

Causes and solution for reducing employee attrition

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Abstract

High employee attrition in an organization decreases quantity as well as quality of an organization's manpower. When there is attrition in the organization, organization should spend lot of money for the recruitment as well as the lot of time is also spend in that process, after hiring the right people also organization should give trainings to them which takes too much of time and money as well. There are the many reasons that cause the employee attrition in the organization, to control this problem, organization should make good policies to keep their employee active. The research paper aims to find the factor that causes attrition in the organizations and to suggest the solution to decrease employee attrition rate in the organization. The research is bases on secondary data collected from journals, newspaper articles and internet.

Introduction

Everyone is different but equal in certain ways and all have the same potential and the organization that had diversity understand very well. While having diversity in the workforce, there is found to be high employee attrition in the organization which means loss of employees through a number of circumstances, such as resignation and retirement due to many reasons. A high attrition rate causes a high employee turnover in an organization, reducing quantity and quality of an organization's manpower. This in turn causes a huge expenditure on human resource, by contributing towards repeated acquisition, Attrition simply means "A reduction in the number of employees through retirement, resignation or death. Attrition is the Ratio comparison of the number of employees a company must replace in a given time period to the average number of total employees. A high attrition rate causes a high employee turnover in an organization, reducing quantity and quality of an organization's manpower. Attrition means reduction in staff and employees on the organization through normal means such as retirement and resignation of the employee over time. Therefore, it is broadly defined as the total number of employees who leave the company because of any reason whatsoever and occurs when the employees voluntarily retire or leave and are not replaced cutting the overall workforce. Higher the attrition, higher the expenses like recruitment expenses, training and orientation resources and the time. The high attrition rate also affects the productivity of the organization. By contributing towards repeated acquisition, training and development, and performance management attrition can causes a huge expenditure on human resource in the organization Abraham (2000).

Attrition is broadly categorized into two definitions: Voluntary and Involuntary.

Involuntary Attrition: Involuntary attrition is that type of the attrition where employees are fired or laid off from the organization. It is simply an employment decision to terminate an employee, usually due to poor performance or violation of organizational policy. Layoffs, reduction in job force, or job position elimination, and is considered involuntary are done in involuntary attrition.

Voluntary Attrition: Voluntary attrition is that type of attrition where employee leaves the organization on his own. When an employee resigns from an organization for personal or professional reasons this attrition take place. If the employer leaves the empty position or eliminates it completely, it becomes voluntary attrition. Companies in growing economies are highly facing the voluntary attrition. In India – voluntary attrition of 20-40% is fairly common in IT/ITES/Retail/Hospitality industries

There can be different type of attrition like good attrition means employees who are less Productivity are Leaving ,bad attrition means the employees who have High Performing in the organization are leaving as well as market driven Attrition where employees leave according to Influenced by market

Objectives:-

To identify the different causes of attrition in the organizations and to suggest solution to decrease employee attrition rate in the organization.

Review of the literature.

A never ending problem for every organization that what attrition has been. It not only affects the confidence of other employees but also on the financial position of the organization. Previously when the contract of the employee was completed or they were retired people leave organizations. But now day's people leave the organization due to many reasons like employees are losing their faith and loyalty to the organization. Kotter (1998) argues that organizations are also over managed sometimes and if there is strong leadership with weak management then it may be worse. In order to maintain the good relation, the organization needs both strong leadership with strong management; one of the causes of the attrition is managing the employees in their organization by their leaders. If the management is poor and no work is done in proper way then employees started to feel frustrated and leave the organization. Research had also found that diversity in the workplaces sometimes increase conflict, decrease unity of employees in the organization, and also increase employee attrition (Jackson, Joshi, & Erhardt, 2003).

The review of some important earlier research studies on the present study that shows what the factors are and how the organization can decrease the employee attrition in the organization.

Chandra Mohan and Vasanthi kumari (2006) conducted a study on "Attrition: A Predicament for ITES in India" and that high from the study it was found that attrition rate is a major challenge for the HR manager as many individuals (mostly fresh graduates) take it as a time-pass job. Due to the pressure of work many employees like fresh graduates leave the organization. Due to which numerous expenses that incurred due to attrition increases in the organization like recruitment costs, training costs, lost productivity costs, lost sales costs and hiring costs

Mobley (1982) Wages, company benefits, employee attendance, and job performance are all factors that play a significant role in employee attrition. Sengupta Santoshi (2010) Carried Study on "Employee Attrition and Retention, Exploring the Dimensions in the Urban-Centric BPO Industry". The study found that Organizations should have a practical retention strategy which helps in reducing employee turnover. These strategies should be different for a different level of employees because their roles are different and their needs are also different so, motivation factors are also different and what makes them leave are also different. Based on the study it has been also seen that dimensions of satisfaction and motivate are significantly different for employees on the basis of age, gender, marital status, and education. Beside this same of the other factors that cause high attrition are low morale and absenteeism. Sometimes, individuals leave their companies because their skills are in demand, and therefore they are attracted away by other companies for higher pay and better benefits. Job Attrition can be very costly to the organizations as a whole.

Fakiya(2012) Conducted a study on "A Study on Overview of Employee Attrition Rate in India", found that there should be proper HR practices are to get the right kind of employees. And if there is diversity in the workplace then these practices should be managed properly for the long term relation between organization and employees. Factor that causes the employee attrition are salary or compensation, the interpersonal relationship among employees, High levels of stress and lack of work life balance etc.

For that organization uses Employee Retention programs which involve the different methods to encourage employees to remain in the organization for the maximum period of time (Griffeth & Hom 2001). K.Malar Mathi & G.Malathi,(n.d) To reduce the attrition in the organization Management should provide some activity or programmer for stress relieving, Repeated Work should be avoided., Provide opportunities for career development and Take steps to reduce the gap in personal- work.

Law, C .(2015) did the research from the DEOMI on Diversity Management Climate Survey by taking the sample number 2339, found that mentoring and diversity training both expect good outcomes in the organization but justice, attachment, cooperation among employees were found to be more effective in

facilitating more positive outcomes in the organizations which may bring positive vibes to the employees and make them stay for the longer time in the organization.

Beside this all, some of issue that causes attrition in the organization is leadership. It was found from the study that many employees leave their organization because they cannot just get cooperate with supervisors, so the one of the important responsibility of the leaders should be also to adjust the employee-manager relationships properly so that conflict may not occur in the future.so, for the attrition not to take in the organization, leader should also provide the proper friendly environment where employees are free to give their decision and respect each other's. Poaching can be also the one of the reason for attrition today where talented employees are approach by the competitors or others organization by giving more facilities, salaries due to which attrition can be caused in the organization. Another reason of the attrition is some employees like in the organization banking, get bored of working in the same department and doing same job every day due to which they get less chances of learning from other department so they started leaving the organization, to control this problem organization should do job rotation in the organization so that every employees can get equal chance of learning in every department.

Beside this some of the causes of the attrition are rude behaviors in the organization, Work-life in balance, the job did not meet expectations of the employees, Employee misalignment, feeling undervalued by the supervisors, Coaching and feedback are lacking, People skills are inadequate Organizational instability due to which employee leave the organization.

Sometimes, underpaid and overworked also causes the attrition in the organization, if this happen then organization should try to control the problem as soon as they can and should try to stop the employees to leave the organization by controlling these problems.

From the employees side also ,they should adopt an environment of teamwork, Encourage their juniors to participation in discussion and to share their ideas and involve them while making decisions, ask them to assist in making the decisions through collaboration and consensus, Motivate their colleagues for achievement and superior performance and helping them .

From the organization, organization should make space for enjoyment like celebrating success of employees like promotion, Birthday parties, employee outings, arranging annual picnic for all staffs etc. Being flexible by offering flexible work hours, job sharing, part-time positions. Defining the responsibilities and roles clearly, Offering opportunities for adequate advancement, Conducting survey about employee satisfaction and the most important thing to reduce attrition and make the employees to stay in the organization is to Show your employees that you value them.

Research Methodology

The study uses secondary data. The secondary data was collected paper-based sources like books, journals, abstracts, research reports, conference papers, annual report as well as electronic sources like internet.

Conclusion

From the studies it was found that attrition is an issue that can be found in many organizations today and if the employees are not interested in their jobs, they will leave their job, beside this bad management also could lead to high Attrition. As, Employees are the most valuable assets of an organization.so, proper working environment should be provided to them with benefits like training,bonus,job rotation, growth opportunities etc. Respecting each other and try to reduce conflict in the organization as well as effective human resource management must be practiced at both strategic and day to day levels to reduce attrition in the organization.

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