

A Study on Employee Retention with Special Reference to “Tablets (India) Pvt Ltd”

***Dr. K.Nageswara Rao**

****K.Bhanu Prakash**

*****K.Rajeswari**

*Professor, Department of M.B.A, Narayana Engineering College, Nellore, Nellore Dt A.P

**Branch Manager, Big Bazar, Future Group, Visakhapatnam

***Asst. Professor, Department of ECE, Narayana Engineering College, GUDUR, Nellore Dt A.P

Introduction

Employee Retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. Corporate is facing a lot of problems in employee retention these days. Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring. There is no dearth of opportunities for a talented person. There are many organizations which are looking for such employees. If a person is not satisfied by the job he's doing, he may switch over to some other more suitable job.

In today's environment it becomes very important for organizations to retain their employees. The top organizations are on the top because they value their employees and they know how to keep them glued to the organization. Employees stay and leave organizations for some reasons. The reason may be personal or professional. These reasons should be understood by the employer and should be taken care of. The organizations are becoming aware of these reasons and adopting many strategies for employee retention.

Today's labour force is different. Supervisors must take responsibility for their own employee retention. If they don't, they could be left without enough good employees. A wise employer will learn how to attract and keep good employees, because in the long run, this workforce will make or break a company's reputation. What's Different? New supervisors must be prepared to be collaborative, supportive, and nurturing of their people. The old style of "my-way-or-the-highway" style of management is a thing of the past. Most new supervisors need training to understand what it really takes to retain employees.

Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best employees. If they don't, they would be left with no good employees. A good employer should know how to attract and retain its employees.

Need of the Study

The company had been facing high attrition problem since 2010. In the financial year 2013 to 2014 it was around 19% and in the current year it increased to 22 % which is not a favourable situation. 20 new employees are trained in every 4 months. The cost of training the new employees also seem to be very high. This is a major problem prevailing in the organization and has created a need for focus on the same. So employee retention has become the major goal for the organization.

Scope of the Study

- The study covers the effectiveness of employee retention practices at Tablets India Pvt Ltd. The scope includes study on the following major areas. Organization's environment, Employer employee Relationship, Support and Compensation.
- The major aim of the study is to find the problem in the above said areas and to suggest suitable measures to reduce attrition rate of the company.
- The scope of the study is done among middle level employees (managers and officers) of the company.

Limitations of the Study

- Opinions of the employees may be biased at time because the study was conducted during the working hours.
- The study is limited only to the middle level employees (managers and officers) of Tablets India Limited.
- Since employees of Tablets India Limited work in other states of India, it was not possible to cover all the employees within a short period.

Objectives of the study

Primary objective:

- To study employee retention with reference to Tablets India Limited.

Secondary objectives:

- To understand the work environment, employer and employee relationship in the company and its impact on employee retention.
- To analyse the factors that majorly contribute the retention of employees in Tablets India Limited.
- To provide suggestions to increase the employee retention rate in Tablets India Limited.

Statement of the Problem

Retention is the major concerning issue in many of the organizations today. Employee Retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. Corporate is facing a lot of problems in employee retention these days. Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring. There is no dearth of opportunities for a talented person. There are many organizations which are looking for such employees. If a person is not satisfied by the job he's doing, he may switch over to some other more suitable job. In today's environment it becomes very important for organizations to retain their employees. The top organizations are on the top because they value their employees and they know how to keep them glued to the organization. Employees stay and leave organizations for some reasons. Thus it is important to know the reasons to reduce attrition in the organisation.

Review of Literature

In this chapter, the previous studies for employee's retentions are presented to be the framework to understand and systematically analyze factors the affect employee's intentions.

(Zineldin, 2000, p. 28) defined retention as "an obligation to continue to do business or exchange with a particular company on an ongoing basis".

(Stauss et al., 2001) defined a more detailed and recent definition for the concept of retention is "customer liking, identification, commitment, trust, readiness to recommend, and repurchase intentions, with the first four being emotional-cognitive retention constructs, and the last two being behavioral intentions".

Fitzenz (1990) in his study have indicated that retention driven by several key factors, which ought to be managed congruently: organizational culture, strategy, pay and benefits philosophy, and career development systems.

Eskildesen & Hammer (2000) explained many situations in our contemporary life while many employees are no longer having the sense of organization loyalty once they leaved. Increasing numbers of organization mergers and acquisitions have left employees feeling displeased from the companies that they work and haunted by concerns of overall job security. As a result, employees are now making strategic career moves to guarantee employment that satisfy their need for security. On the other hand, employers have a need to keep their stuff from leaving or going to work for other companies. This is true because of the great expenses associated with hiring and retraining new employees. The adage, good help is hard to find, is even truer these days than ever before because the job market is becoming increasingly tight).

Davidow and Uttal (1989) mentioned that retaining employees again show that attracting existed employees costs less than acquiring new talents as organizations know their employees and what they want, and the initial cost of attracting the new employees has already been expended.

Research Methodology

Research methodology is a way to systematically solve the research problem.

Research Design

Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or of a group..Descriptive research design was adopted in this study.

Sampling:

Sampling technique refers to the method incurred for choosing samples. In this project study the sampling technique undertaken is “**Convenience Sampling**”. Members of the population are chosen based on their relative ease of access. To sample friends, co-workers, or shoppers at a single mall, are all examples of convenience sampling. Such samples are based because researchers may unconsciously approach some kinds of respondents and avoid others, and respondents who volunteer for a study may differ in unknown but important ways from others.

Data Collection

Research instrument:

The data was collected with the hcriptive reseelp of a standard questionnaire.

Questionnaire design:

The questionnaire framed for the research study is a structured questionnaire in which all the questions were predetermined before conducting the survey. The form of question is of both **closed and open type**.

The scales used to evaluate questions are:

1. Dichotomous scale (Yes or No)
2. Likert 5 point scale (Highly satisfied, satisfied, Neutral, Dissatisfied, Highly dissatisfied)
3. Category scale (Multiple items)
4. Ranking type (R1, R2, R3...)

Primary Data

It is the data which is the first hand information collected from the respondents. Data is collected directly from the Employees through questionnaire.

Secondary Data

Secondary data consist of information that already exists. Secondary data collected through, Published books, articles and journals, Internet, company profile, and website etc

Data Analysis and Interpretation

NULL HYPOTHESIS (H₀): There is no significant difference between work experience and benefits given in the company.

ALTERNATIVE HYPOTHESIS (H_a): There is significant difference between work experience and benefits given in the company

Table-1.1

Chi-square test was applied to know the significant difference between work experience and benefit given in the company.

Observed Frequencies

RESPONSE	MONETARY BENEFITS	NON MONETARY BENEFITS	RECOGNITION	OTHER BENEFITS	Total
EXPERIENCE					
LESS THAN 5	6	18	8	0	32
6-10 YEARS	1	5	1	3	10
11-15 YEARS	2	1	0	0	3
15 YEARS AND ABOVE	1	2	1	1	5
Total	10	26	10	4	50

Table-1.2

Expected Frequencies

		FREQUENCY			
		MONETARY BENEFITS	NON MONETARY BENEFITS	RECOGNITION	OTHER BENEFITS
EXPEREIENCE	< 5 YEARS	6.4	16.64	6.4	2.56
	6-10 YEARS	10	5.2	2	0.8
	11-15 YEARS	0.6	1.56	0.6	0.24
	15 YEARS ABOVE	1	2.6	1	0.4

Table-1.3

Calculation of Expected Frequency

OBSERVED FREQUENCY (O_i)	EX PECTED FREQUENCY (E_i)	$O_i - E_i$	$(O_i - E_i)^2$	$(O_i - E_i)^2/E_i$
6	6.4	-0.4	0.16	0.025
18	16.4	1.36	1.84	0.1105
8	6.4	1.6	2.56	0.4
0	2.56	-2.56	6.55	2.5585
1	10	-9	81	8.1
5	5.2	-0.2	0.04	0.0076
1	2	-1	1	0.5
3	0.8	2.2	4.84	6.05
2	0.6	1.4	1.96	3.266
1	1.56	-0.56	0.31	0.198
0	0.6	-0.6	0.36	0.6
0	0.24	-0.24	0.05	0.2083
1	1	0	0	0
2	2.6	-0.6	0.36	1.3846
1	1	0	0	0
1	0.4	0.6	0.36	0.9

Chi Square calculated value = 24.294

Degree of freedom = (R-1) (C-1)

$$= (3)(3)$$

$$= 9$$

From the table, chi square value at 5% level of significance = 16.92

C.V > T.V

H_a is accepted.

Since the calculated value is more than the table value, thus the null hypothesis is not accepted at 5% level of significance. Thus it signifies that there is significant relationship between work experience and benefits given in the company.

Table-2

Weighted average test was applied to find out the importance being given to the attributes (factors) in retention of the employees of the organization.

FACTORS	RESPONDENTS (X)	WEIGHT (W)	WX
SALARY	20	1	20
MONETARY BENEFITS	15	2	30
WORKING CONDITION	4	4	16
WORKING HOURS	2	5	10
CAREER GROWTH	9	3	27
TOTAL(N)	50		103

Formula:

$$W = \frac{\sum WX}{N}$$

$$= \frac{103}{50}$$

$$W = 2.06$$

Inference:

From the above it is inferred that Monetary Benefits is the main factor for retention of the employees of the organization.

Table-3

Correlation test was applied to find whether the attributes (factors) related to the primary reason for leaving the organization and job satisfaction of employees for retain in the organization are correlated.

FACTORS	PRIMARY REASON (X)	JOB SATISFACTION (Y)	RANK FOR PRIMARY REASON (X_R)	RANK FOR JOB SATISFACTION Y_R	D	D^2
SALARY	20	15	1	2	1	1
MONETARY BENEFITS	15	20	2	1	1	1
WORKING CONDITION	4	3	4	5	1	1
WORKING HOURS	2	4	5	4	1	1
CAREER GROWTH	9	8	3	3	0	0
TOTAL	50	50				4

Where, D=Difference between ranks.

D^2 =Difference squared.

We then calculate the following:

$$\Sigma D^2 = 1+1+1+1$$

$$=4$$

FORMULA:

$$\rho = 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)}$$

$$= 1 - \frac{6(4)}{5(5^2 - 1)}$$

$$= 1 - \frac{24}{120}$$

$$= 1 - 0.2$$

$$= 0.8$$

The P value **0.8** indicates a **strong positive correlated** relationship between the primary reason for leaving the organization and job satisfaction of employees for retain in the organization.

Findings of the Study

- It was found that out of 50 respondents, 70% were female and 30% were male.
- It was observed that 20% of respondents are having income below 15000, 30% between 15000-25000, 30 % between 26000-40000 and 20% of respondents income is above 40000.
- It was observed that 10% of respondents feel that their job is stressful, 40% respondents say that their job stress is minimal and 50% respondents say that there is no job stress in the company.
- It is observed that most of the respondents said that the facilities provided in the organization are satisfactory.
- It is observed that 40% say that the primary reason for employee attrition is insufficient salary, 30% say the primary reason is insufficient monetary benefits other than salary, 8% say physical working condition, 4% say that primary reason for employee attrition is less scope for career growth, 18% say that work hours is also a primary reason for leaving the organization.
- It is observed that 30% of respondents say that salary has impact to stay in the organization. 40% and monetary benefits. 16% says that work hours. The least response is for two factors working condition 6%, 8% say that career growth is also a reason.
- It is observed that 52% say that the motivating factor is non-monetary rewards and very few that are 20% of respondents say that their motivating factor to retain in the organization 20% of respondents say recognition is a factor and finally 8% say that other benefits given.
- 50% feels very often about leaving the organization, 32% feel often leaving the organization. 20% respondents feel very rarely leaving the organization and 8% respondent's feel of never leaving the organization.
- In this analysis 50% of respondents are highly satisfied. 20% of respondents are satisfied with job security provided in the organization. 30% of respondents feel neutral about the job security.
- In the above analysis 60% of respondents say that they have a effective communication with the employer. 40% of respondents are neutral in their answer.
- It is that 30% of respondents are feeling excellent with the work environment. 40% are feels good with the work environment, 10% feel average about the work environment and 20% feels poor about the work environment.
- It is observed that most of respondents said that the benefits scheme are motivating for the employees to retain in the organization.
- It is observed that most (60%) of the respondents say that the office policies are supportive for them and very few (40%) respondents say that office policies are not supportive in the organization.

- It is observed that 50% of respondents receive constructive feed backs from their superiors and 50% of respondents feel that they don't receive proper feedbacks from their company.
- It is observed that 10% of respondents are highly satisfied with the bonus payment, 30% are satisfied with the bonus payment, 50% are neutral, 3% are dissatisfied with the bonus payment and 10% are highly dissatisfied with the bonus payment.
- It is observed that 50% of respondents say that salary is insufficient, 30% say that they are not comfortable with the office timings, and 20% say that the awards they receive is insufficient and it has to be improved to retain the employees in the organization.

Suggestions Of The Study

- Recognition for better jobs is rewarded by cash awards or appreciation and not through promotions. Succession plan is slow. So timely promotional activities can be followed and implemented.
- Though one-fourth of the respondents feel that their work life balances is excellent the rest of the respondents feel it is only neutral. So the work life balances can be improved by means of attractive shift timing.
- Nearly half of the respondents feel the support from superiors is only fair. So the superiors support can be encouraged for innovative works and better jobs.
- More than one fourth of the respondents expect the transparency of communication among dyadic group. The more transparency of communication makes employees job unambiguous and comfortable.
- Nearly half of the respondents are not sure about their job security.
- More than half of the respondents feel that the work load distribution by superior is neutral. So the superiors can concentrate on even work load distribution to satisfy all the employees.
- The grievance/complaint settlement by HR can be improved to handle it quickly.
- Benefits practiced can be given on time to the employees.
- The engineers and officers may be included in important decision makings.
- Recreation facilities like family get-together, team outing can be offered.

Conclusion

Retaining the resource of an organization is very critical in any organization. HR faces a challenging task of addressing this issue. The various measures mentioned above will go a long way in motivating and retaining the employees of TABLETS INDIA LIMITED. As it is said, motivated and satisfied employees reflect an organization's wealth than a positive balance sheet. In addition to holding exit interviews in TABLETS INDIA LIMITES it can compile data on why employees leave. In addition to existing retention practices the above mentioned suggestions can be implemented in order to reduce turnover. It is important to also examine the, reward system, work life balances, career planning, Support and transparency from superiors, Organizational culture, and job security

By looking at the above characteristics, senior management will be able to get to the core issues of retention and determine a strategy for organizational change. Creating an environment where attrition is kept to a minimum will help to improve productivity, enhance employee morale, reduce staffing expenses and enrich the quality of service provided to customers all factors that contribute to a world class organization.

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