges have to concentrate more on working condition, safety measures, fair appraisal etc. So, it leads the organization to retain their human resources or rather asset.

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