Chapter 3

REVIEW OF LITERATURE

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Chapter 3
REVIEW OF LITERATURE

3.1. Introduction:
The purpose of this chapter is to describe the variety of opinions and views of the issues related to the employee attrition. For this purpose the researcher tried to review the relevant literature on this subject. The literature is taken from the following sources:-

1. Books
2. Articles from magazines and journals
3. Articles from Internet
4. Articles from News papers
5. Government Reports
6. Speeches

3.2. Review of literature from books
1. Saiyadain Mirza S., Tripti Pande Desai,
   Emerging Issues in Human Resource Management,
   An Indian perspective, Chapter 10,
   Attrition: A behavioral Perspective by Brinda Balkrishnan,
   Excel Books, New Delhi 2007 p 133

In a book “Emerging Issues in Human Resource Management, an Indian perspective” its 10th chapter ‘Attrition: A Behavioural Perspective’ written by Brinda Balkrishnan, the author describes the results of a comparative survey of employee attrition between ITES, IT and manufacturing sector. The primary data was collected by using open ended questionnaire. Total 73 respondents were selected consisting of ex-employees (27 from manufacturing, 27 from IT sector and 21 from ITES sector) and 5 human resource managers from all three sectors. The information was collected on telephone and by mail.
It was found in that survey that better prospects, location preferences, stagnation and ill-defined career plans were the prominent reasons of attrition in the manufacturing sector.

Monotonous work, lack of career options, better salary and skewed timings were the reasons of attrition in the BPO sector. Better prospects, inadequate training, heavy workload and uneven distribution of work were found the reasons of attrition in the IT sector.

The human resource managers in the manufacturing sector believe that inviting offers by competitors and better prospects were the reasons of employee attrition in the manufacturing sector.

There is no universal solution, tool, technique for attrition management.

**Learning**

The author describes that better prospects, location preferences, stagnation and ill-defined career plans are the prominent reasons of attrition in the manufacturing sector and there is no universal solution, tool or technique for attrition management.

2. **Seetharaman.S, B. Venkateshwara Prasad,**  
   Human Resource Management,  
   Scitech Publications (India) Pvt. Ltd.,  
   July 2007,  
   P16.1-16.5

In the book Human Resource Management, Chapter number 16- Labour Problem, page number 16.1 -16.5 the author has explained that Labour turnover is a serious problem among the industrial workers not only in India but in the whole universe. When an employee moves, shifts or migrates from one organization to another organization it is called as employee turnover.

Moving from one organization to another organization for a better and comfortable payment and a decent job is a natural tendency of every employee and this leads to
employee turnover. The author describes that if the employee turnover is up to five percent it is tolerable but when it exceeds this limit it creates serious problems for an organization and it should be properly studied.

Employee turnover is the indicator and warning about the health of an organization that something is wrong with it but it does not explain the reason behind it. It does not diagnose the disease of an organization, but just indicates about poor health and hence it must be properly studied by the management.

High employee turnover may be due to many reasons such as poor plans and policies, poor personal practices or poor supervision and so on. It is also an indicator of low morale.

**Learning**

The author has explained that labour turnover is a serious problem among the industrial workers not only in India but in the whole Universe. It is an indicator of poor health of an organization and should be properly studied. It may be due to poor plans and policies, poor personal practices or poor supervision and low morale among employees are the major reason of employee turnover.

3. **Saiyadain Mirza S., Tripti Pande Desai,**

    Emerging Issues in Human Resource Management,
    An Indian perspective,
    Chapter 1, Excel Books,
    New Delhi 2007 p 5.

Lack of clarity of the policies, discrimination, and lack of effective management are the major factors of employee attrition. Employee attrition can be reduced by a flexible approach of the management.

There are various measures by which a management can retain its skilled employees such as attractive salary and benefit package, providing training and development programmes and providing opportunities for their growth so that employees can face the new challenges and feel value for them. These factors are very important for reducing attrition of skilled employees.

Learning

The author describes that lack of clarity of the policies, discrimination, and lack of effective management are the major factors of employee attrition.  

4. Dessler Garry,
   A framework of Human Resource Management,
   Third edition, Pearson Education,
   New Delhi, 2008, P 642-643

The author describes that job stress is the main reason for employee attrition. Problems such as alcoholism and drug abuse sometimes are the outcome of job stress. Further the author describes that there are many reasons for stress. There are various external factors which cause stress. These include lack of job security, work schedule, pace of work, transportation problem, and workplace noise and the number and nature of customers or clients.

According to the author no two people react the same way in the same situation in the same organization because their personalities and culture are different and personal factors also influence stress. For example, people who are workaholic, complete their work in the given time. They are type A personality, they normally have greater stress than the other type of employees.

It was found in a survey of 46000 employees that the cost of medical care of highly stressed employees was 46% higher than their less stressed colleagues. He explained
that job stress has serious impact on employees as well as on the organization. Employees get headache, depression, anxiety, anger, cardiovascular disease, and accidents due to job stress. On the other hand there are many serious consequences of employee stress on the organization. These include decrease in performance, and increased absenteeism, turnover, grievances, conflicts and cost of health care. Hence according to the author job stress is also a cause for attrition of employees.

**Learning**

The author describes that job stress is the main reason for employee attrition it can cause many problem to employees as well as the organizations. It may be due to internal problems, external problems or personal problems. It is also a reason of employee attrition in organizations.

5. **Greer Charles R.,**

   Strategic Human Resource Management,
   A General Approach Second edition,
   2009, P22-37

The author suggests that organizations must have highly skilled and knowledgeable employees if they want to become competitive in the industry. Organizations must also have a relatively stable workforce because employee attrition directly works against obtaining effective coordination and organizational learning that leads to produce high quality products and services. There is a growing recognition of the relationship between company strategies and their human resource practices.

Companies pursue strategies of innovation to reduce attrition. Companies which rely on individual expertise and unrecorded knowledge tend to provide greater job security for some employees.

Companies invest in their workforce on development programmes that increase retention. When they fail to make such investment they incur a high cost of attrition of employees.
There is a great demand for specialists such as technology specialists, information specialists and other technical employees and companies are very innovative to retain these specialists. Many companies have started career development institute and other institutes to develop employees which help them to retain skilled employees and reduce attrition in companies. Opportunities for training, new learning, growth, promotion and liberal transfer policies also have a positive impact on employee attrition. Effective management of diversity and prevention of sexual harassment also increases retention and reduces attrition.

Learning
The author describes that lack of investment in the employee development plans; technological change and innovation are the reasons of employee turnover. The companies that are pursuing strategies of innovation have the potential to be affected because of reliance on individual expertise and unrecorded knowledge. Further the author describes that the demand for specialists and other highly skilled employees are so strong that companies have been very innovative in their retention efforts.5

6. Dr. Holweg Matthias, Philip Davies and Dmitry Podpolny (2009)
   The Competitive Status of the UK Automotive Industry,
   Published by PICSIE Books, Buckingham, MK187YE,
   United Kingdom, 2009, p51-52

Dr. Holweg Matthias, Philip Davies and Dmitry Podpolny (2009) explains that low salary and companies’ inability to attract qualified individuals. The employees in United Kingdom have shrunk by more than 90000 between 1996 to 2006.

The data shows that the declined in the automotive sector was more pronounced than in manufacturing as a whole. The number of employees in the automotive industry in the United Kingdom has reduced.

According to one interviewee the United Kingdom automotive industry is unable to attract qualified employees and unable to provide competitive wages and interesting career path.
The quantitative data shows that salaries in the UK industry are really lower on an average than in Germany and France. This has been confirmed statistically. Hence low salary is major reason of employee attrition.

Learning

The major cause of attrition in the United Kingdom automotive industry is low salary and companies’ inability to attract qualified individuals. The salaries in the UK industry are lower as compared to salary in Germany and France.

7. Khanka S.S.,
   Human resource Management (text and cases)
   S. Chand and Company Limited,
   New Delhi 2009, P146

S.S. Khanka (2009) describes in chapter number thirteen, page number 146, in his book Human Resource Management (text and cases) that an employee resigns due to various reasons. Resignation may be voluntary or involuntary. Ill health, marriage, better job prospects in other organizations etc. are the reasons for voluntary resignation by employee.

Further the author has described that some time mistakes are committed by the recruiter at the time of hiring an employee hence some resignations are good and advisable for the organizations.

However a high employee turnover is an alarming signal for an organization. In such a case, it is essential for the organization and its management to find out and analyze the reason behind resignations.

It can be done by conducting ‘exit interviews’ with the employees who are leaving the organization. It may help the management to control employee turnover before it reaches a dangerous situation.
Learning

The author describes that there are various reasons for resignation like ill health, marriage, better job prospects in other organizations etc. Exit interview helps an organization to control the employee turnover 7.

8. DeNisi Angelo S., Ricky W. Griffin

HRM -An Introduction,
Cengage Learning India Private Limited,
New Delhi 110092,
First Indian reprint 2009,p 157.


He states that a high rate of employee turnover can cause serious problems to organizations. It can damage the organization’s image in the market, production and goodwill.

Managing employee turnover is a must and very essential because it is associated with high cost .It includes cost of hiring, cost of recruitment, training and employee replacement. It is very essential and important to find out the causes of turnover and it should be managed properly.

Further the author describes that a major cause of turnover is job dissatisfaction, or being uncomfortable with the job. This is a responsibility of every human resource manager to look after the job satisfaction of every employee and should take efforts to retain skilled and valuable employees and reduce employee attrition.

Every employee must be satisfied with his/her job, work environment and organization. The author suggests that if we increase job satisfaction, employee attrition will decrease. This solution is correct but again this process is very complex.

The author has suggested models of turnover process. The first model represents that when job dissatisfaction increases the employee starts thinking of leaving the job. He
searches for alternatives and when the dissatisfaction increases he compares alternatives and leaves the job.

The second model begins with the shock and not with job dissatisfaction. The job dissatisfaction starts only when an employee thinks about the job in response to the shock. The shock includes events such as missing a promotion or receiving an offer from other company, winning a lottery or losing a loved one. In this case the employee starts thinking that he is not fit for the company. This model shows how difficult it is to manage employee attrition.

Learning
The author describes that job dissatisfaction is the major cause of employee attrition. The human resource manager plays a major role in ensuring that employees are satisfied with their job. It is the role of human resource manager to keep the employees happy and satisfied which in turn reduces turnover and helps to retain valuable employees.

9. DeNisi Angelo S., Ricky W. Griffin,
   HRM -An Introduction, Cengage Learning India Private Limited,
   New Delhi 110092,
   First Indian reprint 2009,p 309

The author has explained the impact of stress on employees and the organization. Stress is a major cause of employee attrition. It can have a negative impact on the morale, organizational commitment, job satisfaction, performance and motivation of employees.

When there is too much pressure on employee and only few sources of satisfaction then it leads to burnout which is a feeling of exhaustion. This leads to stress. There are various effects of stress such as decrease in the organizational performance. Two important consequences of stress are absenteeism and turnover.

When people quit their job themselves it is called turnover. Turnover of employee is a costly affair for an organization. It includes the cost of hiring, training replacing and
other costs. When productive people leave an organization it is a loss for the organization. Turnover may be due to several factors, such as when the employee is unfit for the job, complexity in the job, the organizational factors, the individual factors, labour market situation and family influences. Employees also leave an organization when they are not able to balance between work life and family life. The employees may stay if an organization helps them to manage their work and life by providing flexibility.

**Learning**

The author described that absenteeism and turnover are the results of burnout and stress. Stress, lack of Job satisfaction, lack of work life balance, low morale and organizational commitment can cause absenteeism and turnover. The employees may stay if the organization helps them to manage their work and life by providing flexibility.

10. **Memoria C. B. and S. V. Gankar,**

   Personal Management, Text and Cases,
   Himalaya Publication House,
   21st revised Edition 2010, p273

Memoria C. B. and S.V. Gankar, (2010) has described that turnover is a problem not only for the employees but for organizations also. Labour turnover is the outcome of resignation. There may be various reasons for labour turnover such as unhappiness with working conditions, low wages, continued ill health, old age, and family problems.

Further the author describes that some amount of labour turnover due to retirement and recruitment of new blood is unavoidable, natural and welcome to some extent but when turnover arises due to resignations and dismissals it has adverse effect on the workers and the quality of production. The flow of production is also affected.

The Bombay Textile Labour Committee has pointed out that though a high rate of turnover exists in all organized industries in India, no reliable data on its extent is available. The Rege committee collected some data on labour turnover during the
Second World War and found that in the engineering group the labour turnover rates are fairly high in Calcutta.

Learning
The author describes that turnover is harmful to the organization. When labour turnover is the outcome of resignation it hampers quality and the flow of production. Resignation may be due to unhappiness with working conditions, low wages, continued ill health, old age and family problems.

11. Dowling Peter J. and Denice E. Welch,
International Human Resource Management
4th Edition, Managing people in Multinational Context,
Cengage Learning India Private Limited,
New India, 2010, P196

The authors have explained that it is not only India but China and Russia also are facing the problem of employee turnover. China is facing high employee turnover in Chinese as well as foreign owned companies. Insufficient compensation is the major reason for staff turnover in Chinese and foreign owned companies. Chinese employees change their job not for the development of their skill but for higher salary. Multinationals provides training to their employees so that they can use their machinery and instruments properly. It is very difficult for an organization to prevent an employee from leaving an organization.

To retain the employees Chinese companies have implemented many plans and programmes such as employee development programs and provision of additional benefits. Chinese employees are getting better compensation which has a positive attitude towards job and employee retention.

The problem of employee turnover exists not only in China but also in other countries like Russia. The demand of employees in Russia who know foreign language and have experience of working in western companies is high. Hence these employees generally move freely between one companies to another company.
Learning
The authors have explained that it is not only India but also China and Russia that are facing the problem of employee turnover. In Russia the demand for employees who know foreign languages with experience of working in western companies is high and they move freely between jobs.\textsuperscript{11}

12. Davar R.S.,
Personal management and Industrial Relations,
Vikas Publishing house Pvt. Ltd.,
Tenth Revised Edition, reprint 2011, P153

The author focuses on employee turnover and the need of finding out the reason behind the employee turnover in his book Personal management and Industrial Relations, chapter number eight page numbers 153. He explains that terminations are of two types, one is initiated by the employer and the other is initiated by the employee.

The author describes that resignations are harmful for organizations. It shows that there is something wrong with the organizational climate. It is the duty of the manager from human resource or personnel department to take care of resignations and find out the reason behind resignation.

Exit interviews can help a manager from the personal department to find out the real reason behind resignation. A human resource manager can study the exit interviews over a fixed period of time and find out the causes behind voluntary resignation and the manager can also make some improvements in some personal management functions such as the nature of supervision, salary structure, personal policies, working climate of an organization and other factors. Exit interviews can help a manager to find out the real reason behind resignation and can help in providing solutions for reducing voluntary resignations

Learning
The author describes that resignations are harmful for organizations. It shows that there is something wrong with the organizational climate. Human resource manager
should take proper care of resignations by conducting exit interview and find out the reason behind it. A human resource manager can study the exit interviews over a fixed period of time and find out the causes behind resignation. 12

13. Dr. Bedi Ravindranath,

Human Resource Management (Text and Cases)
Himalaya Publishing House,
Mumbai 400004,
2011, p242

Dr. Bedi Ravindranath (2011), has focused on the importance of exit interview in detail. He also describes what precautions should be taken while conducting an exit interview. According to him resignation is a voluntary separation initiated by the employee himself. Marriage, poor health, better career opportunities in other organizations etc. are some of the various reasons for voluntary turnover. Some resignations are good for an organization as the organization may correct the mistakes done at the time of recruitment and selection process of employees and for bringing new blood into the organization. However excess turnover of employees are costly and not good for the organization because the expenses involved in recruitment, selection, training, development and growth is totally lost. Further the author states that finding out the real causes of attrition by the personnel department is necessary, so that proper action can be taken to prevent avoidable resignations.

The author points out the importance of exit interview and what precautions should be taken while conducting an exit interview. He mentions that exit interview can help an organization to find out the real causes of resignation. It should be conducted by a responsible person and before it the employee should be taken into confidence. Convince and ensure the employee that whatever they say will not be disclosed to other employees. Explain to them that it is conducted to improve the organization. An interviewer should listen patiently to the employee’s views and the reason of leaving the organization. Try to find out the causes of employee turnover. Pay him/her a final cheque and wish him all the best for his future.
Learning
According to the author marriage, poor health, better career opportunities in other organizations etc. are some of the various reasons for voluntary turnover. Excess turnover of employees is costly and not good for the organization and in this case exit interview with proper care can help to reduce voluntary resignation.

14. Prasad L.M.,
   Human Resource Management,
   Sultan Chand and Sons Educational Publications,
   New Delhi, 2011
   pp 563-569

The author reveals that employee turnover and overstaffing of employees are the biggest problems for many organizations in the present time. The author describes that it is very surprising that employee turnover is significantly high even in those companies which are considered as the ‘best places to work’ Companies are taking serious efforts on preparing retention plans and policies to reduce attrition of employees.

The Economic Times in partnership with the USA conducted a survey in 2009 for identifying India’s best companies to work for. The survey was conducted in 373 companies and it was found that the companies which were identified as best places to work have significant employee turnover. In India the attrition rate in the manufacturing sector was 10-12 per cent in 2005 and it increased to 12-20 per cent in 2006 according to Business Today, July 2007.

There are various causes of employee attrition; some are employee related whereas some are organization related factors. Too much future expectation, habit of changing job frequently among young employees at the starting period of their career, better career opportunity in new organizations, lack of satisfaction from the present job, habit of staying at home, and tendency to start one’s own business are the employee related factors whereas faulty human resource policies and practices particularly related to salary, poor organizational culture, conflict between the individuals and the organization, promotion, poor working condition, lack of training and development,
poor leadership and supervision, unrealistic goals, expectation about high status and salary are the organization related factors which leads to employee turnover.

Further the author describes that high employee turnover is a costly affair for both employees as well as the organization. It indicates that there is something wrong in the organization and it must be corrected, otherwise the organization cannot flourish. High employee attrition is a huge loss to an organization.

An organization has to bear various types of costs because of high employee turnover. It includes cost of hiring, cost of recruitment, selection, and placement of new employees, cost of training and development, Loss of production, adverse impact on the existing employees’ morale, loss of goodwill and prestige of organization in human resource market, specialization cost of new employee, disturb teamwork and team spirit in the organization.

According to the author attrition of employees can be reduced by conducting exit interviews, effective retention strategies, attractive package, stay interview, retention bonus, Intangible benefits, matching job and individuals and employee relationship management.

Learning
The author describes that attrition rate is a big problem in the manufacturing sector. The employee turnover rate is significantly high even in those companies which are considered as the ‘best places to work’. There are various causes of employee attrition; some are employee related factors whereas some are Organization-related factors. An organization has to bear high cost because of high employee turnover hence it must be reduced by exit interview and other plans and policies.
In the book Personal Management Text and Cases, chapter number thirteen page number 251 the author focuses on employee turnover, its reasons and has explained how to deal with it.

The author describes that labour turnover is the result of voluntary resignation which is not good for an organization. There are various causes of resignation such as poor health, better opportunities elsewhere, physical disability or marriage in case of young girls. Resignation is involuntary when an employee is asked to resign due to negligence of duty by him or serious damage to company by him. Further the author describes that the warning sign of resignation must be recognized and both the parties must understand the dynamics of resignation. The author suggests that exit interview can help a company to find out the reason behind the voluntary resignation.

In this chapter a case is discussed about Hexaware Technologies limited. This company has made an attempt to understand the reason behind resignations. Its Chief People Officer reveals that he has designed a process of exit interview to find out the reason of voluntary resignation. Further he says that this idea does not work always but we are working to make it better. He also points out that employee attrition in an industry is a wide problem and not specific to any organization. This company has implemented some measures to reduce attrition such as job rotation, opportunity to select preferred location and this company reviews its compensation scale twice in a year.

**Learning**

The author has focused on employee turnover its reasons and explained how to deal with it. There are various causes of resignation such as poor health, better opportunities elsewhere, physical disability or marriage in case of young girls. The author suggests that exit interviews can help a company to find out the reason behind the voluntary resignation.15
P. Subba Rao, (2012) writes the meaning and definition of employee turnover as external mobility means shifting of employees into and out of an organization. It is defined “as the rate of change in the employees of an organization during a definite period.”

The author writes that employees who are happy and satisfied remain for a longer period in an organization whereas employees who are not satisfied in their career in the present organization try to find a job in other organizations. At the same time when an organization cannot find any suitable employee from an internal source it prefers to get one from an external source.

There are many effects of employee turnover, some are positive and some are negative but the negative effects are more as compared to the positive effects. The author describes that up to a certain limit employee turnover is a natural and unavoidable part of any organization which takes place due to death, retirement, layoff etc. and it helps to attract efficient employees into the organization. But employee turnover beyond a certain limit leads to many problems for the organization as well as for managers like increase in the cost of hiring, training and development induction and placement, lower or declining efficiency of employees and productivity. It also increases rate of accidents and wastages etc.

It is the responsibility and duty of a human resource manager to look into the reasons of employee turnover. He should try to find and analyze the reasons of employee turnover and provide solution for their problems so that the adverse effect of employee turnover on the organization can be reduced.
There are various reasons of employee turnover such as better status in other organizations, dissatisfaction with the current job, getting better salary, starting own business, family problems, continuous ill health and many more. Globalization has created new job opportunities. Consequently, the employees resign from their current jobs in order to join new organizations for better prospects.

**Learning**

The author describes that better status in other organizations, career development, dissatisfaction with the current job, getting better salary, starting own business, family problems, continuous ill health and globalization are the reasons of employee attrition.16

### 3.3. Reference from articles published in journals

1. E. P. Sheehan (2001)’

   Affective responses to Employee Turnover,
   Journal of Social Psychology, 135: p 63-69

The author reveals that there are negative psychological influences of the employees who have left the organization on the employees who are working in an organization after the employee turnover.

The author has studied the impacts of employee turnover on those employees who remain in an organization. A survey was conducted by the author to find out the impact of employees who leave an organization on the psychology of employees who continue in the organization. A total of 250 employees from two organizations in the western United States were selected randomly as respondents. Information was collected by using a questionnaire.

It was found that the employees who remain in the organization do compare themselves to their former colleagues, co-workers who quit for reasons that reflect negatively on the stayer’s job and they experience job dissatisfaction. The employees who stayed on in the organization felt job dissatisfaction among themselves.
Learning
The author finds that the employees’ attrition has a negative impact on the psychology of the employees who continue in the same organization. It increases job dissatisfaction among the existing employees after their colleague leave an organization.

2. Rao T.V.
   Factors affecting attrition and strategies of retention,
   NHRD Journal, Vol-1, Issue3,
   May2007,pp 5-8

Rao T.V. (2007) reveals that attrition affects both an individual and an organization hence it should be managed effectively. He points out that people don’t quit company but they quit their bosses. There are many factors responsible for an employee quitting one company to another.

Managing attrition does not means reducing its magnitude but it means reducing the negative effects of attrition and increasing the positive effects of attrition. It can be done by preparing and implementing effective retention strategy, utilization of available human resource and by talent utilization strategies. There are many factors which lead to attrition such as personal factors, organizational factors, job related factors, professional factors, societal including peer pressure, socio economic and environment factors.

Personal factors include career growth, family mobility, marriage and some people get bored and fatigued easily and frequently change their jobs.

Job related factors which lead to attrition are characteristics of the job, lack of role clarity, independence, bad boss, unsupportive team members.

Economic factors like low salary, lack of sufficient fringe benefits, lack of housing and travelling facility etc. are the reasons for leaving an organization.
Further the author describes that every organization must try to find out the source of attrition, reason of attrition, whether it is more in males or in females. Management should try to find out whether it is related to some functions/departments/sections or a people from a particular group. Is it more among candidates from certain college, institution, region, in male or female etc?

The author has briefed the findings of some survey in this article: For example, an oil exploration company conducted a survey to find out why and in which department the employees attrition is high. Such an analysis revealed that attrition was more in the “drilling” and ‘Financial Service” divisions.

In another survey conducted at an engineering service company, it was observed that people left because they did not like the working style of their manager, hence the working style of the manager was found the major reason for attrition in that company. According to this survey employees stay longer not because of task centered but developmental style of their manager.

The effects of losing a manager creates many problems for an organization such as: loss of organization’s competitive position due to leadership vacuum which is very essential for every organization, loss of developmental and intellectual resources, disrupts and weakens customer relationship, employee turnover has a significant effect on the companies’ bottom line by reducing their ability to keep current customers, acquire new ones, increase productivity, and pursue growth opportunity.

Many studies have proved that there is a correlation between job satisfaction and direct supervisors and managers. It is found that people don’t quit companies, they quit bosses.

According to a new study, 41% of high value employees who intended to leave their jobs were dissatisfied with their managers or supervisors.

Further the author describes that better and competitive compensation and incentive package, good organizational climate, employee satisfaction survey, celebrating
festivals, birthdays, and social and cultural network are the factors which keep the employees for a longer time.

**Learning**

There are many factors which lead to attrition such as individual factors, organizational factors, job related factors, professional factors, societal factors including peer pressure factor and socio economic environmental factor. In a survey it was found that the style of functioning of the manager was the major reason of employee attrition.

Many studies have proved that there is a correlation between job satisfaction and direct supervisors and managers. People don’t quit companies but they quit bosses.

3. **Pandit Y.V.L.**

   Talent Retention Strategies in a Competitive Environment,
   NHRD Journal, May 2007,
   P27-35

This article provides an excellent overview about the top five challenges faced by the human resource managers in a wide range of companies and industries.

An online survey was conducted among Human Resource managers across a wide range of companies and industries to find out the top five challenges faced by the Human resource managers in their company.

It was an online survey and responses from two hundred and eighty human resource managers were received.

Retention of talent was found the single most challenge faced by the Indian Human resource managers. Seventy three percent of the human resource managers said that it was also a serious problem at international level.

The author has described the findings of a report which was published in *The Economist* in its 7 October 2006 issue. According to this report a survey of
international senior HR managers was conducted by Corporate Executive Brand, Washington D.C. It was found in that survey that attracting and retaining talent was their number one priority.

Learning and Growth opportunities play an important role in creating commitment, loyalty and motivation in employees and it brings organization and employees together.

It was suggested that the top twenty per cent of managers should be identified by the human resource managers based on a clear cut criteria. Make sure that every employee feels that it is a fair and un biased process. These managers should be developed and retained.

Further the author describes that the most important challenge faced by a human resource manager is retaining talent which is very difficult in today’s competitive world. An organization should plan for attractive salary, reward, recognition; develop leadership skills among them by providing training. These factors play an important role in attracting the talent in an organization.

Learning
The author found that retaining talent is the top most important challenge faced by many human resource managers in today’s competitive world. It is not only in India but in the rest of the world. Retaining talent is not an easy job for human resource managers but organizations can provide attractive salary, reward, recognition, develop leadership skills among them by providing training. This may help to reduce attrition and retain them.

4. G. Badri Narayan and Pankaj Vashisht,
Determinants of Competitiveness of the Indian Auto Industry,
Working Paper no201,
Indian Council for Research International Economic Relations,
G. Badri Narayan And Pankaj Vashishth (2008) reveals that lack of skill availability is a major problem in an automobile industry.

The author describes that there is a positive correlation between labour productivity and labour turnover. Labour productivity in original automobile equipment manufacturers is higher than auto component manufacturers both at the all India level and in every region.

He reveals that the labour productivity of Indian labour working in the German, Korean and Japanese companies located in India is high as compared to the labour working in Indian Original equipment manufacturing companies. It is because of high technology and automation level is higher in Germany, Korean and Japanese companies as compared to Indian companies.

The author describes that there is a negative correlation between the workers working in the production department and turnover whereas there is a positive correlation between the employees working in Research and development and turnover.

**Learning**

The author describes that there is a negative correlation between the workers working in production department and turnover whereas there is a positive correlation between the employees working in research and development and turnover. Labour productivity of the Indian labour working in the Germany, Korean and Japanese companies located in India is high as compared to the labour working in Indian Original equipment manufacturing companies.

5. **Jain (Pagaria) Pratibha**

“Attrition”, HRM Review,
The ICFAI University press,
Volume-VIII Issue-III,
March 2008

The author focuses on the reasons of high employee attrition and has suggested measures to reduce it. According to the author employee attrition is a big problem not
only in India but outside India also. This problem is increasing continuously and every employer is facing this problem. What are the reasons of the employee attrition?

The author explains that employers are hiring a human resource person from outside the organization to find the reason of attrition and employee dissatisfaction. When an employee leaves an organization it reduces the production, profit and quality of product because the employee who left an organization carries his skills, experience with him. Employee turnover is a serious issue and it can be reduced by proper planning and implementing effective retention strategies, it would also increase the commitment of employees towards the organization. Management should also take efforts to increase job satisfaction among the employees.

There are various reasons for employee attrition such as better or good working conditions and stable working hours in the new company, opportunities for career development, high salary, suitable location, brand image of, a better boss, suitable job profile by other company, lack of empowerment, trust and employee engagement in existing company are reasons of shifting from one company to another.

It is very essential and important for every organization to find the solution to reduce and manage attrition because in today’s highly competitive world it has a negative impact on the company’s success and competitive strength. Although there is no solution available to curb attrition problem, by carefully aligning employee personal goal with the organizational goals, the rate of attrition can be reduced to a large extent.

Learning
The researcher found that better or good working conditions and suitable working hours in the new company, opportunities for career development, high salary, suitable location, brand image of, a better boss, suitable job profile by other company, lack of empowerment, trust and employee engagement in the existing company are also the reasons of shifting one company to another.

6. Hekelova, Katarina Srdosova
Management of Human resource in the automotive industry
This article focuses on the reasons of attrition and suggests solutions to reduce it in the automobile industry located in Slovakia. The author finds that stress at work and lack of communication are the main reasons for employee attrition in an automobile industry.

The author describes that dissatisfaction among the employees, work stress, lack of manager’s attention, lack of communication are the strong causes of employee attrition. Surprisingly money is not the prime reason of attrition. Dissatisfaction among employee creates mental stress among the employees and disturbs the mental status of employees. The author suggests measures to solve the above problems such as:

- Stress among the employees can be minimized by job rotation. It also reduces the monotonous work.
- Regular meetings between the employees and immediate boss should be organized regularly, so that there can be free communication between them. It also improves the communication between them.
- Organization objectives and Key result areas, accountability must be clearly defined and explained to every employee.
- Roles and the responsibilities of every employee must be communicated to them.
- Find out the reason of employee attrition and try to solve those problems so that the work force would be stable.

The above mentioned measures are the solution suggested by the author to reduce the employee attrition in the automobile industry in Slovakia.

**Learning**

The author describes that dissatisfaction among the employees, work stress, lack of managers attention, lack of communication are the strong causes of employee attrition. Surprisingly money is not the prime reason of attrition.
7. Adhikari Atanu (2009),
Factors Affecting Employee Attrition: A Multiple Regression Approach,
The Indian Journal Of Management Research,
Volume VIII, Number 5,
1990,p 43.

The author of this article describes that there are mainly four factors which increase the employee attrition. The first factor is related to work, the second is related to skills of an employee, the third is related to skills of the employer and the last is the issue related to the salary of an employee.

The author explains that the first and the most important factor which leads to employee attrition is the factors which are related to the work, the second and the third factors are skills of an employee as well as the skill of an employer and the last factor that leads to employee attrition is factors related to salary.

Generally people feel that salary is the prime issue for quitting an organization but it is not true. Employees give more preference to the job profile, job contents, behaviour and attitude of their boss and at the end they give preference to salary. It represents that employers should take proper care while assigning a work or job to their employees or a group. The employer should match the job requirement with the skill and interest of an employee. Employer should be well mannered with his subordinates.

Learning
The author explains that the first and the most important factor which leads to employee attrition is the factors which are related to the work, the second and the third factors are skills of an employee as well as skill of an employer and the last factor that causes the employee attrition is factors related to salary.

Batt Rosemary and Alexander J.S. Colvin, (2011) focused on the factors responsible for an employee to leave his organization and suggest solution for reducing the employee turnover.

According to the author lack of satisfaction with human resource plans and policies and poor working conditions are the major reasons for employee attrition. It increases high employee cost, disturbance in the production, disturbance in the functioning in other departments and other problems in an organization.

A suitable and an effective human resource strategy help to identify an employee who is a poor performer. These employees can be trained and developed or can be dismissed. Hence human resource plans and strategies should be well prepared and should be explained to every employee. It helps to control attrition.

Learning
According to the author lack of satisfaction with human resource plans and policies and poor working conditions are the major reasons for employee attrition.

9. Makhbul Zafir Mohd and Mohd Radzuan Rahid and Fazilah Mohammad Husain,
What made they go, Journal of Global Management, Volume 1, Number 1, January 2011, p19-20

The authors have described the findings of a comparative survey conducted to find the reason of employee turnover in Government and private sector.

The respondents were one thousand sixty hundred and sixty eight employees from the public and private sectors The data was collected by using a questionnaire. It was a
comparative study about the causes of leaving and factors responsible for the intention to leave among the employees in the public and private sector.

The author describes that employee turnover is a big problem not only in one particular industry but in almost all the organizations.

Employee turnover creates many negative effects on organizations like increase in the cost of recruitment, training, loss of good image etc.

From the researcher’s findings it shows that psychological factors lead to the employees’ intention to quit in both the sectors. The factors for intention to leave an organization are not same in both the sectors. The reasons for intention to leave a private sector organization were different from the reasons for intention to leave a public sector organization.

Fatigue and job satisfaction were found the main reasons for leaving a public sector organization whereas fatigue and somatic complaints were found the main reasons for leaving a public sector organization. These differences may be due to difference in plans, policies, and culture of an organization.

Learning
A survey conducted by authors in the public and private sector. It was found that Fatigue and job satisfaction were found the main reasons for leaving a public sector organization whereas fatigue and somatic complaints were found the main reasons for leaving a public sector organization. These differences may be because of difference in plans, policies and culture of an organization.
10. Nakagawa Hiroshi,
    Automobile Affordability issue,
    The Hindu, Survey of Indian industry,
    2012,p 147.

Nakagawa Hiroshi (2012) describes that according to a survey of an automobile industry it was found that the automobile industry is also facing a severe problem of skill shortage like many other companies.

There is a shortage of skilled technical expert and skilled managerial manpower .This challenge is very discouraging as this boils down to the fundamental level of training infrastructure and the overall perception of the society.

Industry experts believe that there are many human resource challenges in the automobile industry and for solving these challenges the Indian auto industry needs to primarily recruit and retain skilled professionals.

In today’s scenario recruiting and retaining capabilities is essential for the success of an auto industry.

Learning
According to a survey of the automobile industry is facing a severe problem of skill shortage. There is a shortage of skilled technical expert and skilled managerial manpower. Further industry experts believe that there are many human resource challenges and for solving these challenges the Indian auto industry needs to primarily recruit and retain skilled professionals.
K. Balanaga Gurunathan and V. Vijaylakshmi (2012) describes about the factor responsible for employee attrition.

The author explains that generally people feel that employees work for only money but it is not true. Money is not the only factor for which the people work but there are many other factors such as acknowledgement for the achievements, suitable work timing, career growth and development. The author suggests that there should be good communication and recognition must be given to employees but there is no suitable plan or policy for retention of employee.

The author finds an unexpected fact that all of a sudden the valued and talented employees who are getting handsome salary leave an organization without any reason. Hence it is very important for an organization to find out, in spite of providing all the comforts, why employees leave an organization. Every organization should try to find the reason behind it.

The famous businessman Azim Premji gives a surprising answer, he clearly states that the immediate supervisor would have been the root cause of his resignation.

**Learning**

The author describes that money is not the only factor for which the people work but there are many other factors such as acknowledgement for the achievements, suitable work timing, career growth and development. The famous businessman Azim Premji gives a surprising answer, he clearly states that the immediate supervisor would have been the root cause of his resignation.
The author has described that the behaviour of the immediate boss is the main reason of employee attrition. Apart from this when job responsibility and expectations from employee are not properly defined and explained to the employees, they are unable to do it properly and find it difficult to do the job, and do not find any solution for the problem and as a result they leave the current company.

Most of the managers think that they are doing a favour to their subordinates by providing a job. A bad manager does not explain to them how to do the work because he feels that it is not the work of a boss and when they are working in a company they must know all the work. They say that they (subordinates) are paid for the work and not to teach them how to work. This kind of attitude of the boss demotivates their staff.

Hence lack of properly defining and explaining the job responsibilities to the employees and the attitude of the immediate boss are the main reason for employee attrition. It forces the skilled and good employee to resign and join a new company.

**Learning**
According to the author lack of properly defining and explaining the job responsibilities to the employees, and the attitude of the immediate boss are the main reasons for employee attrition. It forces the skilled and good employee to resign and join a new company.
13. Bhargava R.C., the chairman of Maruti Suzuki India Limited,

Bad managers cruel to corporate culture,
Business and Management for emerging Business managers chronicle,
Volume 16, November 3,
January 2012, p66.

R.C. Bhargava (2012) Commenting on a recent strike in Maruti Suzuki India Limited, the biggest auto manufacturer in India, Bhargava R.C., the chairman of the company reveals that workers are not bad but the managers are bad. This saying is not new and has been repeated many times by many business tycoons.

Further he says that the focus of management school is only good governance. But now the management gurus have realized the loss and damage that occurs due to bad managers and bad management. Bad managers destroy not only the employees but also the organization in the long run. Bad management practices and managers can even harm the top and bottom line. An organization has to face huge loss because of these managers and management.

Learning
Bhargava R.C., the chairman of Maruti Suzuki Company reveals that workers are not bad but the managers are bad and managers are the only reason for the huge loss and destruction to the organization and management.

14. Bojagar S.A,

A Study of attrition as HR challenge in medium scale industries in Pimpri – Chinchwad area,
Contemporary Research in India:
Vol2, Issue2, June 2012

S.A. Bojagar (2012) conducted a study to find out the contribution of organizational factors in workers job satisfaction in Pimpri Chinchwad area. A total of five medium scale industries were selected from the Pimpri Chinchwad area for conducting the survey. The researcher used an open ended questionnaire to collect the primary data.
It was found that the yearly attrition rate was 9.15 percent; it was calculated by adding the total number of employees who left in all the months.

It was found in a survey that there were different reasons behind employee attrition which were expressed by the respondents during interviews in all the five companies. The very first reason for leaving the job was to find better career options elsewhere. The second reason was family problem; the third was lack of learning attitude and next was switching over even for a little hike in salary, and lack of good relations with colleagues. Hence it was clear from the survey that the reasons for leaving a company may vary with an organization even in the same industry.

Further the author found that all selected companies conduct exit interviews of employees before leaving the job for finding our reason behind such leaving. It was found that the management was interested to retain good employees by improving their terms and condition of pay package within a specific limit.

It was found that retention policy cannot control the employee attrition because all these industries have very good retention policy but in spite of having good retention policy till today nobody from the employee who has left has rejoined. However the company has also the policy to welcome back the Ex-employees. All the selected companies have good training and development policy but there are some problems like non availability of good trainer, budget allocation, etc.

**Learning**

According to the author an intention to find better career options elsewhere was found the first reason for leaving the job followed by family problem, lack of learning attitude, switching over even for a little hike in salary, and lack of good relations with colleagues. Not even a single employee who has left the organization rejoined it.
15. Dr. K. Balanagagurunathan and Ms V. Vijaylakshmi,

A theoretical Framework of employee retention practices and its impact in Automobile industry in India,

ACADEMIA, An International Multidisciplinary Research Journal, ISSN 2249-7237,

Volume 2, Issue 6,

June 2012 p135-140

Dr.K. Balanagagurunathan and Ms. V. Vijaylakshmi (2012) describes that retaining top talent is the major problem which the automobile industries are facing now a days. It has a direct impact on the company’s productivity and turnover. Further the author explained that if the retention rate of any organization is eighty percent then the organization is said to be successful.

However from the past decade the automobile industry has been facing a drastic problem in retaining the top talent. Apart from knowing the negative effect of employee turnover, it seems to be the most inappropriate and undervalued issue.

Further the author describes that the success of an organization depends on talent management, good leadership, good management, potential team with, knowledge, skill, attitude and aptitudes and the technical knowhow of a company. There is a need to retain employees for constant growth and it is a very important duty of an organization to look into the problem of employee attrition seriously.

Though every organization plans its policies and strategies to retain its employees but still there is a need to redesign their policies and make some innovative strategies to reduce employee attrition.

The author explains that ignoring a deserving employee at the time of promotion for a long time and unnoticing employees’ achievements demotivate them, reduces their efficiency and the productivity decreases. It leads to high stress among employees.

Dissatisfaction and favoritism are also the causes of employee attrition.
Further the author suggest that the expectation from the employees should be reasonable, there should be no favoritism in an organization.

The top level management should find the problems of dissatisfaction and attrition. They should keep in mind that money is not the only factor for which the employees work but recognition, satisfaction are also important factors for them.

The author describes that there is no particular plan or strategy to curb employee retention completely.

Generally there are some factors which are responsible to stay on in a job. But there are a few factors which affect majority of the employees and these can be reduced to a greater extent by following the some effective strategies.

**Learning**

The author describes that retaining top talent is the major problem which the automobile industries are facing now a days. Ignoring a deserving employee at the time of promotion for a long time and unnoticing employees’ achievements demotivates them, reduces their efficiency resulting in low productivity. It leads to high stress among employees. Dissatisfaction and favoritism are also the causes of employee attrition.

**16. Wahab Rabiah Abdul and Noor Faizah Mohd Lajin,**

The Relationship between Organizational Factors and Voluntary Turnover in an Automobile Industry,

Mediterranean Journal of Social Sciences,

Volume 3 September 2012,

Wahab Rabiah Abdul and Noor Faizah Mohd Lajin (2012) describe that the purpose of this paper is to examine the relationship between organizational factors which are responsible for voluntary turnover in the automobile industry. A survey was conducted for this purpose. For this research work 100 workers were selected as respondents from the automobile industry. The information was collected by using a questionnaire. The opinion from the hundred respondents was collected about the
reason and factors of voluntary turnover. Questionnaires were distributed among respondents and the opinions from the respondents were easily obtained.

It was found in the survey that out of hundred respondents that have been selected, majority of the females (54.0%) responded to the questionnaire as compared to male (46%). Compensation and benefit, job responsibilities, supervision and peer relationship were found the major reasons for the voluntary turnover in the automobile industry.

Further the author suggests that an organization should look into these factors because these are the factors which push an employee to leave an organization. If it is overlooked it may have negative effects on an organization. Meanwhile, the author recommends that the company needs to develop a career ladder for all employees within the department; training and ongoing education should be given to improve the knowledge skill and attitude of employees. Management should review the compensation and benefit packages and work environment should be improved by an employer.

**Learning**

The researcher describes that compensation and benefit, job responsibilities, supervision and peer relationship are the factors which lead to voluntary turnover. If these factors are overlooked it may have a negative impact on employees and these are the factors which push an employee to leave an organization.
Palmquist Matt(2012), found that there is a high turnover among the employees who are posted abroad. It came into picture in 2010 when a survey was conducted among one hundred and twelve repatriated employees from one hundred and twenty multinationals in the United Kingdom, United States, Australia and Germany.

It was found in the survey that 38% of repatriate employees quit during their first year of posting abroad. The knowledge and skill of these employees were not recognized as compared to their colleagues without foreign exposure was the major reason of their resignation. It is a major challenge for the organizations in capitalizing on the international experience of these expatriates. These employees leave an organization and join their competitors.

The employees who have returned home from foreign countries were selected as respondents and surveyed. Respondents said that working with foreign culture fundamentally changes the employees, they get a new identity based on their international exposure, skill, knowledge and experience. It makes them feel more competitive and valuable than before. But in spite of their experience and knowledge with foreign companies their skill is not recognized as compared to their colleagues’. Their colleagues enjoy better treatment without having foreign exposure.

Further the author suggests that to reduce the turnover, organizations should take some steps such as these employees should be tied to home based divisions and remain in close communication with the headquarters, recognition should be given to them. Managers should involve them in international strategic planning and operations.
Learning
The author found that was a high turnover rate among the employees who were posted abroad. It was found that lack of recognition for their knowledge and skill was the major reason of employee attrition. These employees were not recognized as compared to their colleagues without foreign exposure.

18. Goswami Brijesh Kishor, Sushmita Jha,
Attrition issues and Retention Challenges of Employees.
International Journal of Scientific & Engineering Research
Volume 3, Issue 4, April 2012.p1-5

The author has described about the various issues and causes related to attrition of employees and the major challenge faced by an organization about how to retain their talented employees. The author reveals that employee attrition is a very serious problem and a bane of every industry. Further the author explains that just acquiring the skilled employees is not enough but to retain them is also a very challenging issue. An organization has to prepare and implement plans and policies in such a way that the skilled workforce should be retained otherwise losing a knowledgeable, trained and skill employee has direct impact and can cause serious damage to the company’s progress and performance.

Not only Indian but foreign companies are also facing problems in controlling attrition problem especially voluntary individual turnover. The turnover of employees has negative effects on the performance and production. When the employee who is leaving an organization leaves a gap in the execution capability and human resource functioning it results in decrease in productivity, loss of team work, harmony and social goodwill.

Companies are engaged in preparing innovative business models for effective retention of talent. There are many factors which causes attrition and organizations are consciously trying to make such plans which can keep an employee committed.

Further the author suggests that organizations should take care of the attrition problem seriously. It should not be ignored because ignoring an attrition problem is ignoring
the greatest assets of an organization that is its employees. Employees are the most important assets of an organization. They have feelings, hopes, dreams, creativity and innovation hence the management should take attrition problem seriously and take suitable actions to curb it. It is very important to take care of the employees for the success and stability in the domestic as well as the international market.

A good retaining plan reduces the attrition, cost of hiring and developing and at the same time it increases stability, productivity and engages employees emotionally. It also helps in the smooth running of business operations.

**Learning**

The author reveals that employee attrition is a very serious problem and the bane of every industry. Further the author finds that just acquiring the skilled employees is not enough but to retain them is also a very challenging issue. Plans and policies should be prepared to retain skilled employees and to control attrition for success in the domestic as well as the international market.

19. Rao Sabita,

Talent Retention Strategies In a Competitive Environment,

NHRD Journal,

May 2007, P30-32

The author reveals that right salary is essential to attract and retain talent, but argues that there is need for introspection on how HR is hiring, inducting, engaging employees and building employer brand.

The author says that now a day the salary is going up. It is widely reported that salary hikes in India are amongst the highest in the world. 14% to 15% increase in salary has been witnessed in the last two years. This still doesn’t control attrition. It is seen that the employees who are best performers are also switching their jobs. It is also seen that there is high employee turnover in many departments. Attrition is strongly associated with growth hence organizations are constantly in “procurement mode”. It is a vicious circle. Companies cannot focus on “development mode”.

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Further the author describes that human resource department is a barometer keepers of the climate in the company. Now a day’s ready highly qualified people are available but then also they need to be trained because our educational institutes are unable to provide adequate knowledge to them.

Performance management needs to be viewed as a process and not as an event. Most of the employees’ looks after at the performance appraisal as a black box. They feel that they are analyzed and promoted or not promoted and self-esteem is built or sometime destroyed. Hence proper care must be taken at the time of performance appraisal and the employees should be informed and properly explained how it is linked with the compensation system.

The author describes that attrition rates are comparatively higher among the junior employee (those who have two years’ experience). Those who are constantly in a comparison mode. It was seen that the top performers or the stars are well cared for. These are the core working population. Other employees should be motivated by communication and training.

Further the author describes that the size of an organization matters a lot in attrition and retention. Smaller companies have small number of employees and hence are able to focus personally on individual employee and create their own brand of loyalty. In a large scale especially where project work is done the problems are more and leadership is also a challenge there.

The author concludes that one size or one policy does not fit all the organizations. Organizations should manage their employees through touch points. They are the assets and not the cost. Manage and care for your employees like your customers. Build and nurture your employer brand. It will work magic.

**Finding**

The author describes that salary hike is essential for attracting employees. However it is seen that after a hike in salary also the best performers leave their organization. Further the author describes that attrition is high among junior employees (who have two years experience) as compared to senior employees.
3.4. Articles from the Internet

1. Bruce M Beizowski, Allan Henderson and Penny Koppinger,

A survey was conducted by Bruce M Beizowski, Allan Henderson and Penny Koppinger in the year 2012 to find out the reason for employee attrition in the automobile industry. The interview method was used to collect the information. The respondents were twenty nine Indian automotive Executives and Experts from government, industry and academia.

This survey was conducted to find the various issues related to the causes of attrition in the automobile industry. According to some of the respondents there is a lack of skilled, qualified and experienced engineers and the quantity and quality of skilled labour are also problematic in the automobile industry. Some executives reported that labour turnover is a big problem for the automobile industry. Better compensation and better working conditions were found the major reasons for shift in the job to rival companies by the employees. One respondent said that “In the auto industry, job changes occur frequently, with about 20 percent attrition rate, 40 to 45 per cent in certain cases.

Learning: The author described that the Automobile industry is facing an attrition problem. Shortage of skilled engineers is the major reason for the attrition and employees shift to the rival companies for better compensation or better working conditions.

Human resource managers in automobile companies are very important and are expected to play a crucial role in healthy management practices so that it will help to lower the attrition rates, satisfying and retaining competitive workforce. According to industry experts, Automobile industries are now a day’s facing one of the highest attrition rates of nearly 70-80 %. Since the last two years the importance of human resource has been understood by the companies and they are trying to plan and implement effective human resource plans and policies in a professional manner in their organizations. Arunima Sharma Sehgal, Head INX executive search says, acute shortage of talent is one of the important reasons for attrition among Human resource professionals. Hence, there is a need to increase the supply of talented, qualified and skilled Human resource professionals in India.

Learning: According to industry experts, Automobile industries are now a day’s facing one of the highest attrition rates of nearly 70-80 %. Human resource managers in automobile companies are very important and are expected to play a crucial role in healthy management practices so that it will help to lower the attrition rates. According to experts acute shortage of talent is one of the important reasons for attrition among Human resource professionals.

3. FIALA JOE,

DRAFT Industry Workforce Development Plan 2011-12
P 104-105

The Engineering and Automotive Training Council (EATC) has drafted this industry workforce development plan 2011-12(IWDP)on behalf of the automotive and engineering industries in Western Australia (WA)

This report provides an overview of the automotive and engineering industries in Western Australia, and identifies the current and future priority issues; the Engineering and Automotive Training Council is recommending strategies to stakeholders to overcome current and future issues affecting industry.
The Engineering and Automotive Training Council conducted fieldwork methodology for this survey. The information was collected from individuals involved in engineering and automotive activity at the workplace. The method adopted was direct interaction and one-to-one interviews with respondents.

It was found that there is a high attrition rate of apprentices, particularly in the automotive industry. The attrition in the automobile industry may be due to the workplace attributes. A large number of automotive businesses in West Australia are owner operated which can lead to issues related to people management.

The automotive industry continues to suffer a high rate of attrition among apprentices. Finding out the area or subject in which students are interested is one way to reduce the attrition issues currently being faced by the automotive sector. (Attrition rate is currently at 42% across the various automotive apprenticeships) The study reveals that there are many factors responsible for attrition such as poor pay, lack of perceived career structure, students losing interest in their chosen trade, and comparatively high and attractive salary from other sectors.

**Learning**

The attrition rate in the automobile industries is continuously high among apprentices. The main reason for attrition is poor pay, lack of perceived career structure and comparatively high and attractive salary from other sectors.

4. **High attrition rate continue to plague services: ASSOCHAM (The associated chambers of commerce and industry of India) Survey,**

Mr. Venugopal Dhoot, President, ASSOCHAM said that human resource is the most valuable asset in modern economy. Upgrading compensation level and reward structure from time to time is not sufficient to retain employees but companies should integrate human resource with the overall corporate growth strategies. Further he said that there is a high attrition problem in functional areas like production, maintenance and safety controls in the automobile industry.
The most challenging problem faced by the companies due to attrition is loss of intellectual property. It was found in a study that attrition is more in young employees, employees who are in the age group of 26 to 30 years frequently change their jobs and the employees those who have 2 to 4 years of experience are more prone to change their jobs. It is observed during the study that the employees who are in the age group of 39 to 45 years are more stable as compared to the employees in the age group of 26 to 30 years. These employees are more settled as compared to the employees between the age group of 26 to 30 years.

Attrition trend also reveals that attrition among women employees is less as compared to male employees. Female employees are more stable as compared to male employees. For every 10 males jumping the fence by changing the job, there were only 2 females changing their job.

Higher salary package was found the major reason for changing the job in almost all the sectors.

Learning
The author describes that there is a high attrition problem in functional areas like production, maintenance and safety controls in the automobile industry. Attrition trend also reveals that women employees do not change their jobs frequently as compared to male employees. Attrition is more in young employees and higher salary package was found the major reason for changing the job in almost all the sectors.

5. AHM Shamsuzzoha, Md. Rezaul Hasan Shumon,

“Employee turnover –a study of its causes and effects on different industries in Bangladesh”.

This research was conducted in the public sector and private sector organizations. The respondents were the top level, middle, lower level management and workers from public and private sector organizations located in Bangladesh.
This survey was conducted to find out the reason for employee turnover, what are the reasons of leaving a job and what are the reasons of staying on in the same organization. It was also found how the employers retain their skilled employees. The author explains that managing employee attrition is the most crucial task for any organization. In Bangladesh public as well as private sector organizations are facing the problem of employee attrition.

In the government sector employees are satisfied with job security but are not satisfied with salary and benefits whereas in the private sector salary and benefits are high but there is lack of job security. Hence in the government sector low salary and benefits are the main reason of employee attrition whereas in the private sector lack of job security is the prime reason for employee attrition. In the private sector employee attrition is high as compared to the government sector.

Job security at top position, pension, increment and job location were the major reasons for staying in the same organization.

Further the author explains that when a new employee is replaced by an old one who is skilled and an expert in his own field it benefits the company and it is advisable but if he is not an expert then the productivity goes down. When a skilled employee leaves an organization the effects will be very high as compared to a semi or unskilled employee. When 5 or 6 semiskilled employee leaves a job it can be replaced by 1 or 2 skilled employees.

High compensation, standard of increment and medical facilities attract more employees. The author reveals that in the automobile sector low salary is the prominent factor for leaving the job. Irregular payment, improper management and better job options were found the second, third and fourth reasons of turnover.

Hence it is therefore crucial to maintain a constant skilled workforce and reduce the turnover for the betterment of the organization.
Learning
The study reveals that in the Government sector low salary and benefits are the main reasons of employee attrition whereas in the private sector lack of job security is the prime reason for employee attrition. In the private sector employee attrition is high as compared to the government sector.

3.5. Review of Articles from Newspaper
1. M.D. Rawat,
   Chief Secretary of ASSOCHAM (The associated chambers of commerce and industry of India),
   Daily Aaj ka Anand,
   17th October 2012, p10.

Many people feel that employees change their job due to better opportunity but it is not true. In a survey conducted by ASSOCHAM (The associated chambers of commerce and industry of India) on 2500 employees it was found that misbehavior by supervisor or boss who is the main reason for leaving their job, means people change their bosses and not the job. 70% employee said they leave their jobs because of misbehavior by the supervisor or boss and not because of better opportunity. Most of the employees said that a good industrial atmosphere was more important than salary. It was also found that the employees faced health related problems due to misbehavior by their bosses. M.D. Rawat, Chief Secretary of association said there is greater impact of relationship between employees and their superior on labour turnover or attrition. It was also found that today management, superior and companies environment are the main reasons of labour turnover in an industry. 50% employees said that misbehavior of boss results in low productivity and demotivation among employees.

Learning
In a survey conducted by ASSOCHAM (The associated chambers of commerce and industry of India) on 2500 employees it was found that misbehavior by supervisor or boss was the main reason for leaving their job. Most of the employees said that a good industrial atmosphere was more important than salary.
3.6. Review of Reports

1. **Prof. Lichia Yiu, Ed. D, Prof. Raymond Saner, Ph. D.**
   
   India Employee Turnover Report,  
   January 2008,  
   CSEND (Centre for Socio-Economic development) and  
   CII (Confederation of Indian Industry) Research Report, 2008,  

   A Research study conducted by Centre for Socio-Economic development in Partnership with Confederation of Indian Industry.

   This study was conducted to identify the level and patterns of labour turnover in India. A total of 151 senior managers’ form and executives were selected as sample size. A survey consisting of 28 questions was administered online in October – November 2007.

   It was found that employee turnover is 34% in manufacturing industry. There is highest turnover in the employees working between 1 to 4 years. Low Salary, Lack of career advancement, poor relationship with superior, lack of recognition and job content were found the key factors of employee turnover and Lack of training and career opportunities was the least responsible for the employee turnover.

   **Learning**

   According to a survey conducted by CII (Confederation of Indian Industry) Low Salary, Lack of career advancement, poor relationship with superior, lack of recognition and job content were found the key factors of employee turnover.

2. **Annual Survey Report 2009,**
   
   On Recruitment, retention and turnover  
   Issued: June 2009, Ref: 4848,  
   Chartered Institute of Personal and Development 2009, p25

   This survey was conducted in the public sector, private sector units and nonprofit organizations located in the United Kingdom. The data was gathered from 755 respondents. It was carried out in February and March 2009 and relates to the period
1st June to the 31st December 2008. The data was collected from human resource professionals in public, private and voluntary sectors. It was an online survey and the response rate was 7.6 percent.

There were three sections, the first was related to resourcing in turbulent times, the second was in sourcing and out sourcing and the third was welfare to work initiatives.

Majority of the respondents (Seventy six percent) said that attracting and recruiting key staff to the organization for achieving the organization’s goals and fulfilling the future requirements of the organizations were found the main objectives of their resourcing activities. Lack of specific skills is the main problem in recruitment and the average recruitment cost of filling a vacancy per employee is 4000 pounds.

This report suggests that companies can find out the reasons of voluntary resignations by conducting exit interview.

According to this survey promotion outside the organization (50%), change of career (49%) lack of career development (37%) and redundancy (36%) were found the main reasons for leaving the organization.

The findings suggested that about one fifth of new starters leave the organization within the first six months. It shows that there is a need to find out the real reason behind these voluntary resignations. Most of the organizations reported that they are facing difficulties in retaining the staff specially the managers.

**Learning**
This report suggests that exit interview can help an organization to find out the reason of employee turnover. According to this survey Promotion outside the organization, change of career, lack of career development, and redundancy were found the main reasons for leaving the organization.
3.7. Review of Speeches

1. Anita Asawalikar, General Manager – Human Resources,
   Sandvik Asia Pvt. Ltd,
   Guest session on “personal experiences” on 20th October 2012
   at Novel Institute of Management Studies,
   Chinchwad Pune 411019.

Anita Asawalikar, General Manager – Human Resources, Sandvik Asia Pvt.Ltd, said that attrition in manufacturing is increasing now a days. Employees are shifting towards multinational companies.

There are two important factors for attrition in manufacture industries that are push factor and pull factor. Attractive salary, fringe benefits provided by other company, high designation, and other benefits etc. are the pull factors of attrition in manufacturing companies whereas Push factors are the poor work environment, bad relationship between superior and subordinates and also among colleagues, misbehavior by bosses, no proper dignity etc are the push factors which are responsible for the attrition rate at top level, middle level as well as the lower level. Further she said that she has seen many people have got jobs due to the big tags of multinationals, and have joined at senior positions but have left the organization within one year because they failed to perform well.

Learning
Anita Asawalikar, General Manager – Human Resources, Sandvik Asia Pvt. Ltd said that there are two factors i.e. pull factors and push factors responsible for the employee attrition in a manufacturing company.

3.8. Research Gap
According to the researcher’s knowledge and review of literature it can be seen that no specific study is conducted to find out the attrition problem at managerial level in large scale automobile industries with special reference to the passenger car manufacturing industries in Pune district. Hence a research gap exists which promoted the research student to take up the present research study.
3.9. Conclusion

This chapter covered various issues related to the employee attrition which is described by the researcher. It has confirmed the understanding of the researcher knowledge about employee attrition. The further chapter is devoted to research methodology which is used for this thesis.