

A Study on Employee Attrition with Reference to AERO SEM PAINTS LTD, CHENNAI

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ABSTRACT: Aero sem paints ltd is a paint manufacturing industry located at Perengudi. In this plant the manufacturing products are Decorative paints and Industrial paints. The problem of the industry is that for the past two years the attrition rate of the staff's was high, so the management told to analyze the problem. So my project titled "**A STUDY ON EMPLOYEE ATTRITION**" with reference to **AERO SEM PAINTS LTD, CHENNAI**. The Study was made only to the staff's working in the company. The research methodology was descriptive research and convenient sample is taken for analyzing. The samples were collected through questionnaire with open ended, multiple choice questions and ranking questions. The tools used for analyzing the data's were Rank correlation, Chi square, Run test, and percentage analysis. The major findings from the analysis are that the company's environment is not friendly, no sports activities, routine jobs in their departments, no experience staff were considered for promotion and salary hike and there was no transport and canteen facilities. So, the research is concluded that the management should consider the above causes, for the employee attrition. Management should implement some new activities and the above needs for the employees which will be benefit for the management to reduce attrition and increase employee attitude and they will sustain in the organization.

I. INTRODUCTION

Defining attrition: "A reduction in the number of employees through retirement, resignation or death", "the rate of shrinkage in size or number".

In the best of worlds, employees would love their jobs, like their coworkers, work hard for their employers, get paid well for their work, have ample chances for advancement, and flexible schedules so they could attend to personal or family needs when necessary. And never leave, but then there's the real world. And in the real world, employees, do leave, either because they want more money, hate the working conditions, hate their coworkers, want a change, or because their spouse gets a dream job in another state. So, what does all that turnover cost? And what employees are likely to have the highest turnover? Who is likely to stay the longest?

The IT enabled services (BPO) industry is being looked upon as the next big employment generator (Nasscom predicts 1.1 million job requirement by the year 2018). It is however no easy task for an HR manager in this sector to bridge the ever increasing demand and supply gap of professionals. Unlike his software industry counterpart, the BPO HR manager is not only required to fulfill this responsibility, but also find the right kind of people who can keep pace with the unique work patterns in this industry. Adding to this is the issue of maintaining consistency in performance and keeping the motivation levels high, despite the monotonous work. **The toughest concern for an HR manager is however the high attrition rate** In India, the average attrition rate in the BPO sector is approximately 30-35 percent. It is true that this is far less than the prevalent attrition rate in the US market (around 70 percent), but the challenge continues to be greater considering the recent growth of the industry in the country. The US BPO sector is estimated to be somewhere around three decades old. Keeping low attrition levels is a major challenge as the demand outstrips the supply of good agents by a big margin. Further, the salary growth plan for each employee is not well defined. All this only encourages poaching by other companies who can offer a higher salary.

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II. OBJECTIVES OF THE STUDY

Primary Objective:

- To find out the causes of employee attrition

Secondary Objective:

1. To identify the factors influence for employee turnover.
2. To analyze the employer, employee relationship
3. To find environmental facilities in the company
4. To get the suggestions for retaining employees in the organization.

III. RESEARCH METHODOLOGY

DESCRIPTIVE RESEARCH

Descriptive Research has been used in this study ; it involves surveys and fact-findings enquirer of different kinds the major purpose of descriptive research is the description of the state of affairs, as it exists at present.

IV. INSTRUMENT USED

The research instrument used in this study “structured questionnaire”. Structured questionnaire are those questionnaire in which there are predetermined question relating to the aspect for which the researcher collects data. The questions are presented with exactly the same wording and in the same order to all the respondents.

V. QUESTIONNAIRE

The structured questionnaire for finding causes of Attrition were open ended, closed ended, multiple choice, ranking questions are the types of questions used.

VI. DATA COLLECTION

Data refers to information or facts. The task of data collection begins after research problem has been defined and research plan has been decided. The nature of the data is both Primary and Secondary data. The data's are collected from internet, books and decision with the employee's.

PRIMARY DATA

The primary data are those that are collected through questionnaire and direct personal interview. The questionnaire was framed in such a manner to obtain correct information, graded suitably for the study.

SECONDARY DATA

The secondary data has been collected through oral communication with the employees, books, and company website.

SAMPLING PROCEDURE

Convenience sampling has been used in this study. Convenience sampling is used for selection of homogeneous sample for the study. It refers to selection a sample of study. It is a non-probability sampling. Thus research study may include study objects, which are conveniently located. Research findings based on convenient sampling however, cannot be generalized.

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SAMPLING SIZE

There are 247 persons working in the company, this research only to the management staff's. Sample size are 98 staffs in the company. All the staff are sample due to time availability in consultation with my company

VII. PERIOD OF STUDY

The study was under taken for a 3months. During the period the following steps were taken:

- Objectives were set and questionnaire was finalized.
- Data were collected and recorded
- Data were analyzed and interpreted and reports were generated.

PILOT SURVEY

A pilot survey with 20 samples from employees was conducted for testing the validity of the questions. It was found that there was no need for changes in the questionnaire and hence the same questionnaire was used for final survey also.

VIII. LIMITATION OF THE STUDY

- Time was the main constraint. The project should be completed within stipulated time limit.
- Since the project is of qualitative nature there was the participant's bias in some cases.
- Some information cannot be accessed due to its confidential nature.

IX. DATA ANALYSIS AND INTERPRETATION STATISTICAL ANALYSIS

Test no.1 RANK CORRELATION

I) AIM: To Test the Satisfaction Level of Employees between Hike in Salary and Working Environment

Hypothesis:

H0: There is no correlation between hike in salary and working environment.

H1: There is correlation between hike in salary and working environment.

TABULAR COLUMN:

Table No. 1 RANK CORRELATION

R1	R2	d= R1 – R2	d ²
1	5	-4	16
2	4	2	4
3	3	0	0
4	1	3	9
5	2	3	9
Total			38

FORMULA:

$$r = 1 - \{6 \sum d^2 / n (n^2 - 1)\}$$

CALCULATION:

r = - 0.9 At 5% confidence level table value = 0.9 **RESULT: Calculated value < Table Value**

- 0.9 < 0.9 Hence H0 is accepted. **DECISION: There is no correlation between hike in salary and working environment.**

Test no.2 CHI-SQUARE TEST

AIM: To test the relationship between experience of employees and workload.

Hypothesis:

H0: There is no significance relationship between experience of employees and workload

H1: There is significance relationship between experience of employees and workload

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TABLE NO.2 CHI –SQUARE TEST

EXPERIENCE	WORK LOAD					TOTAL
	Very High	High	Neutral	Low	No Workload	
< 3 years	2	19	13	0	1	35
3- 5 years	4	12	20	1	1	38
>5years	4	10	10	1	0	25
Total	10	41	43	2	2	98

X. CALCULATION

EXPECTED FREQUENCY:-

$$\begin{aligned} \{(10*35) / 98\} &= \{(10*38) / 98\} = \{(10*25) / 98\} \\ &= 3.57 \quad = 3.88 \quad = 2.55 \\ (41*35) / 98 &= 14.64 \quad (41*38) / 98 = 15.90 \quad (41*25) / 98 = 10.46 \\ (43*35) / 98 &= 15.36 \quad (43*38) / 98 = 16.67 \quad (43*25) / 98 = 10.97 \\ (2*35) / 98 &= 0.71 \quad (2*38) / 98 = 0.77 \quad (2*25) / 98 = 0.51 \end{aligned}$$

OBSERVED FREQUENCY

TABLE NO.3 CHI SQUARE TEST

f_o	f_e	$f_o - f_e$	$(f_o - f_e)^2$	$(f_o - f_e)^2 / f_e$
2	3.57	1.57	2.46	0.69
4	3.88	0.12	0.04	0.002
4	2.55	1.45	2.10	0.82
19	14.64	4.36	19.01	1.29
12	15.90	-3.90	15.21	0.95
10	10.46	-0.46	0.21	0.02
13	15.36	-2.36	5.57	0.36
20	16.67	3.33	11.09	0.66
10	10.97	0.97	0.94	0.08
0	0.71	-0.71	0.50	0.70
1	0.77	0.23	0.05	0.06
1	0.51	0.49	0.24	0.47
1	0.71	-0.71	0.50	0.70
1	0.77	0.23	0.05	0.70
1	0.51	0.49	0.24	0.47
Calculated Value				7.332

Degree of Freedom = (r-1) (c-1)

= (3-1) (5-1) = 2*4 = 8 At 5% level = table value = 15.5

RESULT:

Calculated value < Table value

7.3 < 15.5

Hence, H₀ IS ACCEPTED

DECISION:

There is no significance relationship between experience of employees and workload

TEST NO. 3 ANOVA TEST

AIM: To test the significance relation between workload and stress level

H₀: There is no significance difference between workload and stress level

H₁: There is significance difference between workload and stress level

TABLE NO.4 ANOVA TABULAR COLUMN

Stress Level	Very High	High	Neutral	High	No Workload	Total
Often	2	4	6	2	1	15
Occasionally	3	21	23	0	0	47
Rarely	3	10	10	0	0	23
Sometimes	1	5	3	0	1	10
Never	1	1	1	0	0	3
Total	10	41	43	2	2	98

$$\begin{aligned} \text{Correlation Factor} &= T^2 / N \\ &= 98^2 / 25 \\ &= 384.16 \end{aligned}$$

$$\begin{aligned} \text{Sum of the squares between the row} \\ &= (15^2 / 5) + (47^2 / 5) + (23^2 / 5) + (10^2 / 5) + (3^2 / 5) - 384.16 \\ &= 45 + 441.8 + 105.8 + 20 + 1.8 - 384.16 \\ &= 614.4 - 384.16 \\ &= 230.24 \end{aligned}$$

$$\begin{aligned} \text{Degree of Freedom} &= (r - 1) \\ &= (5-1) \\ &= 4 \end{aligned}$$

$$\begin{aligned} \text{Sum of the square between the columns} \\ &= (10^2 / 5) + (41^2 / 5) + (43^2 / 5) + (2^2 / 5) + (2^2 / 5) - 384.16 \\ &= 20 + 336.20 + 369.80 + 0.80 + 0.80 \\ &= 343.44 \end{aligned}$$

$$\begin{aligned} \text{Degree of freedom} &= (c - 1) \\ &= (5-1) \\ &= 4 \end{aligned}$$

$$\begin{aligned} \text{Total Sum of squares} \\ &= 2^2 + 4^2 + 6^2 + 2^2 + 1^2 + 3^2 + 21^2 + 23^2 + 3^2 + 10^2 + 10^2 + 1^2 + 5^2 + 3^2 + 1^2 + 1^2 + 1^2 + 1^2 + 1^2 - 384.16 \\ &= 903.84 \end{aligned}$$

$$\begin{aligned} \text{Residual} &= \text{Total Sum of squares} - (\text{sum of squares between rows} - \text{sum of squares between columns}) \\ &= 903.84 - (230.24 + 343.44) \\ &= 330.16 \end{aligned}$$

$$\begin{aligned} \text{Degree of Freedom} &= (r - 1) (c-1) \\ &= (5-1) * (5-1) \\ &= 16 \end{aligned}$$

TABL NO. 5 Analysis of variance Table

Source Of Variation	Sum of Squares	Degree of Freedom	Mean Square	Variance Ratio of F	
Between Rows	230.24	4	57.56	57.56/20.63	2.79
Between column	343.44	4	85.86	85.86/20.63	4.16
Residual	330.16	16	20.63		

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For (4, 16) at 5% level of significance
Table Value = 3.0069

RESULT:

Calculated value > Table Value
4.16 > 3.0069

Hence, H₀ IS REJECTED

DECISION: There is significance difference between workload and stress level
TEST NO.4 RUN TEST

AIM: To find that workload and lead time is reasonable

HYPOTHESIS:

H₀: The workload and lead time is not reasonable

H₁: The workload and lead time is reasonable

CALCULATION:

Yes = 58 No = 40

yy|nn|yy|nn|yyy|nn|yy|nnn|yyyy|nnn|yyyyy|nnn|yyy|nnn|yyy|nnn|
yyyy|nnnn|yyyy|nnnn|yyyyy|nnn|yyy|nn|yyy|nn|yyy|nn|yyyyy|
n1 = 58: n2 = 40; r = 29

FORMULA:

$$\mu_r = (2n_1n_2 / n_1+n_2) + 1$$

$$= 4.76$$

$$Z = r - \mu_r / \sigma_r$$

$$Z = 4.05 \text{ (calculated value)}$$

$$\text{Table value} = 1.96$$

RESULT:

Table value < calculated value

$$1.96 < 4.06$$

Hence, H₀ IS ACCEPTED. **DECISION:** The workload and lead time is not reasonable

SUMMARY OF FINDINGS

XI. GENERAL FINDINGS

- 93% of the employers says that company atmosphere is friendly
- 7% were not satisfied with company atmosphere
- 62% of the employers were agreed that the company has given proper resources and equipment for their work, 24% of the employers were strongly agreed and 7% of the them disagree and say moderate that the company has given proper resources and equipment for their work.
- 63% of the respondents were satisfied with their job allocated as their job aspiration and 37% of the respondent's job was not allocated as their job aspiration
- 44% of the respondents have moderate workload, 43% of the respondents have high workload and only 11% of the employers have high workload in the company
- 77% of the employers have proper lead time for their work and 23% of them have not reasonable time for their work.
- 48% of the respondents were stressed occasionally in the day to day working, 24% of them were rarely stressed, 15% of them were often stressed and remaining of them were some time's and never stressed in the job
- 100% of the respondents like to add the additional responsibilities to their job.
- 100% of the respondents say that they have no canteen facilities.
- 100% of the respondents say they need canteen facilities in their company.

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- 87% of the respondents say they need transport facility in their company and 13% of the respondents say they no need of transport facility.

XII. SUGGESTION AND RECOMMENDATIONS

- The Management needs to show appreciation for their good work and extra effort in their job.
- The training and development activities should be improved.
- Working environment should be improved in the company.
- Jobs should be altered in their department, works should be shared.
- Sports activities should conducted at least once in two months regularly.
- Canteen Facility should arrange inside the campus with normal cost.
- Transport facility should arrange for the employers.

XIII. CONCLUSION

According to the research analyzed on the topic “A Study On Employee Attrition” with reference to AERO CHEM PAINTS LTD CHENNAI, is that, the major identification of the study is that most of the respondents says that the working environment is not good, no entertainment activities, no transport and canteen facilities provided by the company. The works were also routine in their departments.

So i conclude that, the management should take necessary steps which were mentioned above, would be helpful to reduce the employee’s attrition in the company and as well as employees will be motivated and there will be raise in employee attitude towards the organization and they will sustain in the organization.

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