CHAPTER 6.

FINDINGS, SUGGESTIONS CONCLUSIONS AND RECOMMENDATIONS

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CHAPTER 6.
FINDINGS, SUGGESTIONS CONCLUSIONS AND RECOMMENDATIONS

6.1. Introduction
After analysis and interpretation of the pilot study, main survey, interviews during survey and post survey interviews the findings, suggestions and recommendations are presented in this chapter.

6.2. Findings of the research
1) Personal Factors
   ▪ 61% of the respondents are between 30 -40 years, 29.6 are below 30 years of age and 9.65 are above 40 years.
   ▪ 97% are male and 78% are married.
   ▪ 94.6% of the respondents are engineers. Majority of them (62.7%) are working in current organization from 1 to 5 years.

2) Current Trend of attrition in automobile industry
When this question was asked to Human resource managers they said that the global economic slowdown was started in middle of 2008 and it was on peak in 2009. This year most of the organizations had frozen the salary increase as well as recruitments and even delayed their performance processes. However from August 2009 onwards the situation improved slowly and it gain the pace in 2010. So after 2009 there were large number of vacancies available in market and again attrition rate was increased.

   ▪ Attrition is high among the engineers below 30 years working at a lower level.
   ▪ Attrition is high in Research and Development department and low in human resource department.

According to the human Resource managers, Companies provide attractive design allowance to the managers working in the research and development department to attract them.
3) Training and Development
   - All the companies under research are providing training and development to all the levels of managers. By and large the respondents are satisfied with the training and development programs.
   - 67% of them find training programs useful for their career development.
   - 65% of the respondents believe that training programs do not help to manage the stress at work place and have mixed opinions about the contribution of training in reducing employee attrition.

4) Performance Appraisal and employee attrition
   - All the companies under research conduct performance appraisal of employees. Most of the respondents are dissatisfied with performance appraisal system.
   - About 70% said that performance appraisal is a fault finding mechanism and a periodic ritual.
   - 61.2 % of the respondents said that the moral and motivation decreases after performance appraisal and its periodic ritual.
   - 66% of the respondents said that employee attrition increases after performance appraisal.
   - Thus it can be seen that performance appraisal system of the companies under research is not making much positive contribution to the HR development and organization development system.

5) Impact of employee attrition on production, moral and motivation and image of a company.
   - 60% respondents believe that production gets affected due to attrition.
   - 58.8% said that the morale and motivation of existing employees decreases due to attrition.
   - 56.4% respondents believe that the image of the company gets spoiled due to attrition.
6) Retention Policy and exit interview
   - 78% of the respondents said that there is a retention policy in their organization but are not satisfied with the retention policy. Maximum respondents said that retention policy helps to control attrition.
   - 94% of the respondents said that exit interview is conducted in their organization Managers but they are not satisfied with the implementation of the same in their respective companies.

7) Causes of attrition among top level, middle level and lower level managers
   - Lack of empowerment, participative culture and decision making, insufficient salary, relationship with immediate boss and discrimination are the major causes of attrition among top level management.
   - Poor relationship with immediate boss, insufficient salary, Lack of Job satisfaction, lack of empowerment, participative culture and decision making and lack of career advancement major causes of attrition among the middle level management.
   - Discrimination, insufficient salary, lack of career advancement, lack of empowerment, participative culture and decision making and lack of good working environment are the major causes of attrition among the lower level management.

8) Previously worked in another organization.
   - About 68% of the respondents have previously worked in some other organization.
   - From the multiple response analysis it can be seen that 30.8% respondents said Insufficient salary package and financial rewards, 23.2 % said poor relationship with the immediate boss,18.5 % said lack of empowerment , participative culture and decision making 17.5% said lack of career advancement ,14.2% said dissatisfaction with the company in general,13.3 % said discrimination,7.6 % lack of good working environment, 7.1 % said lack of training and development,6.6 % said company policies and procedure,5.7% said poor relationship with colleagues, 5.2 % said lack of job satisfaction, 2.8 % poor relationship with subordinates,2.4 % said lack of employee benefits
and .5% said starting their own business are the reasons for leaving the previous job

- For top level- 19 respondents said management lack of empowerment, participative culture and decision making, 19 said poor relationship with the immediate boss, 15 said insufficient salary package, 8 said discrimination and 6 said career advancement were the prominent reasons for leaving the previous job.

- For middle level- 30 respondents said poor relationship with the immediate boss, 21 said insufficient salary, 12 said discrimination, 11 said career advancement and 10 respondents said lack of decision making were the prominent reasons for leaving the previous job.

- For lower level- 29 respondents said insufficient salary, 20 said career advancement, 18 said discrimination lack 10 respondents said lack of participative culture and decision making were the prominent reasons for leaving the previous job.

9) Gap between expectation of the management and actualization by the subordinates, mismatch between job allotment and qualification and lack of effective succession planning and employee attrition.

- 80% of the respondents said that if there is a gap between expectation of the management and actualization by the subordinates it leads to employee attrition.

- 70% of the respondents said mismatch between job allotment and qualification and experience has relationship with attrition.

- 70% of the respondents said absence of succession planning has relationship with attrition.

10) Compensation and its relation with employee attrition

- More than 55% respondents believe that companies do not provide sufficient salary to its employees.
69.8% of them believe that companies salary and benefits plans does not satisfy their needs.

Hence it can be concluded that Compensation has a significant relationship with employee attrition.

11) Opinion about Employer and Staff

- Only 33% of the respondents said that their employer is a model employer, 42% said there is nothing special about their employer and just an employer whereas 24.5% said their employer is impersonal.
- More than 50% respondents feel that the staff is either just an employee or nothing special (taken together). It reflects the work environment which is not much conducive.

12) Culture and its impact on employee attrition.

Most of the respondents disagree on the statements that company provides adequate recognition for contribution and accomplishments, rules and regulations of the company motivate employees to perform better, company provides opportunity to develop skill, employees participate in decision making and dissatisfaction among employees is identified at the earliest. Hence it can be concluded that poor organizational culture is one of the prominent cause of employee attrition at the management level.

From the findings it can be said that the following objectives set in chapter 4 are fulfilled.

1. To study the present status of employee attrition among managerial level in the automobile industry with special reference to Passenger car manufacturing companies in Pune district.
2. To know the issues related to the employee attrition among top, middle and lower level managers in passenger car manufacturing companies.
3. To give suggestions and recommendations to organizations to control their attrition rate.
4. To test the hypothesis stated below.

The following hypothesis stated in the chapter -4 stands proved-

This study is conducted to test the following hypothesis:
1. $H_0$ : There is no difference in the importance attached to the causes of employee attrition.
   $H_1$ : There is a significant difference in the importance attached to the causes of employee attrition.

2. $H_0$ : There is no relationship between performance appraisal and employee attrition.
   $H_1$ : There is a significant relationship between performance appraisal and employee attrition

3. $H_0$ : Organization culture factors do not influence employee attrition.
   $H_1$ : At least one of the factors of organizational culture has significant impact on employee attrition.

6.3. Suggestions and Recommendations

1. The companies under the research should make special efforts to reduce attrition, especially at the age group around thirty and also in Research and development department.

2. Training and development activities should be used effectively for reducing attrition (Sample training program is given in appendix) Coaching, counseling, succession planning etc. can be used.

3. The companies under research need to review their performance appraisal system. The objectives set should be revised. Their few objectives may be fulfilled, but if the performance appraisal is creating negativities and increasing attrition, and thereby hampering the image of the company, a fresh look is worth it.
   The companies may take the help of the consultants in this regard.

4. Considering the role and the positive impact of retention policy and exit interviews, the same should be used strategically by the companies.
5.
   a) The companies under the research should have a strong policy and programs for the following :-
      - Participative Culture and participative decision making
      - Employee empowerment
      - Employee satisfaction
      - Positive attitude
      - Career advancement

   b) Employee satisfaction survey should be conducted. Employee motivation and morale survey should be conducted.

6.
   a) Employees should be oriented on :
      - Company productivity and profits (rupee earned and rupee spent)
      - Human needs and Maslow etc.
      - Tax planning

   b) Management should compare salary structure of the existing car manufacturing companies and should provide them salary accordingly so that their needs would be satisfied and top performers would be retained.

7. Recognition and reward system should be reviewed and developed. Recognition, expectations be studied and then only be transformed into policy.

6.4. Recommendation
   1. Management must have free and effective communication policy to allow managers to comment their views, expectations, creative ideas etc. It can motivate managers at all level and can boost their confidence and trust in the organization.

   2. Execute periodic audits of job satisfaction, audit of training evaluation and effectiveness.
3. HR audit should be conducted with special reference to retention, attrition and managerial satisfaction.

4. Develop an effective training program and constantly update training strategies.

5. There is a need to develop an effective retention policy to retain the competitive employees.

6. Same way there should be the working system where complacent managers would be motivated to go to the next level of performance.

7. For this there should be incentive for –
   - Higher education-engineering and management
   - Six sigma and other such certification
   - QC Certification( Quality control certification)

8. Clearly define roles and responsibilities. Make sure your employees know what is expected of them every day, what type of decisions they are allowed to make on their own area.

9. Provide adequate advancement opportunities and develop promotion strategies on contribution level. Encourage learning with open mind

10. Show your employees that you value them, reward individually and team.

11. Provide the employees a stress free work environment

12. Offer fair and competitive salaries and communicate to all. Revise salaries more frequently or annually based on skill level, experience and achievements.

13. Work culture and management style of immediate boss are clearly key factors that should be paid attention to.
6.5. Researcher Contribution

- This kind of research may be unique in its nature as cross section of employees at management cadre has been into taken account by undertaking an empirical study.

6.6. Areas for further research

1. The area selected for research is passenger car manufacturing automobile industries in Pune District and not any other area. Further research can be conducted to find the attrition problems at the managerial level in all automobile companies located in India.

2. Research can be conducted to find out the attrition problem in two wheelers manufacturing companies and heavy vehicles like trucks, busses and tractor manufacturing companies.

6.7. CONCLUSION

The Indian Automobile industry has been going through ups and downs of the market for a couple of years due to recession and the climatic factors. In such conditions, the cost is the key word. Attrition increases the cost. It is the cost of recruitment, selection, training, development, wastage and accidents. Therefore, a holistic approach right from recruitment to the exit interview is essential.

The study of the present status of attrition at the managerial level in select large scale automobile industries in and around Pune area begins with the introduction of the topic, and went through various dimensions of employee attrition. The Automobile industry in India and Pune district was discussed in detail to know about its contribution in the Indian economy.

The findings lead to certain conclusions that there is a need to give importance to the feelings, expectations and needs of the managers. Salary is not the prime cause of attrition among the top level managers but they need empowerment and participation.
in decision making. The managers have to change their style of functioning for the development of the subordinates as well as the organization.

The findings indicate that decision making power and empowerment are the requirements for satisfying the self-actualization need.

Most of the young generation managers are prone to shift their jobs frequently due to the poor relationship with bosses and this is the obstacle in the development of our youth.

The findings of this survey support the perception that reducing attrition among top performers at the managerial level will remain the top priority of Human Resource managers in car manufacturing automobile industries in Pune District.

Efforts are needed for providing participative culture in decision making, attractive monetary incentives, training in stress management, career development, and fair and equal treatment at the managerial level. This would help to control attrition at the managerial level and would help in the development and growth of the automobile industry and Indian economy. This calls out to the automobile industry to come up with new ideas to reduce the attrition and develop India in the real sense.