

A STUDY ON EMPLOYEE RETENTION IN MANUFACTURING INDUSTRY

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ABSTRACT

Employee retention refers to the power of a corporation to retain its employees. It are often seen as Employers own choice strategy and retention techniques. Employee retention refers to the varied policies and practices which let the workers stick with a corporation for a extended period of your time . Every organization invests time and money to groom a replacement joiner, make him a company ready material and convey him at par with the prevailing employees. The organization is totally at loss when the workers leave their job once they're fully trained. Employee retention takes under consideration the varied measures taken in order that a private stays in a corporation for the utmost period of your time . The target of the study was evaluated with both primary and secondary data. The data's were collected from 200 respondents using questionnaire. The type of research design that has been used for the study is that the descriptive research design. The descriptive research means the research which is completed to understand this example of the study. The knowledge has been collected using structured questionnaire. The sampling design employed within the study is representative sampling. The knowledge has been analysed using percentage analysis method. The foremost Findings of the study is that the organisation is providing an honest working environment and therefore the employees are becoming higher motivational level from the organisation.

Keywords: Employee retention strategies, Motivational Level.

1. INTRODUCTION

Employee retention is strongly linked with the work environment during which employees undertake their responsibilities or duties. Helpful and liberated environment is no doubt is first step towards effective employee retention. Creating a culture where people can express themselves and may associate themselves with the organization would make quitting a difficult decision for them. Effective retention policies must be updated as often as possible because it's to be adequately equipped to reply to ever changing Labour market. It is very important for an organization particularly in today's competitive business world to retain its highly skilled and top performing employees. High employee turnover can be very expensive or may result in waste of precious resources of the organization but also undermines organization performance in achieving its goals and targets. Hence, keeping employee turnover within acceptable limits but also improving organizational performance in terms of productivity and customer satisfaction.

The study majorly focuses on the increasing turnover rate, its causes and impact. It looks at various methods to enhance employee retention within the organization. Philosophically, employee retention is vital in most cases, it's senseless to permit good people to go away your organization. When they leave, they take with them property, relationships, investments (in both time and money), an occasional employee or two, and a piece of your future. Employee Retention Strategies helps organizations provide effective employee communication to enhance commitment and enhance workforce support for key corporate initiatives. We also provide full support for your marketing-communication efforts by helping you build customer loyalty by distinguishing and positioning your organization's unique products and services into day's crowded marketplace. Effective employee retention may be a systematic effort by employers to make and foster an environment that encourages current employees to stay employed by having policies and practices in situ that address their diverse needs. A strong retention strategy becomes a strong recruitment tool. Retention of key employees is critical to the long-term health and success of any organization. It is a known incontrovertible fact that retaining your best employees ensures customer satisfaction, increased

product sales, satisfied colleagues and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning. Employee retention matters as organizational issues like training time and investment lost knowledge; insecure employees and a costly candidate search are involved. Hence failing to retain a key employee may be a costly proposition for a corporation. Various estimates suggest that losing a middle manager in most organizations costs up to 5 times of his salary. Intelligent employers always realise the importance of retaining the simplest talent. Retaining talent has never been so important within the Indian scenario; however, things have changed in recent years. In prominent Indian metros a minimum of, there's no dearth of opportunities for the simplest within the business, or maybe for the second or the third best. Retention of key employees and treating attrition troubles has never been so important to companies. High turnover often leaves customers and employees within the lurch departing employees take an excellent deal of data with them. This lack of continuity makes it hard to satisfy your organization's goals and serve customers well. Replacing employee costs money. The cost of replacing an employee is estimated as up to twice the individual's annual salary (or higher for a few positions, like middle management), and this doesn't even include the cost of lost knowledge. Recruiting employees consumes an excellent deal of your time and energy, much of it futile. You're not the sole one out there vying for qualified employees, and job searchers make decisions supported quite the sum of salary and benefits. Bringing employees up to speed takes even more time. And when you're short staffed, you regularly got to put in overtime to urge the work done. To keep employees and keep satisfaction high, you need to implement each of the three R's of employee retention.

- Respect
- Recognition
- Rewards

1.1 Respect

It is esteem, special regard, or particular consideration given to people. As the pyramid shows, respect is that the foundation of keeping your employees. Recognition and rewards will have little effect if you don't respect employees.

1.2 Recognition

It is defined as "special notice or attention" and "the act of perceiving clearly." Many problems with retention and morale occur because management is not paying attention to people's needs and reactions.

1.3 Rewards

Rewards are the additional perks you offer beyond the fundamentals of respect and recognition that make it worth people's while to figure hard, to care, to travel beyond the call of duty. While rewards represent the littlest portion of the retention equation, they're still a crucial one.

2. NEED FOR THE STUDY

This study helps to find out the retention level of workers in Manufacturing industry. Honest initiative must be taken to make sure learning and enjoy their work for the employees.

3. OBJECTIVES OF THE STUDY

3.1 Primary Objective:

To study about Employee Retention

3.2 Secondary Objectives:

- To know the organisational factors influencing retention strategies.
- To examine the necessary conditions to retain the employees.
- To solve the problem before they are worsen.

4. SCOPE OF THE STUDY

The scope of the study is to analyse the importance given by organization towards employee retention by the utilization of human resources. This study is to analyse the procedure for ensuring retention of all employees in their work which has become necessary in organisation.

5. LITERATURE REVIEW

S.Ramesh,^[1] says that Engaging and retaining employees of 21st century workforce in this competitive era is a toughest job for HR people. Now-a-days, almost every organization is driven by technology, but human resources are needed to carry out the works through technology. Hence human resources are the life energy for the organization for its survival growth and development. It is the challenge of a HR manager to retain employees in an organization for a long run in a dynamic environment. This is a secondary research, which reviews various research articles in journals and books and attempts to explore the reviews on employee retention in various sectors, industries etc., to understand the concept of retention, factors influencing retention and the strategies to retain the employees in a better way.

Sumedha Grover,^[2] Retention is considered as all-round element of human resource strategies and tactics. It begins with selecting right people and persists with implementing various programs to keep employees motivated and engaged in organization. Tremendous studies have proved that there are many challenging issues emerged while developing competencies of organization. Out of these issues some are directly while others are indirectly related to human aspect of the organization. One of the challenges in today's era is employee retention. As the trend is heading towards more industrialization, opportunities for employment are also maintaining pace with this trend. Due to which employee retention has gained a lot of attention in the development of organizational competence. People have grown more demanding with respect to their jobs and duties.

Shuana Zafar Nasir, Nasir Mahmood^[3] All the organisations who work and defends a lot on should workforce always strive to create strategies and practices of HR to reduce employee turnover. Hence it is key to offer newly hired workers desired comfort and clearly marked future scope for them to continue working for the organization. Research in the field indicates a direct link between factors that predict the likelihood of new employee's major reasons to quit the job. An employee's job satisfaction and organizational commitment is also a major for an employee's continuation to their job. Study results indicate a big connect between HR practices and perceptions with an intent of an employee to quit with organizational commitment.

C.H.Ajaya Kumar,^[4] The results of the study will allow researchers to better understand the major Employees retention practices, which can be studied how each variable effective or ineffective in Retaining Employees. This study makes three important contributions to literature of Employees Retention. First in this study all the parameters associated with Employee Retention were checked. Second, this study analyses the enormity of Employee Turnover, and third, provides suggestions to organisations to improve some of its strategic features to control Employee Turnover.

Benjamin Balbuena Aguenza, Ahmad Puad Mat Som,^[5] Retention is the process of physically keeping employee members in an organization as it is one of the key fundamentals that are necessary for organizational success. In a globalized environment, retention and engagement of high prospective employees are a huge challenge to organizations especially in times of high turnover rates. In many cases, even engaged employees are sometimes dissatisfied with the outcomes of organizational performance which may lead them to look elsewhere. Due to these reasons, this theoretical paper investigates motivational factors that influence employee retention and examines their impacts on both organizations and employees. This paper argues the motivational factors that are crucial in influencing employee retention are financial rewards, job characteristics, career development, recognition, management and work-life balance

6. RESEARCH METHODOLOGY

6.1 Meaning of Research: Research refers to a search for knowledge. It can also be given as a scientific and systematic search for pertinent information on a specific topic. In fact research is an art of scientific investigation.

6.2 Research Method: Research method is those techniques that are used for condition of research.

6.3 Research Methodology: Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically.

6.4 Research Design: Research design is the plan, structure, and strategy of investigation conceived so as to obtain answers to research questions and control variance

6.5 Descriptive Research Design: Descriptive research studies are those studies which are concerned with the characteristics of a particular individual, or of a group. The research design followed for the study is descriptive type of research.

6.6 Population: The total staff employees of the company are 500, and it forms the work place for the present study.

6.7 Sample Size: The researcher distributed questionnaires to overall 250 respondents who were taken as sample.

6.8 Sampling Technique : Stratified Random Sampling .

6.9 Data collection: The researcher makes sincere attempts to overall meet the respondents individually, the researcher explained each question to overall facilitate good understanding and genuine responses.

6.10 Sources Of Data collection:

6.10.1 Primary Data Collection:

The data which is collected for the first time is called as primary data. The various sources for collecting primary data are questionnaire, observation, interview, consumer panels etc. the primary source used for this study is questionnaire.

6.10.2 Secondary Data Collection:

The records and documents pertaining to the overall details of the organization and employees constitute the secondary sources such as books, journals and newspapers. Secondary data are obtained from company profile, internet, various other documents, scope need and other reports of the company.

6.11 Statistical Tools:

6.11.1 Percentage Analysis:

In case Percentage refers to a special kind of ratio. Percentage is used in making comparison between two or more series of data. In this study, the number of people who responded in a particular manner is interpreted in the form of percentages. $\text{Percentage} = (\text{No of respondents} / \text{Total no of respondents}) * 100$

7. LIMITATIONS OF THE STUDY

- Some of the information for the study may be confidential and therefore company is not disclosing the same.
- Respondents bias in answering the question might affect the result.
- Time factor may be the major limitations.

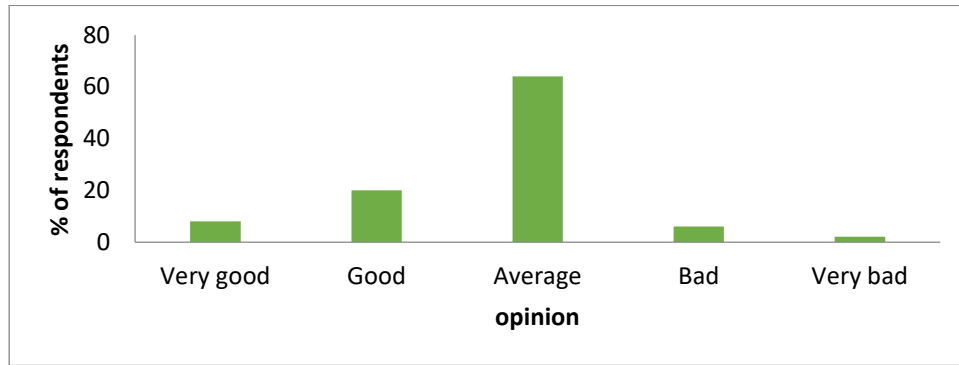
8. RESULT AND DISCUSSION

Table No-8.1 Table showing Opinion regarding Workload

Sno	Options	No of respondents	Percentage of respondents
1	Very good	20	8%
2	Good	50	20%
3	Average	160	64%
4	Bad	15	6%
5	Very bad	5	2%
	Total	250	100

Interpretation:

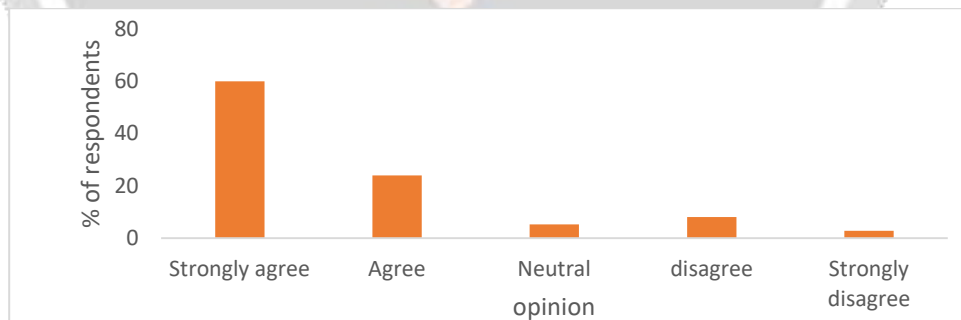
From the above table it is observed that 64% of the respondents are in the group of average of opinion regarding workload, 20% of the respondents are in the group of good, 8% of the respondents are in the group of very good, 6% of the respondents are in the group of bad, 2% of the respondents are in the group of very bad.

Chart no-8.1(a) Chart showing opinion regarding workload**Table No-8.2 Table showing the Appreciation given by Supervisor**

SNO	Options	No of respondents	Percentage of the respondents
1.	Strongly agree	150	60%
2.	Agree	60	24%
3.	Neutral	13	5.2%
4.	Disagree	20	8%
5.	Strongly disagree	7	2.8%
	Total	250	100

Interpretation:

From the above table it is observed that 60% of the respondents are in the group of strongly agree with the appreciation given by supervisor, 24% of the respondents are in the group of agree, 5.2% of the respondents are in the group of neutral, 8% of the respondents are in the group of disagree, 2.8% of the respondents are in the group of strongly disagree.

Chart no-8.2(a) chart showing the appreciation by superior**Table No-8.3 Table showing the Participation of Management Activities**

Sno	Options	No of respondents	Percentage of respondents
1	Very good	75	30%
2	Good	100	40%
3	Average	40	16%
4	Bad	15	6%
5	Very bad	20	8%
	Total	250	100

Interpretation:

From the above table it is observed that 40% of the respondents are in the group of good in the participation of management activities, 30% of the respondents are in the group of very good, 16% of the

respondents are in the group of average, 8% of the respondents are in the group of very bad. 6% of the respondents are in the group of bad

Chart no-8.3(a)- chart showing the participation in management activities

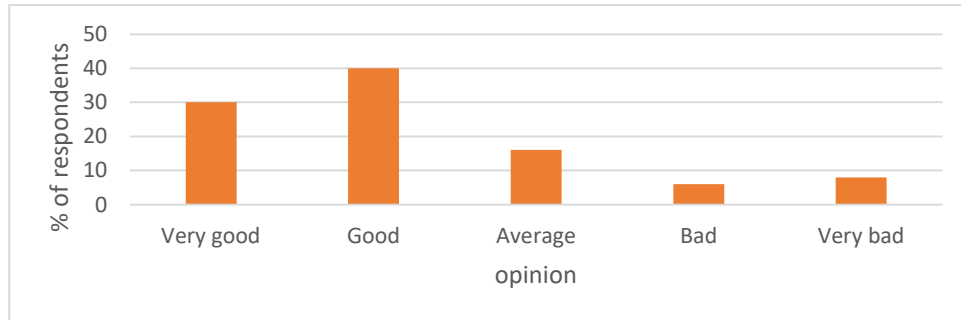


Table No-8.4 Table showing the Appreciation of the work

SNO	Options	No of respondents	Percentage of the respondents
1.	Strongly agree	120	48%
2.	Agree	50	20%
3.	Neutral	35	14%
4.	Disagree	25	10%
5.	Strongly disagree	20	8%
	Total	250	100

Interpretation:

From the above table it is observed that 48% of the respondents are in the group of strongly agree with the appreciation of the work, 20% of the respondents are in the group of agree, 14% of the respondents are in the group of neutral, 10% of the respondents are in the group of disagree, 8% of the respondents are in the group of strongly disagree.

Chart no-8.4(a) chart showing the appreciation of work

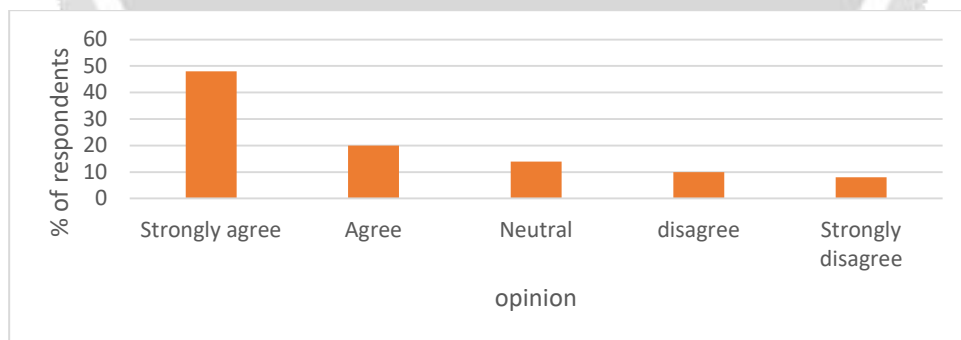


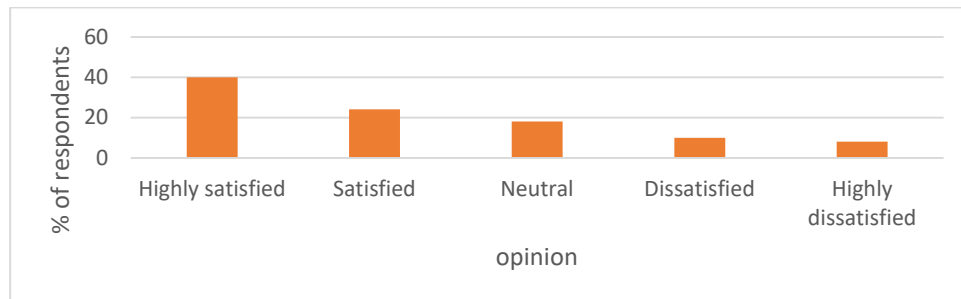
Table No-8.5 Table showing Satisfaction of Organisation Culture and Work Environment

Sno	Options	No of respondents	Percentage of respondents
1	Highly satisfied	100	40%
2.	Satisfied	60	24%
3.	Neutral	45	18%
4.	Dissatisfied	25	10%
5.	Highly dissatisfied	20	8%
	Total	250	100

Interpretation:

From the above table it is observed that 40% of the respondents are in the group of highly satisfied of organisation culture and work environment, 24% of the respondents are in the group of satisfied, 18% of the respondents are in the group of neutral, 10% of the respondents are in the group of dissatisfied, 8% of the respondents are in the group of highly dissatisfied.

Chart no-8.5(a) Chart showing the satisfaction of organisation culture and work environment

**9. CONCLUSION**

Employee Retention refers to the process by which a company ensures that its employees don't quit their jobs. Every company and industry has a varying retention rate, which indicates the percentage of employees who remained with the organization during a fixed period. From the above study it is concluded that the organization maintains good retention level because the employees are getting satisfied with incentives and welfare facilities that have been provided by the organization.

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