

Attrition: Unavoidable But Can Be Controlled and Minimized

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Abstract: No organization can exist without employees. Whatever may be the developments in technology and the level of automation happening no organization can run without employees. They are the ones adding value to the organization in terms of its quality and quantity. Thus, it is important for any organization to retain their talented and efficient workers but that's a very difficult task for the companies that has high attrition rate. This paper is an attempt to find out the causes for the attrition from different dimensions following this few strong reasons for attritions are discussed and also various roles to be performed and remedial measures to be considered and also discussed.

Keywords —*Turnover, Attrition, Labour, Loss, Retention*

I. INTRODUCTION

The current scenario is such that both employees and employers have started losing mutual confidence. The employee always feels that he can be fired out at any point of time even before any prior notice and the employer will always have a feeling that the employee will leave the organization when he gets a better opportunity. There is insecurity from both the people, for whatever the reason is when there is a loss of human resource in the organization it is called attention. No matter what ever is the type of organization the loss of work force is an inevitable loss which hampers not only the productivity and the final output but also the longevity of the organization will also be at a stake. Thus, measures have to be taken to manage the workforce and to retain the employees resulting in reduced attrition rate.

II. LITERATURE REVIEW

The term turnover is defined by price (1997) as the ratio of the number of organizational members also have left during the period being considered divided by the average number of people in the organization during the period. But there is no standard reason why people leave organization. Employee turnover is the rotation of workers around the labor, market between jobs and occupations and between the state of employment and unemployment Abassi (2000). Forbes (1971) states that labor turnover means separation from an organization and included promotion, transfer or any other internal movement within the institution. Ongori (2007) focuses on stress as a cause of attrition; he says that the good workers in organization may tend to leave when they start experiencing signs of occupational stress. This turnover affects the organization adversely in increasing the recruitment and selection costs of the organization.

III. KINDS OF ATTRITION

- Voluntary attrition – employee leave by their own will example high pay elsewhere better growth opportunities
- In voluntary attrition – employees leave when they feel there is some negative force example faulty promotion policy, improper performance appraisal
- Compulsory attrition - retirement completion on tenure, etc.
- Natural – causes due to events that are beyond human control example death insanity.

IV. ASSOCIATED COST WITH HIGH ATTRITION

- Talent cost: It is the cost of knowledge, skill, experience and contacts of the person leaving the organization.
- Recruitment cost: cost of advertisement, pre employment test.
- Motivational cost: cost involved in motivating other employees to retain them example increase in salary.
- Training cost: cost of orientation, training.
- Low productivity cost: when the new employee is learning the new job and the company policies and practices, they are not fully productive.

V. HOW ATTRITION CANHAVE A POSITIVE EFFORT ON ORGANISATION

- Advantage of new knowledge: New employees bring in fresh knowledge and skills that may open new way in the organization.
- Advantage of new technology: New technologies lead to decrease cost leading to helping in to sell the product and services at a lower price.

- Inculcation of new ideas: new business, collaborations
- Lesser negative impact of groupism
- Reduction and surplus staff
- Healthy environment in the organization.

VI. THE SECTORS SEEING THE MOST TALENT TURNOVER IN THE LAST FEW YEARS

- Tech companies-13.2%
- Retail- 13%
- Media/entertainment- 11.4%
- Professional services- 11.4%
- Government/education/non-profit- 11.2%

This clearly indicates that the highest attrition is happening in the IT and Retail sector when compared to the other sectors and the main reason for this is salary, better growth opportunities elsewhere and work pressure. So, such sectors have to take care of the salary paid to its employees and should ensure that they are paid for their work done and are not being exploited so that employees will be more committed towards their work and organization resulting in higher productivity.

VII. CAUSES OF ATTRITION

Internal causes

1. Salary

In sufficient salary should be taken care. Employees must be paid according to the work performed by them and also there should not be any lag in the payment which will create many difficulties. Also, when there is no increment in salary employees feel demotivated.

2. Promotion

Biased promotion is also a cause for dissatisfaction.

3. Transfer

Sometimes employees are forcefully transferred and it may even happen to a location not preferred by the employee.

4. Task

Employees may be given good positions but not full authority which leads to dissatisfaction. When the same work is repeated it leads to monotony which leads to losing interest to perform the work. Also, when there is too much supervision happening, we will also lose the confidence in performing work.

5. Rigidity

Certain organizations are very rigid with their policies and they don't compromise at any point especially when it comes to leave policy which is a burden at times. And also, the work timings which may also end up in long working hours.

6. Lack of Job security

Communication gap between management and workforce sometimes leads to wrong interpretations of messages.

Sometimes the employees may feel that they are being underestimated and their work is not valued. Every firm has politics and sometimes it may lead to employee dissatisfaction with the environment.

7. Changes

Frequent changes in managerial positions: New management brings in new policies and it takes time to adjust for the employees as they are used with the previous policies. And cutting down on the fringe benefits.

External Causes

- Better pay
- Promotion
- Better perks and fringe benefits

Personal Causes

Death, Marriage, Pregnancy, Mental imbalance, wish to go abroad, self-employment, Education, over sensitivity.

Impact of attrition on Employee Morale

When employees are leaving organization, the existing employees will also lose their confidence. They might also develop a tendency to quit. And also, the kind of image that the employees give while quitting an organization will demotivate the existing and new employees. Only when employees have high morale their productivity will also be high and they put in 100% effort and

Impact of attrition on Employer branding

From employer point of view in the long run high attrition rate will be damaging the brand too. And once a brand gets damaged it is very difficult to regain it and a lot of ground work is required. A good brand is always an asset to a company. When there is good brand name it can attract the right talent, which will result in the growth of individual as well as the organization

VIII. CONCLUSION

Attrition is unavoidable it can only be controlled and minimized. As discussed above there are several factors for attrition, so when an organization has higher attrition rate it should identify at least those common factors that is resulting in attrition and work on it and try to change it accordingly. Attrition need not be always seen as a negative factor; it sometimes also brings in new talent and technology which is a positive thing.

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