CHAPTER 5

FINDINGS
Based on the analysis, the researcher interpreted the data collected and arrived at certain major findings of his study. These findings are summarized and classified in two parts. The first part compiles the findings in a manner that each of the objectives of the study is answered satisfactorily. In the second part the findings are arranged to support the seven hypotheses of the study.

5.1 FINDINGS RELATED TO HYPOTHESES

5.1.1 Hypothesis – 1

Attributes Intrinsic and Extrinsic to the Job Play a Vital Role in Attracting Talent

Extrinsic Attributes

- Learning opportunities, Brand Image and Leadership Style in the organisation are factors influencing the current employment.
- Loss of Social Network, Relocation Costs, Wasted Efforts and Uncompleted Projects are factors having profound effect of attrition on existing employees.

These factors do not directly evolve from the job the talent holder is doing, rather they are common to the organisation irrespective of the job one is doing there. Hence these are extrinsic to the job. Yet these attributes contribute to attracting or retaining the talent in the organisation. Among these:

- Brand Image of an organisation has the most influential role (60.4%) in attracting talent.
- Learning Opportunities made available by the organisation to employees play the next best (54.7%) influential role.
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- Leadership Style in the organisation has some influence (43.4%) in attracting talent.
- Transportation facility provided to employees in an organisation does not have much of influence (5.4%) as an extrinsic attribute.

**Intrinsic Attributes**

- Compensation & Benefits and Challenging Role are the factors influencing the current employment.
- Loss of employee benefits and Stress associated with transition and change are the factors having profound effect of attrition on existing employees.

These factors directly have a bearing on the job the talent holder is doing. The talent is compensated, benefited from the job he/she holds and derives *intrinsic* satisfaction from the challenge the job offers to the talent. Similarly when the talent remains in the organisation after some others leave, his/her benefits suffer a loss and stress due to overburden in the job in order to stand by for the talent that had left. Hence these are intrinsic to the job.

Among the intrinsic attributes

- Challenging role the job offers to employees scores the best (62.2%) in attracting talent
- Compensation package comes next best (60.4%) intrinsic attribute in attracting.
- Benefits offered by the job to employees are not considered very influential in deciding to join an organisation, because only 22.6% of respondents consider it quite influential.
5.1.2 Findings Related to Hypothesis – 2

Company’s retention programmes are aimed at senior managers and professionals rather than other categories of employees.

Though majority of the organisations do not have a dedicated retention programme in place, a few of them, which have such programmes, direct their efforts to senior managers and professionals only. In considering the important retention strategies organisations are dealing with, it is found that:

- Giving competitive remuneration packages to employees tops the table of important retention strategies with 35.8% respondents considering it as the most important,
- Clarifying job responsibilities and career paths occupy the second position in the table. However, this second strategy is perceived by 94% of the respondents to be the one to be taken care of by all means
- 37.7% of the respondents’ organisations only have retention programme in place which are aimed at senior level employees and very rarely at the technical/clerical cadre and never at all at the manual/blue collar workers level.

Among the retention strategies ‘Giving Competitive Remuneration Packages’ to employees and ‘Clarifying Job Responsibilities & Career Paths’ to them are the two which find more favour with the respondents.

➢ The most prominent retention strategy seems to be clarifying Job Responsibilities and career paths, but giving competitive remuneration packages also seems to be an equally important strategy to retain employees.

➢ In the effort to retain employees the managers should play their roles fairly well in creating motivating environment, in focusing on future career and also in delegating.
5.1.3 Findings Related to Hypothesis – 3

Retention of employees is a challenging task for Line and HR managers in manufacturing organisations

HR and Line Managers

- Acknowledge with a thumping majority (84.9%) that managing employee retention is a major challenge
- 45.3% of the respondents feel that their replacements will be neither difficult nor costly.
- In as much as the HR Managers are the strategic partners of business the HR seem to be involved in practically all the organisations in strategy formulation and implementation of these organisations and hence they play key role in talent management as well.
- They are convinced that today’s talent management supporting technology support future business growth.
- Because many view that the present job is no longer the only source of stable, high rewarding career opportunity, it is a challenge for managers to retain these personnel in the organisations. Second major reason that it is becoming more and more challenging to retain is convincing them to pursue a career in manufacturing sector is difficult.
- While providing adequate opportunities for career growth is viewed as the most challenging factor in retaining the employees, treating employees fairly through compensation, rewards and recognition schemes and matching persons with the culture of the firms are also challenges.
The Challenging tasks of Retention

- The most challenging aspect of retaining employees in their current organizations is aligning employees with the organisation culture (37.7%).
- The next challenge lies in providing adequate chance for their career growth and opportunity (24.5%) and meeting the expectations of employees (20.8%).
- Though matching persons to jobs does not figure as the most challenging, still it stands out as a widely challenging task for managers (only a cumulative of 24.6% feel this unchallenging and the rest feel challenging).

With whom does the challenge lie?

- First and foremost it is the line managers who are responsible (52.8%) for organisations’ retention strategy and then it is top management’s responsibility (30.2%).
- Very less percentage (15.1%) falls on the lap of HR Managers with the onus of retention strategy.
- However, employees themselves are not at all held responsible for Organisation Strategy. 98.1% of respondents do not think the employees are responsible.
5.1.4 Findings Related to Hypothesis – 4

It is easier to retain senior level than the middle or entry level employees in manufacturing organisations

- R & D Professionals and Marketing Professionals are the ones toughest to be retained in organisations (34% each). Yet Marketing Professionals are tougher to be retained.
- On the whole Quality Managers seem to be tough to be retained. Further it is tough to retain at the entry and middle level and not at the senior level.
- It looks easy to retain senior employees but seems to be difficult to retain the entry level and middle level employees.
- There is a kind of uncertainty in customizing retention packages for each employee, though a simple majority in the survey feels that there exists such customisation.
- While majority feel that annual bonus is used as alternate pay package to control turnover of employees, bonus as sign-on incentive and retention bonus are also resorted in a small way in certain other organisations.
- Employees who exhibit managerial skills are favourites to be retained in organisations while all employees according to the next majority deserve to be retained.
- Organisations’ retention plans are only marginally successful in retaining employees in most of the organisations, while in very few organisations they are significantly successful. However around 9% of the respondents consider their organisations’ retention plans are already benchmark.
Findings

5.1.5 Findings Related to Hypothesis – 5

Brand image of a firm and career progression are the pivotal considerations for both joining and leaving an organisation.

Reasons for Joining the Organisation

- 52.8% preferred Job profile as a reason to choose next employment,
- Brand image as the company of choice (30.2%) and career development of individuals (17%) occupy second and third position
- It is interesting to note that the compensation and benefit component is the least influential in such a decision.
- Practically all the respondents had job preview upon joining their current jobs mostly through structured observations and through meeting with current workers, customers and/or parents. Booklets and brochures are also used in some significant cases for job preview.

Reasons for Leaving the Organisation

- Lack of Inspirational, Visionary or Charismatic Leaders as the reason for employees’ leaving organisation has been projected as Employers’ greatest concern (85.8%)
- Lack of Competitive Compensation and rewards and Inefficient Communication Channels as next (62.3% and 66.0% respectively) matters of great concern.
- Lack of Challenging & Supportive Work Environment (44.7%) and Lack of Growth & Advancement Opportunities also are matter of concern for the employers as reasons for employees’ leaving an organisation (33.0%)
Most Common Reasons for Employees Leaving the Organisation

- The most common reason why employees leave organisations is in search of better career opportunities (69.8%).

- Leaving for better financial prospects is the next most common reason (62.3%). None states that he/she does not like the organisation. (*This is in line with the dictum that mostly people leave the organisation not because it is not liked, but because bosses are not liked.*)

- While challenging roles, learning opportunity and brand image of the organisations were considered as major reason for people joining the current incumbency, the job profile, brand image and career development would be the consideration in hopping jobs. It is quite significant to note that none seem to be joining an organisation or leaving an organisation for monetary advantage.

- Though majority feel 8-10% attrition rate is acceptable there is a wide variance between the ranges 2-4% and 12-15%.

- In managing attrition the question that comes up most is: “Why are they leaving?” and then only “Who are leaving?” The reason for leaving and the persons who leave are considered more important than the number of people leaving. This only goes to prove that if the reason is tackled the number will automatically could be restricted.

- When employees leave an organisation the upper most concern is the loss of expertise in the organisation rather than anything else. As a natural cascading consequence seems to be loss in productivity.

- The response to the question on the reason for employees leaving the organisation is very poor. This may be because the reason may lie beyond the five choices given in the questionnaire and none bothered to spell it out in their response. Among the
Findings

responses got, the lack of inspirational, visionary, characteristic leadership seem to score to be the foremost reason for the turnover.

- During exit interview occasionally only the outgoing employees reveal the true reason(s) for their leaving.
- “In Search of better Career Opportunity” and “In Search of better Financial Prospects” are the two main reasons told in the exit interviews by the outgoing employees.
- The following methods of exit interview are preferred by the respondents in the given order: Through external consultant, through mailed anonymous questionnaire and through exit interviews conducted by direct supervisors.

Correlation between Brand Image of the Organisation and Leaving or Staying on with Organisation

➢ Brand Image, a factor influencing current employment has significant relationship with the Brand Image as a Deciding Factor in Choosing Next Employment.

➢ Image of an organisation, one of the concerns of employers when employee turnover is there has also significant relationship with Loss of Good Will, another concern over turnover

Correlation between Compensation and Leaving or Staying on with Organisation

Compensation, a factor influencing ‘current employment’ has significant relationship with each of the following:

- Compensation and Benefits offered (a deciding factor in choosing next employment)
- Giving Competitive Remuneration Packages (an Important Retention Strategy)
Findings

- Lack of Competitive Compensation and Rewards (one of the reasons given by respondents for leaving organisation.)

Compensation and Benefits offered, a deciding factor in ‘choosing next employment’ has significant relationship with each of the following:

- Loss of Employee Benefits and Rewards (one of the Profound Effects of Attrition on Existing Employees)
- Giving Competitive Remuneration Packages (one of the retention strategies)

Loss of Employee Benefits, one of the profound effects of attrition on ‘existing employees’ has significant relationship with

- Giving Competitive Remuneration Packages (one of the retention strategies)

Chi-square test findings

- A Compensation which works as influencing component for an employee to stay on in an organisation has dependence on Lack of Competitive Compensation, given as a reason for an employee leaving the organisation.
- A Competitive Compensation which works as influencing component for an employee to stay on in an organisation has dependence on the Inefficient Communication channels, given as a reason for an employee leaving the organisation.
- Influence of Benefits which works as influencing component for an employee to stay on in an organisation has dependence on Lack of Inspirational, Visionary and Charismatic Leadership, given as a reason for an employee leaving the organisation.
- Brand Image which works as influencing component for an employee to stay on in an organisation has dependence on the Lack of growth and advancement opportunities, given as a reason for an employee leaving the organisation.
Findings

- Brand Image which works as influencing component for an employee to stay on in an organisation has dependence on the Lack of competitive compensation and rewards, given as a reason for an employee leaving the organisation.

- Brand Image which works as influencing component for an employee to stay on in an organisation has dependence on Inefficient Communication Channels, given as a reason for an employee leaving the organisation.

5.1.6 Findings Related to Hypothesis – 6

Employees stick to organisations where democratic values and system prevail.

- 67.9% of the respondents consider that Democratic Style of Management is most appealing to Employees in the organisation so that it acts as a factor of motivation for them to stick with it.

- 22.6% of the respondents consider that Autocratic Style of Management is most appealing to Employees in the organisation.

- 11.3% consider Paternalistic Style of Management most appealing to employees as a motivation for them to stick with the organisation.

- It is quite interesting to note that none of the respondents consider that Liaise Faire Style of Management is appealing at all to Employees in the organisation.

- Democratic and paternalistic management approaches are more appealing to employees in the organisations.
5.1.7 Findings Related to Hypothesis – 7

When talent leaves organisation it leaves behind an unpleasant trail

Concern of Employers over Employee Turnover

- Loss of expertise is overriding concern of organisations when there is high turnover of employees, because 86.8% of respondents endorse this view.
- Next predominant concern in the order of priority of concern is productivity loss (60.4%) and loss of business opportunity (60.5%) due to turnover.
- Collapse of social and communication network is of least concern to organisations when people leave.

Ill-effect of Attrition on the existing Employees

- The more prominent bad trails that are left behind attrition in an organisation are
  - Career problems (69.8%),
  - Loss of employee benefits (54.7%) and
  - Stress due to changes caused to the existing employees (50.9%).
- 41.5% of respondents felt that wasted efforts/uncompleted projects most profound effect of attrition.
- 26.4% considered financial difficulties to be the bad fall out of attrition.

Correlation between Effect of Attrition and Choosing Next Employment

- Fallouts of attrition that contributes to ‘the bad image’ of the organisation are
  - Loss of Benefits,
  - Financial Difficulties,
  - Loss of Social Network and
Findings

- Wasted Efforts or Incomplete Projects
  - Wasted efforts due to attrition giving rise to increased load of work on the existing employees tells upon their job profile which in turn gives way for career problems, a bad consequence existing employees to grapple with.
  - Due to attrition the existing employees are in danger of losing their benefits leading to financial difficulties which has telling effect on the prospects of Career Development and vice versa.
  - Half of the respondents feel that if they left their organisations it would be difficult and costly for their employers to replace them, but the other half don’t think so.
  - Majority of the employers are prepared to fill the vacancies that may arise in the key positions of the organisations