

A STUDY ON EMPLOYEE RETENTION AT VOLEX INTERCONNECT INDIA (PRIVATE) LIMITED NEELANGARAI, CHENNAI

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Abstract: Employee retention is a process in which the employees are encouraged to remain in the organization for a maximum period of time. Employee retention is beneficial for the employee as well as the organization. Employees are the ones who have good opportunities in hand. As soon as they feel dissatisfied with the employer or the job, they switch over to the next job. It is the responsibility of the employer to retain the employees. Employees compromise the most vital assets of the organization. In a work place where employees are not able to use their full potential and not heard and valued they are likely to leave because of stress and frustration. In a transparent environment while employees get a sense of achievement and belongingness from a healthy environment, the company is benefited with stronger, reliable work-force harbouring new ideas for its growth.

This project deals with “Employee retention with reference to Volex Interconnect India (Private) Limited”. This report measures the level of retention and also states some actions to increase the level of retention. The type of research done here is descriptive research. The sample for this project is 104 employees of the organization with reference of the HR executive. This report deals with a detailed company profile. This section attempts to give detailed information about the company and the nature of its functioning. There is a brief conceptual explanation to employee retention. In this report, there is a research study on employee retention at Volex Interconnect India (Private) Limited; this evaluation process is done by using percentage analysis method, chi-square analysis, weighted average analysis and one-way anova to analyze the data for interpretation, my findings, suggestions and conclusions.

Keywords: Employee Retention, Employee satisfaction, Grievance

INTRODUCTION TO THE STUDY

Employee retention is the conscious and deliberate effort to retain quality individuals on the company payroll. It is the proactive method utilized by successful organizations to stop the drain of company profits caused by excessive employee turnover.

Employee turnover is one of the largest though widely unknown costs an organization faces. While companies routinely keep track of various costs such as supplies and payroll, few take into consideration how much employee turnover will cost them. According to research done by Sibson, Compensation constitutes the largest part of the employee retention process.

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The employees always have high expectations regarding their compensation packages. Compensation packages vary from industry to industry. So an attractive compensation plays a critical role in retaining the employees.

Employee retention also focuses on strategies such as compensation, building relationships between employers and co-workers, a fearless culture, job satisfaction, opportunities for personal growth, recognition of work life balance needs.

Retention involves following components

- It may include employee assistance programs (like psychological counselling, legal assistance etc), discounts on company products, use of a company cars, etc.
- It includes health insurance which is a great benefit to the employees. It also shows that the organization cares about the employee and its family.
- It includes Basic wage, House rent allowance, Dearness Allowance, City compensatory allowance. Time to time increase in the salaries and wages of employees should be done. And this increase should be based on the employee performances and his contribution to the organization.
- It includes economic benefits such as paid holidays, leave travel concession etc and payments that employee gets after he retires like EPF (Employee Provident Fund) etc.
- It includes long term incentives such as stock options and stock grants.

Volex is one of the leading provider of interconnect solutions and power products, servicing the telecommunications, datacoms /data-centre, industrial, consumer products and medical sectors for over 120 years.

Volex's range of interconnect solutions include original-design fibre-optic, high-speed copper and radio frequency (RF) cable assemblies. Volex has design and manufacturing facilities spread across the globe, enabling flexibility in meeting customers' delivery timetable and price targets.

Importance of Retaining an Employee

- High turnover often leaves customers and employees in the lurch; departing employees take a great deal of knowledge with them. This lack of continuity makes it hard to meet your organization's goals and serve customers well.
- Replacing employee's costs money. The cost of replacing an employee is estimated as up to twice the individual's annual salary (or higher for some positions, such as middle management), and this doesn't even include the cost of lost knowledge.
- Recruiting employees consumes a great deal of time and effort, much of it futile. You're not the only one out there vying for qualified employees, and job searchers make decisions based on more than the sum of salary and benefits.
- Bringing employees up to speed takes even more time. And when you're short-staffed, you often need to put in extra time to get the work done.

Factors Affecting Employee Retention

- Shorten the feedback loop
- Offer a competitive compensation package
- Balance work and personal life
- Provide opportunities for professional development and growth
- The ability to provide input and to be taken seriously
- Beware of burnout (increase in turnover)
- Management must take the time to get to know the team members
- Provide the tools and training an employee needs to succeed
- Make use of an employee's talents, skills and abilities
- Never threaten an employee's job or income

Employee retention is the initiative taken by the management to keep employees from leaving the organization by rewarding employees for performing their jobs effectively, ensuring good relations between employees and managers and maintaining a safe healthy environment.

The company is more beneficial by retaining employees because the recruitment and training cost will be reduced and the company can maintain a stable and talented workforce to accomplish the organizational goals effectively.

Problem Statement

The organization needs to look beyond compensation to reduce the attrition rate and implement innovative retention strategies like creating excellent career growth, prospects, rewards and recognitions, training and development programs, open culture, improved work life etc.

The main problem is job satisfaction, which depends upon many factors other than monetary benefits. If the organization does not implement the retention strategies it will lead to increased attrition rate and increased cost of turnover. High employee turnover is a major consequence and a financial crisis for the organization. Therefore, the organization may retain skilled and valued employees to generate stronger profits.

OBJECTIVES OF THE STUDY

Primary Objective

To study and analyze about Employee Retention with reference to Volex Interconnect India (Private) Limited.

Secondary Objectives

- To study the employee satisfaction level.
- To identify the employees' expectations towards the organization.

- To give suggestions to improve the satisfaction level of the employees.

Need For the Study

This study is undertaken to have an understanding about the importance of retaining the employees and issues relating to employee retention. Employee retention helps to develop a good employee-employer relationship. The employee attrition rate has been increased and it is important for the organization to retain the skilled employees. It portrays a culture of loyalty among the employees towards the organization and also the organization towards the employees. It is essential for the organization to retain the valuable employees who utilize their potential for the benefit of the organization.

Scope of the Study

This study helps to save and reduce the recruitment and training cost for the organization. Understanding the importance of employee retention helps the company managers develop a better workplace atmosphere and reduce the costs and losses associated with employee turnover. Mainly retention leads to stability of workforce which improves employee engagement towards the job. It helps the organization to develop the human resources in order to accomplish its objectives and goals effectively.

RESEARCH METHODOLOGY

Research Design

The research design adopted here is descriptive research design. This research design is used because to know the factors that improves job satisfaction of level of the employees.

Sampling Design

Sample Size: 104 employees

Sampling Technique: Non-Probability Sampling Method

Sampling Method

Convenience Sampling

Data Collection

❖ Data Type

1. Primary Data

Data collection method: Survey method

Data collection tool: Questionnaire

2. Secondary Data

Books, Journals, Related Websites, Company details (internal sources)

- ❖ Data Analysis
 1. Percentage Analysis
 2. Chi-square Analysis
 3. One-way Anova
 4. Weighted Average Analysis

DATA ANALYSIS AND INTERPRETATION

Simple Percentage Method

Table 1
Satisfaction level for the compensation & benefits

<i>Satisfaction level</i>	<i>No. of respondents</i>	<i>Percentage</i>
Highly satisfied	1	1.0
Satisfied	35	33.7
Neutral	62	59.6
Dissatisfied	6	5.8
Highly Dissatisfied	-	-
Total	104	100.00

INFERENCE

It is identified from above that around 59% of the respondents have satisfied moderately with the compensation and benefits being provided in the organization.

Table 2
Satisfaction level for the facilities

<i>Satisfaction Level</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Very High	-	-
High	4	3.8
Moderate	63	60.6
Low	35	33.7
Very Low	2	1.9
Total	104	100.00

INFERENCE

It is identified from above that around 60% of the respondents have satisfied moderately with the facilities being provided in the organization.

Table 3
Focus area in which changes are required within the organization

<i>Focus Area</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Higher Salary	33	31.7
Training	8	7.7
Job timings	10	9.6
Work Environment	21	20.2
Programs & Events	10	9.6
Fringe Benefits	10	9.6
Relationship	12	11.5
Total	104	100.0

INFERENCE

It is identified from above table that 31% of the respondents require a change in salary and 20% of the respondents require a change in the work environment.

Table 4
Overall satisfaction of job in the organization

<i>Satisfaction Level</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Highly satisfied	-	-
Satisfied	35	33.7
Neutral	59	56.7
Dissatisfied	10	9.6
Highly Dissatisfied	-	-
Total	104	100.00

INFERENCE

It is identified from above table that 33% of the respondents have been satisfied in the organization and 56% of the respondents have been moderately satisfied with the job.

Table 5
Satisfaction level for the job security

<i>Satisfaction Level</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Strongly Agree	3	2.9
Agree	45	43.3
Neutral	50	48.1
Disagree	6	5.8
Strongly Disagree	-	-
Total	104	100.00

INFERENCE

It is identified from above that 50% of the respondents moderately agree that job security is being provided in the organization and 45% of the respondents agree that job security is assured in the organization.

Table 6
Satisfaction level for the work environment

<i>Satisfaction Level</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Strongly Agree	2	1.9
Agree	53	51.0
Neutral	44	42.3
Disagree	5	4.8
Strongly Disagree	-	-
Total	104	100.00

INFERENCE

It is identified from the above table that 53% of the respondents agree that a suitable work environment has been provided by the organization.

Table 7
Satisfaction level for the relationship with management

<i>Satisfaction Level</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Highly satisfied	1	1.0
Satisfied	43	41.3
Neutral	52	50.0
Dissatisfied	8	7.7
Highly Dissatisfied	-	-
Total	104	100.00

INFERENCE

It is identified from above table that 53% of the respondents are moderately satisfied with the relationship with the management.

Table 8
Satisfaction level for the personal growth and development opportunities

<i>Satisfaction Level</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Strongly Agree	2	1.9
Agree	49	47.1
Neutral	48	46.2
Disagree	5	4.8
Strongly Disagree	-	-
Total	104	100.00

INFERENCE

It is identified from above that 49% of the respondents agree and 48% of the respondents moderately agree that there are opportunities for personal growth and development.

Table 9
Satisfaction level for the job advancement opportunities

<i>Satisfaction Level</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Very High	-	-
High	42	40.4
Moderate	51	49.0
Low	11	10.6
Very Low	-	-
Total	104	100.00

INFERENCE

It is identified from above that 42% of the respondents highly agree and 51% of the respondents moderately agree that there are job advancement opportunities in the organization.

CHI SQUARE TESTS

Table 10

Comparison between Satisfaction level in organization and performance appraisal

Null Hypothesis: There is no significant relationship between satisfaction level and performance appraisal in the organization

Alternative Hypothesis: There is significant relationship between satisfaction level and performance appraisal in the organization

Performance appraisal * overall satisfaction Cross tabulation

<i>Performance Appraisal</i>	<i>Overall Satisfaction</i>			<i>Total</i>	<i>Pearson</i>	<i>Calculated Value</i>
	<i>Satisfied</i>	<i>Neutral</i>	<i>Dissatisfied</i>			
Favourable	7	5	0	12		
Neutral	25	23	5	53		
Unfavourable	3	30	5	38		
Extremely Unfavourable	0	1	0	1	20.403	.002
Total	35	59	10	104		

INFERENCE (significant value = 0.05)

Since the calculated value is less than significant value ($0.02 < 0.05$), therefore null hypothesis is rejected and alternative hypothesis is accepted. There is significant relationship between satisfaction levels and performance appraisal being done in the company.

Table 11

Comparison between Satisfaction level and rewards & recognition

Null Hypothesis: There is no significant relationship between satisfaction level and rewards & recognition provided by the organization

Alternative Hypothesis: There is significant relationship between satisfaction level and rewards & recognition provided by the organization

Reward recognition * overall satisfaction Cross tabulation

<i>Rewards & Recognition</i>	<i>Overall Satisfaction</i>			<i>Total</i>	<i>Pearson</i>	<i>Calculated Value</i>
	<i>Satisfied</i>	<i>Neutral</i>	<i>Dissatisfied</i>			
Always	1	1	0	2		
Sometimes	32	41	6	79		
Never	2	17	4	23	9.030	.060
Total	35	59	10	104		

INFERENCE (significant value = 0.05)

Since the calculated value is less than significant value (0.60>0.05), therefore null hypothesis is accepted. There is no significant relationship between satisfaction level and rewards and recognition being provided in the company.

WEIGHTED AVERAGE METHOD

Table 12

Respondents for satisfaction level towards training program

The following are the factors considered for training program and it is calculated using likert scale by allotment of scores and arranged in ranking order.

Highly satisfied (HS) = 5, Satisfied (S) = 4, Neutral (N) = 3, Dissatisfied (DS) = 2, Highly Dissatisfied (HDS) = 1

The training programs provided in the organization are arranged in rank orders:

<i>Training Program</i>	<i>5 HHS</i>	<i>4 SS</i>	<i>3 NN</i>	<i>2 DDS</i>	<i>1 HDS</i>	<i>Total</i>	<i>Average</i>	<i>Rank</i>
Leadership training	6 30	69 276	27 81	2 4	0 0	391	27.92	II
Fire Safety training	4 20	36 144	54 162	10 20	0 0	346	24.71	VII
Moulding training	5 25	58 232	36 108	5 10	0 0	375	26.78	V
First Aid training	5 25	70 280	29 87	0 0	0 0	392	28.00	I
ISO 13485 training	8 40	65 260	28 84	3 6	0 0	390	27.85	III
<i>Training Program</i>	<i>5 HHS</i>	<i>4 SS</i>	<i>3 NN</i>	<i>2 DDS</i>	<i>1 HDS</i>	<i>Total</i>	<i>Average</i>	<i>Rank</i>
ISO 9000 training	6 30	44 176	41 123	13 26	0 0	355	25.35	VI
MSDS training	7 35	63 252	30 90	1 2	0 0	379	27.07	IV

INFERENCE

From the weighted average analysis of the training programs provided in the organization, it is found out that first aid program comes first and followed by leadership program, ISO 13485 program, MSDS program, Moulding techniques program, ISO 9000 program and Fire safety program.

ONEWAY ANOVA

Table 13

Association between solving grievance and overall job satisfaction

Null Hypothesis: There is no significant relationship between solving grievance and overall job satisfaction.

Alternative Hypothesis: There is significant relationship between solving grievance and overall job satisfaction.

ANOVA

Solve grievance

	<i>Sum of Squares</i>	<i>Degrees of Freedom</i>	<i>Mean Square</i>	<i>F</i>	<i>Calculated Value</i>
Between Groups	1.823	2	.911	2.706	.072
Within Groups	34.014	101	.337		
Total	35.837	103			

INFERENCE (tabulated value = 0.05)

Since the calculated value is less than tabulated value ($0.72 > 0.05$), therefore null hypothesis is accepted. There is no significant relationship between solving grievance and overall job satisfaction.

FINDINGS

From Percentage Analysis

- It reveals that 59% of the respondents have satisfied moderately from the compensation and benefits being provided in the organization
- 60% of the respondents have satisfied moderately from the facilities being provided in the organization.
- 31% of the respondents require a change in salary and 20% of the respondents require a change in the work environment.
- 50% of the respondents moderately agree that job security is being provided in the organization and 45% of the respondents agree that job security is assured in the organization
- 53% of the respondents agree that a suitable work environment has been provided by the organization.
- 53% of the respondents are moderately satisfied with the relationship with the management.
- 49% of the respondents agree and 48% of the respondents moderately agree that there are opportunities for personal growth and development.
- 42% of the respondents highly agree and 51% of the respondents moderately agree that there are job advancement opportunities in the organization.
- 55% of the respondents are moderately satisfied and 39% of the respondents are satisfied with the shift timings provided in the organization.
- 39% of the respondents require improvement in position and 24% of the respondents require higher salary.
- 38% of the respondents have less than 5 years experience and 24% of the respondents have experience above 20 years

From Chi-Square Analysis

- There is significant relationship between satisfaction levels and performance appraisal being done in the company.
- There is no significant relationship between satisfaction level and rewards and recognition being provided in the company.
- There is no significant relationship between satisfaction level and communication process within the organization.
- There is significant relationship between satisfaction level and grievance handing procedure in the company.

From Weighted Average Analysis

- Training programs provided in the organization, it is found out that first aid program comes first and the organization may concentrate on fire safety program
- Incentives come first out of the monetary benefits provided by the organization and it may concentrate more on retirement benefits.
- Canteen facilities come first out of the facilities provided by the organization and they can concentrate more on restroom facilities and first aid facilities.

From One-Way Anova

- There is no significant relationship between solving grievance and overall job satisfaction.
- There is no significant relationship between rewards & recognition and overall job satisfaction.

SUGGESTIONS

The overall study reveals that the employees of the organization are moderately satisfied. The organization may forecast to increase their satisfaction level of the employees in order to increase their productivity of their company. The organization can provide higher monetary benefits in order to retain the employees of the organization. The organization may concentrate on communication process with the employees and solve their grievances to provide them with a suitable work environment. In order to satisfy the employees, the organization may provide improvement in position for them and provide more retirement benefits. The organization may also concentrate more on the fields of training and also give proper recognition for the employees so as to obtain the goals of the organization.

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