

## **ATTRITION OF EMPLOYEES BEFORE AND AFTER SHIFTING OF MANUFACTURING UNITS FROM DELHI TO NCR**

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### **ABSTRACT:**

**In the last decade, the Indian economy has achieved remarkable progress in the area of job creation. It is projected that the global economy would take on a new look in the next decade, one that is fully rebuilt and redefined, with more mature and developed consumer expectations, stronger goods and services, and powerful delivery mechanisms. Businesses across all sectors are preparing for this new face of the global economy. As a result of global economic downturns at various phases, a new paradigm change in several industries is taking place, particularly in Manufacturing Industry. To combat employee attrition, good human resource management must be conducted on a strategic and day-to-day basis. In order for HR procedures to be consistent with the company's policies, they must represent the company's approach to employee concerns. The HR department's function should shift from one of transactional assistance to one of strategic partnership with the company. As a result of the comparison of factors contributing to employee attrition based on company size and nature, HR managers will be better equipped to recognize and creatively solve employee problems that result in attrition.**

**Keyword: - Employee attrition, banking, insurance, telecommunications industry, Information, Technology**

### **INTRODUCTION:**

HR managers face an increasing problem with employee turnover. The management of people is a fundamental component of every firm and is a big element of any manager's job. Some specialists in management education have labeled this problem attrition, while others have titled it turnover. When it comes to HR terminology, attrition refers to the occurrence of people quitting their jobs. Attrition rate is a common metric used to measure the number of employees who leave an organization.

### **EMPLOYEE TURNOVER:**

It's typical for employees to leave a business for many reasons, such as retirement, a shift in career or work direction, relocation, illness, and so on. Over the course of one fiscal year.

An attrition and retention study conducted by Hewitt International found that wage disparity is a major contributor to the rising attrition rate. Twenty-one percent of the enterprises that took part in the poll claimed that their employees left because they received higher pay packages from other companies. No. 2 was a lack of prospects for advancement, and No. 3 was a lack of job stability.

Attrition can be used as part of a restructuring plan in some businesses. Attrition is a less drastic method of staff reduction than the more commonplace practice of layoffs. For a workforce that includes workers who are nearing retirement, this is less of an issue. When

an employee leaves a company, no one is brought in to take their place, and the position may be retired. The human resources departments of certain companies work together to develop positions that can potentially be filled by the company's remaining employees. This opens up previously unavailable avenues for gainful employment. Training, development, and socialization expenses rise as a result of a lower staff retention rate. BPO, paramedical, and aeronautics are some of the few industries that rely heavily on knowledge employees, and attrition rates are generally high in these industries. Remaining duties and obligations might be burdened on employees and supervisors without pay when attrition occurs. There is a chance that even current employees or managers will leave to work for a competitor. Positions that have been filled by attrition may no longer be eligible for advancement. This might have a negative impact on a company's morale.

Manufacturing is expected to lose 8-10 percent of its workforce as a result of the government's 'Make in India' initiative and the introduction of new projects (Source: The Economic Times). Upbeat employment market and improving economy are expected to lead to attrition rates of up to 25 percent in 2016. According to a poll by a job portal, attrition at the freshman level is projected to be between 12 and 14 percent, while at the senior level, it is expected to be between 8 and 10 percent (Source: Wisdom Jobs). "Most sectors are expected to suffer a significant amount of staff turnover in 2016, according to the results of a survey. Due to a stable economy and an increase in work prospects, job seekers are more optimistic about finding a job "Ajay Kolla, CEO of Wisdomjobs.com, made the statement. There will be an increase in attrition at the mid- and lateral-levels of 15-20%, while attrition in critical roles is likely to reach 7 percent in the

coming year. Employees are more likely to depart for a variety of reasons, including improved career possibilities, personal reasons, and better usage of existing abilities. It's important to address Career Management, Recruitment, and Development of Future Leaders in this field. Every sector's HR professionals have the issue of keeping employee enthusiasm and engagement at the greatest level while minimizing attrition.

#### LITERATURE REVIEW:

**Dr.Pankaj Saini (2017)** Employee attrition has been observed across industries, and management has found it difficult to retain talented staff. This study looked at how the four service industries varied in terms of employee attrition. In this study, a descriptive research approach was adopted, and 600 employees from four industries were questioned using a structured questionnaire using non random quota sampling. Employee attrition is caused by thirteen factors that were discovered through factor analysis. Employees in the telecommunications sector believe they have high job expectations and a hostile work environment. There is a poor perception of employment worth and job instability, as well as a lack of opportunities for promotion and education, among insurance business employees Those working in the information technology industry say they are being underpaid and have high expectations for their jobs. In comparison, employees in the banking sector face stagnation, stress, and office politics.

**Dr. Shikha Bhardwaj (2017)** Attrition is a problem in almost every sector nowadays. India Incorporation's biggest challenge is retaining talented staff. Technical and non-technical occupations were examined in Delhi NCR's industrial sector in order to gain further insight into the talent shortage. After speaking with around 50 people, both technical and non-technical, researchers discovered three

significant influences in the workplace: salary, boss, and stress. A questionnaire was produced and distributed to 120 employees, but only 75 responded. Attrition rates were shown to be strongly correlated with the sort of employment a person had. We can see a substantial correlation between the two persons using the Chi-square test. As a result, every change in one will have an impact on the other. In addition, money is the most essential element in technical roles, while the boss is the most important factor in non-technical ones. Out of 75 people, 63 were engineers and the others were not. The study could be expanded to include other demographic variables to better understand attrition factors.

**Sabha Yousuf Khan (2019)** Employees are the gasoline that keeps an organization's machine functioning smoothly over time. In spite of this, management has refused to give them credit for their efforts. Reduced employee engagement and progressively increasing staff attrition are two aspects that have created concerns about the company's image and brand value in the marketplace. Attrition and poor employee engagement are examined in this study, which focuses on their causes. The age element is given special consideration in the study when calculating global employee attrition data. It also makes recommendations and recommendations for how to reduce the firing meter.

**Guru Vignesh Sridhar (2018)** Employer turnover is a critical problem in today's workplace, in spite of external developments. As a result of resignations, deaths, or retirements, a company's workforce is gradually dwindling. The term "attrition" is used to describe the phenomenon. There is a void left when an experienced employee departs a company for any reason. Personnel in charge of human resources have a tough time stepping in to fill the ensuing vacancy. When it comes to preventing employee attrition, today's

HR managers are using a wide range of strategies and approaches. Many employees may leave for a variety of reasons, including job insecurity, lack of professional advancement, desire for new chances, anticipation of greater compensation, conflicts with superiors, and a variety of other personal reasons. What causes attrition, the hurdles managers have in keeping employees, and how to overcome them are some of the topics covered in this research.

**Pradip Kumar Talapatra (2016)** The backbone of a country's economy is its industries. Industry and service sectors account for a significant portion of GDP (Gross Domestic Product). An organization's manpower, or workforce, is a critical component. Employees play a significant role in a company's performance and growth. As a result, all businesses have Human Resource departments that handle all employee-related matters. Attrition and retention are two opposing phenomena that serve separate functions, but the connection between them is that one allows the other to exist. With the passage of time, global marketplaces have become more competitive, affecting workplace culture. A dynamic workforce, an uneven supply and demand for qualified workers, and an increased emphasis on work-life balance provide problems for HR and management. In the business world, attrition and retention rates are commonly utilized to determine employment patterns, general business growth, motivations, and obstacles. In the global competitive landscape, The loss of a significant employee has a negative impact on knowledge value, scared coworkers, and lost capital, thus companies spend a lot of time, effort, and money to keep their employees. The current article addresses the current conditions in Indian manufacturing companies, the reasons for attrition, and the strategies taken to assure retention. Different sorts of workplaces were considered, and appropriate elements were

investigated in order to create an appropriate analysis.

**RESEARCH METHODOLOGY:**

Primary data was acquired from call center personnel working for Manufacturing Industry companies in Delhi and the National Capital Region for the purpose of this study using a standardized questionnaire. According to this directory, there are 96 similar businesses. In the first round, a random sample of 96 firms was used to choose 28 finalists at random. Out of these 28 companies, 428 people were chosen for the research in the second round. A breakdown of the sample's ages, genders, and ethnicities can be seen below.

True agreement and true disapproval were both scored at five points, whereas True Disagreement was only rated at one point.' The other scale categories were "4" for "Agree," "3" for "Neither Agree Nor Disagree," and "2" for "Disagree." Furthermore, data was evaluated using factor analysis to uncover the factors driving employee attrition in Information Technology Enabled Services-Manufacturing Industry firms. In order to ensure that the data were suitable for factor analysis, the KMO measure of sample adequacy and the Bartlett's test of sphericity were applied. The data was analyzed using the SPSS Software 16.0 version. To minimize the number of variables to a manageable number, factor analysis with Varimax rotation was used.

**DATA ANALYSIS:**

Table 1 shows that the overall sample size of 428 respondents is made up of 304 respondents from large enterprises (71.1%) and 124 respondents from small and medium businesses (28.9%). Small, medium, and large businesses have been classified according to the number of individuals they employ.

Table 2. Size-wise Classification of the Sample

Size of the company	Frequency	Percentage	Cumulative Percentage
Small and medium company	124	28.9	28.9
Large company	304	71.1	100
Total	428	100	

Source: Author's calculations based on primary data.

Several assertions that contribute to employee attrition are provided in Table 3 with the mean and standard deviation. The statement-lack of professional progression possibilities (3.69) received the highest mean score among the statements shown in the table, implying that employees agree with this as a reason for employee churn. Mean score (3.38) indicates that workers do neither agree or disagree with the term "inadequate wage" as a cause to quit the job. According to propositions 2, 3, 4, 5, 7, 8, 9, 11, 12, 13 on employee attrition, the average score is between 2.50 and 3.49 out of 5. Thus, neither the workers nor their employers feel that these dimensions are to blame for employee turnover. For statement number 6, the mean is also found to be in the range of 1.50 to 2.49. This suggests that staff working for IT-enabled services-BPO firms disagree with this assertion.

Attrition Statements	Mean	Standard Deviation
Inadequate salary	3.38	1.296
Workload was more	2.99	1.147
Job was not interesting	2.85	1.099
Job security was not there	3.06	1.147
Relations with superiors were not good	2.80	1.176
Relations with peers were not good	2.45	.999
Status was not adequate	3.16	1.143
Working conditions were not up to mark	2.92	1.221
Non utilization of your knowledge and experience	3.18	1.234
Lack of career opportunity	3.69	1.064
Unable to stay at the location / city	2.70	1.183
Family constraints	3.13	1.183
Transportation problem	3.31	1.185
<b>Source:</b> Author's calculations based on primary data		

The first element to be analysed When opting to leave a firm, workers are more concerned about their career growth opportunities than they are about the quality of their work, according to the findings of FA1. As a result, workers want a fair compensation for their labour and value the sort of workplace given by a company, and an individual's insufficient position does not satisfy his or her power requirements. One of the primary causes of employee turnover is the lack of positive interpersonal interactions among coworkers and superiors, according to the second factor FA 2 (Poor Workplace Relations). Employees form opinions and assumptions about the organization based on peer, superior, and subordinate interactions, as well as team dynamics.

The component FA 3 indicates that employees place a high value on characteristics such as family limitations, incapacity to remain in the city, as well as problems with transportation and an increased workload and a lack of job

security. As a result, personal as well as work-related concerns play a significant role in employee turnover.

### SIZE OF ORGANIZATION-WISE COMPARISON OF DIMENSIONS LEADING TO EMPLOYEE ATTRITION:

Small, medium, and large businesses have been classified according to the number of individuals they employ.

Table 3. Size of Organization

Factors Leading to Employee Attrition	Small & Medium Companies		Large Companies		Overall		T-value	P-value
	Mean	S.D.	Mean	S.D.	Mean	S.D.		
Non Fulfillment of Needs and Aspirations	3.12	.8195	3.25	.8531	3.21	.8445	-1.480	.140
Poor Workplace Relations	2.54	.8574	2.79	.7940	2.72	.8201	2.862	.004
Personal And Job Issues	3.02	.7660	3.03	.7602	3.03	.7610	-0.88	.930

'Non-fulfillment of Needs and Aspirations' had the highest mean score in both small and medium (3.12) and big enterprises groups, according to table 3. (3.25). It has the highest average score of all the factors (3.21). On the same criteria, 'Poor Workplace Relations,' small and medium businesses (2.54), large businesses (2.79), and on an overall basis (2.72) had the lowest mean score. A t-test was used to see whether the mean scores of small and medium-sized businesses and large corporations were statistically different, differed significantly on each of the variables that lead to employee attrition. Results reveal that the mean values for the component "Poor Workplace Relations" varied greatly at the 5 percent level,  $df=1/426$ . This is a significant finding. Those at large corporations are more likely to agree on this point compared to workers at smaller enterprises. The discrepancies in mean values for the other two variables, namely "Non-fulfillment of Needs and Aspirations" and "Personal and Job Issues," are not statistically significant. It means that

responders from small, medium, and large businesses are equally concerned about the variables that contribute to employee attrition.

**MANUFACTURING INDUSTRY:**

When it comes to manufacturing facilities and environment, there is a big contrast between the locally focused and global manufacturing industries, according to literature. Several variables that lead to employee attrition were examined using a t-test to identify the influence and difference in degree of agreement. Small, medium, and large enterprises are shown in Table 8 with the mean score, t-value, and significance level of several variables that lead to employee attrition.

Table 4. Nature of Manufacturing Industry

Factors Leading to Employee Attrition	Domestic Manufacturing Industry		International Manufacturing Industry		Overall		T-value	P-value
	Mean	S.D.	Mean	S.D.	Mean	S.D.		
Non Fulfillment of Needs and Aspirations	3.37	.7123	3.18	.8703	3.21	.8445	1.930	.054
Poor Workplace Relations	2.87	.8295	2.68	.8146	2.72	.8201	1.907	.057
Personal And Job Issues	3.31	.7257	2.96	.7550	3.03	.7610	3.789	.000

Source: Author's calculations based on primary data

'Non-Fulfillment of Needs and Aspirations' has the highest mean score of 3.37, which indicates that workers in the domestic manufacturing industry are the most inclined to quit a company. No matter how well-designed contact centre job advertising may be, the highest mean score on factor "Non-Fulfillment of Needs and Aspirations" might be the result of a mismatch between the salaries advertised and the reality of the working environment. "Non Fulfillment of Needs and Aspirations" could be due to the fact that It's hard to deny the initial allure., but once reality sets in, the initial appeal and apparent career advancement fade, and 'Non-fulfillment of Needs and Aspirations' becomes one of the most powerful factors

affecting employee attrition. Table 8 further shows that the criterion 'Poor Workplace Relations' has the lowest mean score for both groups and on an overall level.

For each of the criteria that contributes to employee attrition, If there were significant variations in mean scores between the two groups of respondents, the t-test was applied. There is a statistically significant t-value for the component 'Personal and Job Issues', and there is a statistically significant t-value for the factor 'Non-fulfillment of Needs and Aspirations'. It demonstrates that manufacturing industry respondents from both the domestic and international sectors, have different levels of agreement on these two factors impacting employee attrition. Both considerations have a greater impact on employees of a domestic Manufacturing Industry than they do on employees of an overseas Manufacturing Industry. The difference in mean values for the last component, 'Poor Workplace Relations,' was not determined to be statistically significant at the 5% level, demonstrating that this issue contributes equally to employee attrition, as shown by the consensus.

**CONCLUSION:**

Research shows that employee turnover may be attributed to a lack of satisfaction in employees' goals and objectives. Employee involvement and openness to criticism are not one-time events but a way of life in the finest firms. Employees are motivated and engaged by opportunities for growth and learning. They want constant guidance and instruction. HR managers should encourage their staff to work in a variety of jobs and provide a wide range of best practices in the field of human resources. Also, attempt to provide staff with new, difficult learning opportunities that will assist them widen their experience base. It's also a good idea to do this in order to counteract the effects of the component. Relationship breakdowns at

work Employees need a blogging site where they can communicate with their friends, their CEO, and their stakeholders.

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