

# ANALYSIS OF EMPLOYEES ATTRITION IN SELF FINANCE POST GRADUATE MANAGEMENT INSTITUTES IN AHMEDABAD CITY

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**Abstract:** Out of the utilized resources, human resource is very critical, important, live and difficult to manage. When managed properly there is no problem. Only the problem comes when the employees are not acquired, developed, managed and motivated properly. When their expectations are not met they feel frustrated and they may take a decision to change over the current job. This term is called employees attrition. No doubt there are many reasons for employees' attrition. This creates a gap between the required and available manpower and it is critical to manage this gap quickly. It takes a lot of time to management it. It needs time, efforts and cost is also involved. It affects the availability of manpower at workplace, performance and financial health of the organization. Management is sincerely putting its efforts to control it but not in position to control it to zero. Employees' attrition is very critical and has become common in today's parlance. It needs a special attention and support from research experts also to mitigate the adverse effects of it. In this research paper the focus is on the major factors affecting attrition and the adverse impacts on employees' satisfaction, commitment, job performance, organization performance and overall reputation of it. In this paper the main factors for attrition are identified and impacts of attrition are investigated on manpower, performance and overall effectiveness of organization in present stiff competitive situation. Attempt is made to suggest the management to take necessary steps and mitigate the adverse impacts of it in future.

**Index Terms:** Attrition, types of attrition, Causes of Attrition, Impacts of attrition.

## I. INTRODUCTION

All resources are important but human resource is the most important in an organization because it utilizes the other resources and carry out the tasks. Without human resource availability no work can be completed though the organization may have all resources as required. It is different from other resources because it is live, critical, most important, complex, and difficult to understand and manage easily. The working of human resource directly affect the overall working of the organization. It is required to understand and manage the manpower to get the optimal output from employees in this competitive situation and to get the edge in global market. The contribution of manpower is maximum in development of the organization. It needs special care in the interest of the organization. It is the responsibility of HRM that the employees should be selected, trained, developed, maintained and motivated properly so that they should feel satisfied at workplace and to work effectively. Every employee is having his own expectations from the job and if not satisfied then the conflicts may arise. These may lead to dissatisfaction in the long run. When employees not satisfied then they may think to change over to another job. The dissatisfaction may be due to different factors and may cause the employees to leave the jobs. This term is called employees attrition or turnover. The attrition process sometimes starts from the point a person is employed and ends when he quits or retires. The process covers the entire tenure of employment that may be a span of a number of decades. Attrition process is sometimes slow and sometimes fast abrupt, sudden, planned. The term employee attrition is used rather interchangeably with employee turnover. There may be different reasons for attrition. Attrition is a critical, common issue and very high in the industry where satisfaction level of employees is very low due to mismanagement of employees. In attrition the modes of leaving may be resignations, retirement, casualties, ill health or death and the number of employees with the organization. The number may be reduced gradually or rapidly depending upon the situations. This term is also called employee turnover or employee defection. Under attrition the employees are changing the jobs and the organization is losing talented employees and it is very harmful because it faces the shortage of trained manpower and adversely affects performance. By losing the trained employees the organization loses skills, knowledge, performance, profits and progress of the business and finally the image of the unit. It is a critical and great concern of the management to maintain its normal working. The management should look into the problem seriously and solve the issue at the earliest. Employees' attrition adversely affects the harmony at work, commitment level of employees, interest for work, job performance, and quality of work, output, growth, profits and ultimately the progress of the organization.

### 1.1 Main Reasons of Attrition

There may be different reasons or causes of attrition and these may work alone or in combinations. These reasons can be classified as follows:

**Internal causes:** These causes are pertaining to the internal environment of an organization. Therefore, they are controllable. Management is having control over these and can be managed properly to avoid attrition. The internal causes can include: inadequate salary, delay in payment, lack of proper incentives, no timely promotion, forced transfers on discipline grounds, poor working conditions, lack of welfare facilities, lack of job security, hazardous jobs, monotonous work, improper job placement, no liberty at work, improper leadership, unfavorable behaviour of supervisor, strict rules and regulations, improper training, biased performance appraisal, improper communication, power and politics etc.

**External causes:** The external reasons are those reasons which lie outside the organization and are beyond the control of management of the organization. These are the parts of external environment. These reasons may be related to the other organizations and individual employees. These are following:

- (a) Reasons related to other organization: better job profile, higher pay and incentive, better advancement opportunity, higher reputation of organization in market, healthy work environment etc.
- (b) Reasons related to individual employees: death of person, marriage, pregnancy, transfer of husband for female employee or shift of entire family, work stress and mental imbalance due to family issues, illness of self and family members, overseas assignment, group approach and attitude, resignation by friends or group members, VRS opted by employees and retirement at superannuation etc.

### 1.2 Impacts of Attrition

Impacts or Effects of employees' attrition are multi-dimensional. These effects are on employees, employees' performance, organization performance, productivity of employees and system, quality of products and services, increased costs and low profitability of the organization, overall effectiveness and reputation of the organization in the business. Attrition has both positive and negative effects. Some of the positive impacts of attrition are following:

- (a) Benefit of new knowledge comes with the new employees.
- (b) Benefits of new technology may be when it is introduced, the surplus manpower is terminated.
- (c) Benefits of new ideas may be due to joining of new employees.
- (d) Reduces negative impact of groups when rigid group members are terminated, the group politics and conflicts are reduced.
- (e) Reduction in surplus manpower benefits in managing surplus manpower and reduce the costs.
- (f) Development of a healthy and competitive environment is possible with the joining of new employees.

## II. Literature Review

The review of available literatures in the area of employee attrition/turnover is carried out for the research purpose. The first part of the review begins with a review of literature on concepts/theoretical framework, relating to attrition meaning and definitions. It is followed by the second part the discussion on factors affecting employee attrition/turnover and the impact of attrition on employees satisfaction, commitment level, individual and organizational performance. The further discussion is on employees' turnover in Self Finance Management Institutions located in Ahmedabad area in Gujarat State to explain the situation of employees' turnover and its impacts in the organization. It completes with the identification of the problems areas relating to the topic and its adverse impacts and pinpointing the research gaps in the context of the topic of the research paper.

### 2.1. Employee Attrition/Turnover Definitions

A number of terms have been used for employee attrition are turnover, quits, exits, mobility, retirement and resignation. There are different types of attrition but in this study, only voluntary form of turnover has been focused and discussed. Employee turnover is the rotation of workers around the labour markets, between firms, jobs and occupations, and between the states of employment and unemployment (Abassi & Hollman, 2000). Conceptual Framework Employee turnover, as defined by Hom and Griffeth (1994), is 'voluntary terminations of members from organizations'. Denvir and McMahon (1992) define labour turnover as "the movement of people into and out of employment within an organization" while Mobley (1982) defines turnover as "voluntary cessation of membership in an organization by an individual who receives monetary compensation for participating in that organization". Michael Armstrong of UK puts it, sometimes employee turnover is referred to as the employee or labour wastage index (Armstrong: 2009). It is defined as "any permanent departure beyond organizational boundaries" (Wayne F. Cascio: 2006). Employee Attrition: Conceptually, the term employee/labor turnover underwent a change during the last quarter of the 20th century. It was rechristened as employee attrition. Forbes (1971) states that labor turnover means separation from an organization and included promotion, transfer or any other internal movement within the institution. The term employee turnover is used instead of the term employee attrition. However, we may also use the term employee attrition occasionally. Employee turnover is the rate at which employees are leaving an organization on an annual basis. It can be expressed as a percentage, by dividing the number of employees who have left over the year by the total number, of Research Article January 2013 Atul Mathur, International Journal of Emerging Research in Management & Technology, employees who were with the organization at the beginning of the year. For example, if an organization has 100 employees at the beginning of the year and it loses 12 employees, it has a turnover rate of 12 percent.

## 2.2 Types of Attrition

According to (Abassi & Hollman, 2000), staff turnover that can occur in any organization might be either voluntary or involuntary. Voluntary turnover refers to termination initiated by employees while involuntary turnover is the one in which employee has no choice in the termination as it might be due to long term sickness, death, moving overseas, or employer-initiated termination. Mathis and Jackson (1993), the involuntary turnover is at the initiative of the employer, meaning the employee has no choice for it is caused by factors such as long term sickness, death, and moving overseas or employer-initiated termination. Voluntary turnover is initiated by the employee himself. On the other hand, the uncontrollable turnover is "involuntary" when it happens due to retirement or superannuation, premature death while in employment, or migration to another country or another geographical region. Wayne F. Cascio (2007) says voluntary turnover is uncontrollable and those involuntary instances where the employee has no choice in his termination (such as long term sickness, death, migrating to other countries, or employer-initiated termination). The voluntary turnover is uncontrollable. But typically, the characteristics of employees who engage in involuntary turnover are no different from job stayers. However, voluntary turnover can be predicted (and in turn, controlled) by analyzing the phenomenon. Functional vs. Dysfunctional Turnover: Wayne F. Cascio also views that turnover, from the organizational perspective, may be functional where the employee's departure produces a benefit for the organization especially when he is less productive and less committed to the job and the organization, or it could be dysfunctional where the departing employee is highly productive and committed and the management is very much interested in retaining him/her. High rates of voluntary turnover of such employees are often found to be harmful or disruptive to firm's performance (Glebbeck&Bax, 2004). When poor performers, choose to leave the Organization, it is good for the Organization (Abelson & Baysinger, 1984), thus it is important to differentiate between functional and dysfunctional turnover and accordingly encourage or discourage employee turnover. Further voluntary turnover of critical work force is to be differentiated into avoidable and unavoidable turnover (Barrick & Zimmerman, 2005). Functional turnover occurs when people leaving the firm are underperformers. This is common in large consulting, accounting and law firms that employ an "up or out" philosophy. Employees in such a company must develop and improve to move up in the ranks. Those who are unable to progress are let go.

## 2.3 Reasons for Employees Attrition

The literatures on Human Resource Management discussed the term employee turnover and employee attrition both. These two terms are interchangeable. It is revealed through research that the decision to quit can be made in different ways and in response to different stimuli. In 1982 Bill Mobley suggested a model that is placed as the traditional model of turnover. Mobley suggests that the decision to quit is made in a logical and step-by-step fashion, largely in response to dissatisfaction with the present job. 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. It must be admitted that the gradual process of employee attrition has achieved significance with a negative dimension following the emergence of new industries, industrial organizations and the emergence of the knowledge workers or professional employees who are more committed to their profession rather than the organization/employer. Empirical studies by Kinnear and Sutherland, (2001) and by Meudell and Rodham, (1998) and also studies by Maertz and Griffeth (2004) have, revealed that extrinsic factors such as competitive salary, good interpersonal relationships, friendly working environment, and job security were cited by employees as key motivational variables that influenced their retention in the organisations. The implication of this therefore is that management should not rely only on intrinsic variables to influence employee retention; rather, a combination of both intrinsic and extrinsic variables should be considered as an effective retention strategy. Price & Mueller, 1986; Wai & Robinson, 1998; Weil & Kimball, 1995); level of education is positively associated with turnover, the more educated the employees there is a tendency to quit (Berg, 1991; Cotton & Tuttle, 1986); With respect to job category they found that non-managerial employees are more likely to quit than managerial employees. Relationship between gender and turnover showed mixed result. Weisberg and Kirshenbaum (1993) found females more likely to leave than males. Wai and Robinson (1998) reported no relationship between gender and turnover. However the reasons for employee turnover vary from one Organization to the other and from one person to another as they are not getting what they expect from the Organization (Ongori, 2007). According to strategic planning consultant Leigh Branham, SPHR, 88% of employees leave their jobs for reasons other than pay: However, 70% of managers think employees leave mainly for pay-related reasons. Branham says there are seven main reasons why employees leave a company:

1. Employees feel the job or workplace is not what they expected.
2. There is a mismatch between the job and person.
3. There is too little coaching and feedback.
4. There are too few growth and advancement opportunities.
5. Employees feel devalued and unrecognized.
6. Employees feel stress from overwork and have a work/life imbalance.
7. There is a loss of trust and confidence in senior leaders.

## 2.4. Impacts of Attrition

High rates of voluntary turnover of such employees are often found to be harmful or disruptive to firm's performance (Glebbeck&Bax, 2004). When poor performers, choose to leave the Organization, it is good for the Organization (Abelson & Baysinger, 1984), thus it is important to differentiate between functional and dysfunctional turnover and accordingly encourage



or discourage employee turnover. Further voluntary turnover of critical work force is to be differentiated into avoidable and unavoidable turnover (Barrick & Zimmerman, 2005). In some industries chronic shortage of qualified employees has driven up the costs of turnover. Therefore the acquisition, development and retention of talent form the basis for developing competitive advantage in many industries and countries (Pfeffer, 1994, 2005). Organizations failing to retain high performers will be left with an understaffed, less qualified workforce that ultimately hinders their ability to remain competitive (Rappaport, Bancroft, & Okum, 2003). Several researchers have found that high turnover rates might have negative effects on the profitability of organizations (Hinkin & Tracey, 2000). Curtis and Wright (2001) opined that high turnover can damage quality and customer service which provide the basis for competitive advantage, thereby inhibiting business growth. Also, it has been observed that people who leave are those who are most talented as they are the ones likely to get an opportunity elsewhere (Hinkin & Tracey, 2000). Michael Armstrong points out that "Research by Philips (1990) found that the 'visible', i.e., direct costs of recruitment accounted for only 10 to 15 percent of total costs. By far the highest costs were associated with the inefficiencies arising while the post was vacant (33 per cent) and the inefficiency of new workers (32 per cent). On average, 12.5 months were required for executives to be comfortable in a new position and 13.5 months were required for a new employee to achieve maximum efficiency". According to Cynthia D. Fisher, et. al. the benefits of employee turnover to the organizations are the following:

1. Poor performers may choose to leave and can be replaced with better employees.
2. Leavers are replaced with more junior employees who cost less and who may also stay longer.
3. Morale improves following the departure of problematic employees.
4. Leavers are replaced with people with more up-to-date job skills.
5. Vacancies are created to allow for internal promotions of other employees, thus increasing their career satisfaction and motivation.
6. Receptiveness to innovation and change may increase.
7. Voluntary turnover is less painful than retrenchment.

Turnover often ends up in valuable talent moving to competing entities (Stovel & Bontis, 2002). Therefore, it is only desirable that management should accord special attention to prevent turnover and puts in place a sound strategy for improving staff retention. For most part, voluntary turnover is treated as a managerial problem that requires attention, thus its theory has the premise that people leave if they are unhappy with their jobs and job alternatives are available.

### III. RESEARCH METHODOLOGY

The methodology section outline the plan and method that how the study is conducted. This includes Universe of the study, sample of the study, Data and Sources of Data, study's variables and analytical framework. The details are as follows;

#### 3.1 Objectives

Following are the objective of this research study:

1. To identify the reasons of attrition in the organization.
2. To analyse the employees perception about the reasons of attrition in the organization.
3. To analyse the impact of the attrition the different areas of the organization

#### 3.2 Population and Sample

The sampling process has been used for the study. The samples of the population (employees at middle level have been selected. The convenience sampling method has been used in the research.. The sample size is of 100. The samples include the employees from the self-finance management institutes involved in post graduate programmes located in Ahmedabad city. Data have been collected from employees involved in different jobs and as per the availability of them at the time of research.

#### 3.3 Data and Sources of Data

For the research work the primary data have been used. The primary data have been collected from employees of the self finance management institutes involved in post graduate programmes located in Ahmedabad area in Gujarat state. For research purpose relating to the topic for collection of data from respondents the instruments used includes telephone, internet, questionnaire, interview, and mail. Survey and observation methods have been used for data collection in this research work. The topic of the research work is a theoretical topic and there is no need to have experiments.

#### 3.4 Theoretical Framework

Following are the hypotheses of the research study;

##### 3.4.1 Hypothesis 1

H0: There is no significant relationship between the attrition and the different areas of the organization

H1: There is significant relationship between the attrition and the different areas of the organization

##### 3.4.2 Hypothesis 2

H0: There is no significant impact of attrition on the different areas of the organization.

H1: There is significant impact of attrition on the different areas of the organization.

### 3.5 Statistical tools:

The statistical tools used for this research paper are frequency, percentage, tables, Cronbach Alpha, correlation, regression and SPSS software.

## IV. RESULTS AND DISCUSSION

In the recent past the education sector has undergone drastic changes. A good number of non government institutions have come up and these are not getting any type of financial help from the government. These may be called self finance or unaided institutes. These are different from the government institutes due to some differences. An institute that gets aid from the government is termed as aided institute whereas an institute that does not get any fund or aid from the government is called as self finance of unaided institute. The management of the institute is only responsible for running of the institute. A large number of self finance management institutes are established in Ahmedabad and surrounding area. For research purpose, some of the self finance institutes conducting post graduate management programme only have been selected. The process of the data analysis preferred by the researcher is coding the data, examining the reliability of the data, finding out the confidence levels for each statements responded by the respondents, classifying the data, tabulating the data and thereafter arriving at its descriptive statistics. This will give the idea to the researcher about the extent of the validity of his research effort. The next step the researcher will undertake is describing the hypotheses as well as non-parametric tests to test the hypotheses.

### 4.1 Reliability Test

The researcher has also conducted the reliability test to identify the validity and reliability of the 10 statements filled up by the 100 employees. The researcher finds out the Cronbach alpha which is the measure of the reliability to judge whether the research tool contains the appropriate statements which can be filled up by the 100 employees to arrive at the desired outcome of the study. This is described by table 1 and table 2 mentioned below.

Table 1: Case Processing Summary

		N	%
Cases	Valid	100	100.0
	Excluded	0	0
	Total	100	100.0
a. Listwise deletion based on all variables in the procedure.			

Table 2: Reliability Statistics

Cronbach's Alpha	N of Items
0.757	10

### 4.2 Demographics Detailing

It states about the gender wise, age wise, and education wise distribution of the respondents surveyed with the help of tables.

Table 3: Gender wise Distribution of Employees

Sr. No.	Gender	No. of Employees	Percentage
1	Male	72	72
2	Female	28	28
	TOTAL	100	100

Table 4: Age-wise Distribution of Employees

Sr. No.	Age Group	No. of Employees	Percentage
1	25-30 years	19	19
2	30-35 years	34	34
3	35-45 years	32	32
4	45-60 years	15	15

	TOTAL	100	100
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Table 5: Educational Qualification Wise Distribution of Employees

Sr. No.	Education	No. of Employees	Percentage
1	Diploma	12	12
2	Graduates	29	29
3	Post Graduates	59	59
	Total	100	100

#### 4.3 Rating of Employees Perceptions with respect to leaving the organization

It states the perceptions of the employees as to why do the employees leave the job and join the other organization. The perceptions are measured on the Likert Scale of Strongly Agree to Strongly Disagree.

Table No. 6: Likert Scale Rating of Employees perception as to why do the employees leave the job and join the other organization

Sr. No	Reasons for attrition	Likert Scale (1-5)					Total	% of Favourable Responses
		Strongly Disagree	Disagree.	Neutral	Agree	Strongly Agree		
		1	2	3	4	5		
1.	Inadequate salary, delay in payment, lack of proper incentives	4	6	11	48	31	100	79
2.	No timely promotion,	15	18	24	33	10	100	43
3.	Poor working conditions,	8	12	22	26	32	100	58
4.	Lack of welfare facilities,	12	15	24	21	28	100	49
5.	Lack of job security	5	8	12	33	42	100	75
6.	Strict rules and regulations, and no liberty at work.	3	12	18	26	41	100	67
7.	Improper leadership, unfavourable behaviour of Management,	14	16	19	26	25	100	51
8.	Biased performance appraisal, improper communication, power and politics etc.	6	7	21	28	38	100	66
9.	Personal reasons	5	13	19	25	38	100	63
10.	Higher pay and incentive, better advancement opportunity, higher reputation, healthy work environment etc. of new organization in market.	6	8	18	28	40	100	68

#### 4.4 Rating of Employees perception with respect to Attrition's Impact on the Different Areas of Organization

It states the perceptions of the employees which states about the attrition's impact on the different areas of organization. The perceptions are measured on the Likert Scale of Very High to Very Low.

Table No. 7: Likert Scale Rating of Employees perception with respect to Attrition's Impact on the Different Areas of Organization

Sr.	Impact of Attrition on	Likert Scale (1-5)		% of
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No		Very Low	Low	Average	High	Very High	Total	Favourable Responses
		1	2	3	4	5		
1.	Psychology of employees	11	14	19	25	31	100	56
2.	Availability of manpower	5	6	14	40	35	100	75
3.	Performance of employees	4	7	11	41	37	100	78
4.	Quality and quantity of output	4	8	13	39	36	100	75
5.	Interest and commitment level	3	7	14	41	35	100	76
6.	Costs involved in attrition	6	8	15	40	31	100	71
7.	Performance of organization	3	5	11	43	38	100	81
8.	Profit of business	6	7	10	46	31	100	77
9.	Overall effectiveness in business	5	6	14	43	32	100	75
10.	Reputation in markets	6	11	16	38	29	100	67

#### 4.5 Hypothesis testing on basis of correlation and regression statistics

The below mentioned table no. 8 shows the Impact of Attrition on various Organizational Areas with the help of correlation and regression statistics

Table No. 8: Regression Statistics showing the Impact of Attrition on various Organizational Areas

Sr. No.	Dependent Variable	Independent Variable	Value of R	Value of R Square	Inference
1	Psychology of Employees	Attrition	0.942	0.888	Strong Positive Correlation& Significant Impact
2	Availability of manpower	Attrition	0.852	0.727	Strong Positive Correlation& Significant Impact
3	Performance of employees	Attrition	0.890	0.792	Strong Positive Correlation& Significant Impact
4	Quality and quantity of output	Attrition	0.937	0.879	Strong Positive Correlation& Significant Impact
5	Interest and commitment level	Attrition	0.931	0.867	Strong Positive Correlation& Significant Impact
6	Costs involved in attrition	Attrition	0.803	0.645	Strong Positive Correlation& Insignificant Impact
7	Performance of organization	Attrition	0.279	0.078	Weak Positive Correlation& Insignificant Impact
8	Profit of business	Attrition	0.696	0.484	Moderate Positive Correlation & Insignificant Impact
9	Overall business effectiveness	Attrition	0.985	0.971	Strong Positive Correlation& Significant Impact
10	Reputation in markets	Attrition	0.053	0.003	Weak Positive Correlation& Insignificant Impact

#### V. FINDINGS

- 5.1 Inadequate salary, delay in payment, lack of proper incentives, Lack of job security, Higher pay and incentive, better advancement opportunity, higher reputation, healthy work environment etc. of new organization in market, strict rules and regulations, and no liberty at work, Biased performance appraisal, improper communication, power and politics etc. are the major reasons of employees leaving the current organization and joining the other organization.
- 5.2 There is significant impact of the attrition on the various organizational areas such as availability of manpower, performance of employees, quality and quantity of output, interest and commitment level, performance of organization, profit of business, and overall effectiveness in business.
- 5.3 On the basis of the correlation tests, it can be concluded that there strong positive correlation between attrition and psychology of employees, attrition and availability of manpower, attrition and performance of employees, attrition and quality and



quantity of output, attrition and interest and commitment level, attrition and costs involved in attrition, attrition and overall effectiveness in business.

- 5.4 On the basis of regression tests, it can be concluded that there is significant impact of attrition on psychology of employees, availability of manpower, performance of employees, quality and quantity of output, interest and commitment level, and overall effectiveness in business.
- 5.5 With the help of regression tests, it is also concluded there is insignificant impact of attrition on costs involved in attrition, performance of organization, profit of business, and reputation in markets.

## VI. SUGGESTIONS

Organizations that experience attrition quickly find themselves without an effective and productive workforce, resulting in reduced profits. Employees typically leave a company because of the way it handles its staff members. Focusing on the needs of your employees will not only prevent attrition, it will enable the organization to recruit high-performing employees. Further it can be suggested the following points:

- 6.1 When an employee resigns, attempt to conduct an exit interview. Exit interviews serve two purposes. They offer you insight into why the employee is leaving and save you from legal repercussions should the employee file a lawsuit because of the way he was treated or because of working conditions. Ask him thorough and open-ended questions as to why he is leaving. Ask him for suggestions for improving the workplace. Employees do not have to agree to exit interviews and may decline one for any reason.
- 6.2 Poor management techniques result in attrition. Managers and supervisors who rule with an iron fist and push employees too hard can prompt employees to leave for greener pastures. A drop in employee performance serves as a major sign of overzealous managers and supervisors. When management comes down excessively hard on employees, those employees often lack the motivation to perform at a high level and they exhibit fear of taking risks and accomplishing their goals because of the punishment they could face from failing. Meet with managers and supervisors to explain the effects of overly strict management styles. Coach them to adjust their management styles to become more personable and friendlier.
- 6.3 Employees who feel that they're underpaid in comparison to their industry peers experience a drop in morale and an urge to leave the company for a better-paying employer. In addition, a lack of benefits, especially health insurance, can cause your workforce to dwindle because of other employers who offer some kind of insurance benefits. Offer a wealth of benefits and provide regular raises so that employees feel that you care about them and appreciate the jobs that they do.
- 6.4 Employees need communication for numerous reasons. Communication provides employees with an idea of what's going on with the company, future plans and what the company expects of them. Almost all successful businesses communicate effectively with employees. Managers and supervisors must talk to employees daily by acknowledging their accomplishments, helping them overcome problems and explaining what they need to work on. Without constant communication, employees are left in the dark and become increasingly interested in open positions with other companies.
- 6.5 An unfit workplace, such as one that's grimy, noisy and dark, causes employees to look for new jobs and prevents your company from pulling in additional employees. No one wants to work in an environment that doesn't cater to success and achievement. Improve your workplace by ensuring that it provides proper lighting and amenities and is clean.

## VII. CONCLUSION

Human resource is the most important resource for the organization because it affects the working of it. It needs the proper management on continuous basis. As per the characteristics of human resource i.e. live, critical, complex, and difficult to understand and manage, it is different from other resources. At the time of appointment of the employee, the terms and conditions are agreed by both the employee and employer. It is a binding on both parties to work accordingly. When these term and conditions are not fulfilled then question arise. When expectations are not fulfilled then the frustration takes place and that compels the persons to think for a change of job. There may be a number of reasons for this and this is called turnover or attrition. It creates the shortage of manpower at required time. This impacts the working, motivation of employees, quality of performance, output, profitability and image of the company. It involves a lot of costs and time also to procure and train the new employees. It needs special care in the interest of the organization. The decision of leaving the Organization is difficult one for an individual employee because significant energy is spent on searching a new job, giving up the routine known work and friends and adjusts with the new situation. It is very stressful. Further, for employer also it takes a lot of time in searching a new candidate, training and adjustment with the job. Therefore, it needs timely and proper measures to deal with the attrition of employees so that the adverse impacts can be avoided. Suitable strategy is to be designed to manage it effectively further.

## VIII. ACKNOWLEDGEMENT

It states the details about the references mentioned below.



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