

## A STUDY ON THE EMPLOYEES ATTRITION WITH REFERENCE TO PENTAGON LUBRICANTS (INDIA) PVT LTD.

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**Abstract:** This study is an outcome of the topic called “A STUDY ON EMPLOYEES ATTRITION TOWARDS SKILLS IN PENTAGON LUBRICANTS (INDIA) PVT LTD” for a period of four weeks. The main objective of this study is to know the reasons for the employee attrition in the concern towards skill set and to find the ways to reduce it. It also helps to know the satisfactory level of employees towards their job and working conditions by which we can improve the areas in which it lags behind. The research design used in this study is descriptive research design. The research has been conducted with the help of primary data. It has been collected through questionnaires. The responses were received from the executive and above level managers in Pentagon Lubricants Pvt Ltd, Chennai. Totally 15 samples are taken to study the Attrition level in the organization. The collected data are compiled, edited and tabulated for the purpose of effective analysis. For analysis purpose the following statistical tools and techniques has been applied (Frequency analysis, Correlation, Chi-square). After analyzing the data, the findings and suggestions to the company are prepared. From the study it is identified that the lacking growth opportunities and the monetary benefits are the major problems for the occurrence of attrition in the company. If the recommendations are implemented by the company, it will help to reduce the level of attrition in the concern.

**Keywords:** Attrition, Skills, Working condition, Performance

### INTRODUCTION

#### Attrition

Attrition is defined as “A reduction in the number of employees through retirement, resignation or death”. Attrition, also known as employee churn, employee turnover, or employee defection, is an industrial term used to describe loss of employees or Man power Attrition is a critical issue and pretty high in the industry these days. It is the major problem which highlights in all the organizations. Attrition is said to be the gradual reduction in the number of employees through retirement, resignation or death. Whenever a well-trained or well-adapted employee leaves the organization, it creates a vacuum. So, the organization loses key skills, knowledge and business relationships. Modern managers and personnel administrators are greatly interested in reducing Attrition in their organization, in such a way that it will contribute to the maximum effectiveness, growth, and progress of the organization.

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**Skill Set of employees**

- Communication Skills
- Analytical Skills
- Multitasking Skills
- Leadership Skills
- Conceptual Skills

**Effects of Attrition towards skill**

- Low productivity
- Loss of knowledge, expertise
- Loss of picked up business relationships
- Negative impact on other team members
- Benefit to competitor
- Excess Work Load

**LEADERSHIP CRISIS LEADS TO ATTRITION**

“Employees don’t leave organizations but their managers.” There has been a phenomenal change in employee perception of “loyalty” over the last decade and is especially true of knowledge workers. What the organization can expect from an employee has dramatically changed from “loyalty” to “commitment-to-cause” and so has the factors causing them.

Deficiencies like inability to influence employee perception of growth; not aligning employees to roles based on their individual talent, inflexibility in leadership styles, are causing conflicts

**REASONS FORWHICH THE PEOPLE CHANGE JOBS**

It doesn’t feel good around here. This is a corporate culture issue in most cases. Workers are also concerned with the company’s reputation; the physical conditions of comfort, convenience, and safety, and the clarity of mission.

They wouldn’t miss me if I were gone. Even though leaders do value employees, they don’t tell them often enough. If people don’t feel important, they’re not motivated to stay. No one wants to be a commodity, easily replaced by someone off the street. If they are regarded as expendable, they’ll leave for a position where they’re appreciated.

I don’t get the support I need to get my job done. Contrary to opinions heard all-too-often from management, people really do want to do a good job. When they’re frustrated by too many rules, red tape, or incompetent supervisors or co-workers, people look for other opportunities. At a very intrinsic level, resulting in employees choosing the proverbial “easy way out.” They attempt to change the manager or work environment and hope for the best to happen.

There's no opportunity for advancement. No, we're not talking about promotions, although many deserving people would like to move up. The issue here is learning. People want to learn, to sharpen their skills and pick-up new ones. They want to improve their capacity to perform a wide variety of jobs. Call it career security. The desire is for training and development. If workers can't find the growth opportunities with one company, they'll seek another employer where they can learn.

Compensation is the last reason people most leave. That's a brash statement, but it's true. Workers want fair compensation, but the first four aspects must be strong. If they're not, but money's high, you'll hear people say "you can't pay me enough to stay here."

### **TREAT EMPLOYEES LIKE CUSTOMERS**

Companies should have a similar approach to employees and customers. A company should strive to retain an employee in the same way it tries to retain a customer.

Some employees prefer development to being in a support and maintenance job. To hold back these people, we give first preference for training them.

"Companies should have a similar approach to employees and customers. If a company strives to retain an employee in the same way it tries to retain a customer, him leaving the organization could be out of question. Communication is the foundation for the entire process of managing attrition. This communication begins right from recruitment.

"Conducting regular meetings and updating employees, especially new entrants, about the company's status and achievements is a must."

### **Problem Statement**

The problem statement for this study is to identify the variations and reasons for the employee's attrition towards skills.

### **OBJECTIVES OF STUDY**

#### **Primary Objective**

- To study on the employees attrition towards skills with reference to pentagon lubricants (India) Pvt ltd.

#### **Secondary Objectives**

- To identify whether the employees designation is related to their skill set.
- To identify the reasons behind the employees attrition.
- To find out the variations in the employees attrition over the skills.
- To give valuable solutions to the company for the future development.

## NEED AND SCOPE OF STUDY

### NEED OF SYUDY

To find out whether the employees skills is the root cause for attrition rate and to fine the gap.

### SCOPE OF STUDY

By placing the right people for the right job according to their skills through training and by giving proper motivation to reduce the rate of attrition. This project seeks to investigate the grey areas and constructively contribute the results. The study also helps to ascertain the future potential of the firm and also it increases managerial efficiency growth.

### LIMITATIONS OF THE STUDY

There is no activity that can be completed without any limitations. The limitation of the study is given below:

- Time period is the major limitation, the time allotted was 4 weeks so many information's could not be collected.
- The researcher was able prepare only few selected factors and was able to cover all the factors.
- Some of the employees are not able to express their views freely due to fear so all the information's are not correct.
- The researcher indented to cover only the few areas of skills in the proposed study.

## REVIEW OF LITERATURE

### What is Attrition..?

“A reduction in the number of employees through retirement, resignation or death”. **Attrition**, also known as employee churn, employee turnover, or employee defection, is an industrial term used to describe loss of employees or Man power.

Attrition is pretty high in the industry these days. Attrition is a universal phenomenon and no industry is devoid of it, but the degree fluctuates from industry to industry. Attrition is a serious issue in the industries because the industry is knowledge-based and hence employees are its “assets”.

Deficiencies like inability to influence employee perception of growth; not aligning employees to roles based on their individual talent, inflexibility in leadership styles, are causing conflicts at a very intrinsic level, resulting in knowledge employees choosing the proverbial “easy way out.”

**ATTRITION IS A BUSINESS PERSPECTIVE** (Says ABRAHAM.T M, Head-HR, Veeda CR)

Attrition is a phenomenon affecting any business organization in the industry. Over the past few years, organizations have taken an increased interest in aligning their HR practices

to their business goals. Where as the deficiencies like inability to influence employee perception of growth; not aligning employees to roles based on their individual talent, inflexibility in leadership styles, are causing conflicts at a very intrinsic level, resulting in knowledge employees choosing the proverbial “easy way out.” Employees thus attempt to change the manager or the work environment, resulting in employee attrition.

**Rathi’s recommendation** Dr NANDKISHORE RATHI, placement officer, IIT-B, has a few tips to reduce attrition,

#### **For HR managers**

- Consider both a person’s culture-fit and job-fit.
- Understand the expectations at the entry level.

#### **To curb a high attrition rate**

Top management should communicate continuously with all the employees about the vision and mission of the company.

- Support HR initiatives aimed at retaining people.
- Line managers or project managers should establish a connection between the lower-level and top management.
- Manage the company’s growth properly.
- Develop leaders at all levels.
- Train leaders in the skills they need to manage effectively.

#### **Reduce Attrition: Managers and Professional Employees**

We can help you adjust your company vision and manager’s performance reviews to reflect employee turnover, and provide mentoring and interpersonal training to inexperienced managers.

- Develop and communicate a strong strategic vision
- Provide relationship coaching and help people develop to their potential
- Reward managers for their relationship skills - not only on technical know-how and financial results.

#### **FIVE PRINCIPAL REASONS FOR WHICH THE PEOPLE CHANGE JOBS**

- It doesn’t feel good around here. This is a corporate culture issue in most cases. Workers are also concerned with the company’s reputation; the physical conditions of comfort, convenience, and safety, and the clarity of mission.
- They wouldn’t miss me if I were gone. Even though leaders do value employees, they don’t tell them often enough. If people don’t feel important, they’re not motivated to stay. No one wants to be a commodity, easily replaced by someone off the street. If they are regarded as expendable, they’ll leave for a position where they’re appreciated.

- I don't get the support I need to get my job done. Contrary to opinions heard all-too-often from management, people really do want to do a good job. When they're frustrated by too many rules, red tape, or incompetent supervisors or co-workers, people look for other opportunities.
- There's no opportunity for advancement. No, we're not talking about promotions, although many deserving people would like to move up. The issue here is learning. People want to learn, to sharpen their skills and pick-up new ones. They want to improve their capacity to perform a wide variety of jobs. Call it career security. The desire is for training and development. If workers can't find the growth opportunities with one company, they'll seek another employer where they can learn.
- Compensation is the last reason people most leave. That's a brash statement, but it's true. Workers want fair compensation, but the first four aspects must be strong. If they're not, but money's high, you'll hear people say "you can't pay me enough to stay here."
  - **Economic Times:**
    - **(Jun 7, 2013):** KOLKATA: One in four employees in the organized sector in India is set to switch jobs, the highest attrition rate globally, according to a Hay Group study. The series of fresh investments planned across sectors could raise demand for talent even as economic conditions remain tepid, raising concerns on employee engagement and retention.
    - **(July, 2012) :** Indian companies has witnessed a sharp decline in the employee attrition levels during the months of April-June as employees are becoming cautious about changing their jobs due to uncertain economic environment. Among the 11 industries surveyed, aviation and hospitality sectors have seen highest attrition rates among employees, while the rate is lowest among automobile and manufacturing areas. However, all these sectors have witnessed decline in attrition compared to previous quarter. The aviation and hospitality space saw the highest attrition rate of 16 per cent in the first quarter of 2012-13, a fall from 22 per cent in the fourth quarter. The banking and financial services sector witnessed an attrition rate of 15 percent against 20 percent in the preceding quarter. In addition, IT and ITes sector's attrition level stood at 13 per cent in the first quarter, followed by FMCG (11 per cent), real estate (10 per cent), telecom (eight per cent), automobiles and manufacturing (six per cent). Employees with experience of up to five years had the highest attrition rate of 32 per cent, while it was 27 per cent for those with 5-10 years of experience and 22 per cent in the 10-15 years' experience bracket. Interestingly, senior-level employees (experience more than 15 years) had an attrition rate of 19 per cent. The survey was conducted among over 8,500 employees and 325 employers between May and June this year.

## RESEARCH METHODOLOGY

### RESEARCH DESIGN

The research design used in this study was descriptive research design. It includes surveys and fact finding requirement of different kinds. The main characteristics of this method are that the researcher has no control over the variables. One can report only what has happened or what is happening.

### PRIMARY DATA

Primary data is required for the study was collected by circulating the questionnaire among the individual employees.

### SECONDARY DATA

Secondary data is needed for conducting this research work was collected from various other documents like books, magazines, websites etc.

### SAMPLING DESIGN

Sampling method: In this study Stratified sampling method was used in selecting the samples.

### POPULATION

The population comprises of 50 employees.

### SIZE

The universe of the study includes permanent employees that are stated above. Out of the 50 employees, only 12 are selected for the study.

### MODE OF DATA COLLECTION

The mode of data collection is done through questionnaire method. The survey method was appropriate to study and a structured questionnaire was framed to collect the data required for the study.

### STATISTICAL DESIGN

#### PERCENTAGE ANALYSIS

It is used to make comparison between two or more series of data. They can be used to compare the relative items, the distribution of two or more series of data.

$$\text{Percentage} = \frac{\text{No of Respondents}}{\text{Total Respondents}} \times 100$$

### CHI-SQUARE TEST

Chi-square is a non-parametric technique, most commonly used by a researcher to test the analysis. The chi-square test is also referred to as a test of measure of fit or “goodness of fit” between data.

$$\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

### ONEWAY ANOVA

**One-way analysis of variance** (abbreviated **one-way ANOVA**) is a technique used to compare means of two or more samples (using the F distribution). This technique can be used only for numerical data. The ANOVA tests the null hypothesis that samples in two or more groups are drawn from populations with the same mean values. When there are only two means to compare, the t-test and the F-test are equivalent; the relation between ANOVA and  $t$  is given by  $F = t^2$ .

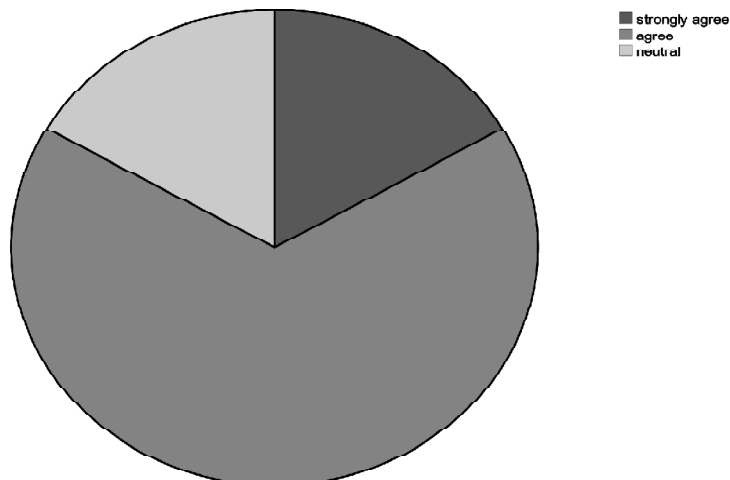
### ANALSIS USING PERCENTAGE METHOD

#### RESPONDENTS BASED ON PROFESSIONAL DEVELOPMENT OPPORTUNITIES

##### professional development opportunities

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	strongly agree	2	16.7	16.7	16.7
	agree	8	66.7	66.7	83.3
	neutral	2	16.7	16.7	100.0
	Total	12	100.0	100.0	

##### professional development opportunities





**Inference**

It is found that, 16.7% of the employees belongs to strongly agree, 66.7% belongs to agree, 16.7% belongs to neutral.

**ANALYSIS USING CHI-SQUARE**

**TO FIND WHETHER THERE IS ANY SIGNIFICANT DIFFERENCE BETWEEN THE INTERNAL IMPROVEMENT WITH CHANGE OF JOB**

**NULL HYPOTHESIS Ho:** There is no significant difference between internal improvements with change of job.

**ALTERNATIVE HYPOTHESIS Ha:** There is significant between internal improvements with change of job.

**internal improvement \* change of job Crosstabulation**

Count		change of job			Total
		yes	may be	no	
internal improvement	Analytical skills	0	1	2	3
	technical skills	1	0	2	3
	workers environment	1	0	0	1
	employees motivation	0	1	4	5
Total		2	2	8	12

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.000 <sup>a</sup>	6	.238
Likelihood Ratio	8.179	6	.225
Linear-by-Linear Association	.084	1	.772
N of Valid Cases	12		

a. 12 cells (100.0%) have expected count less than 5. The minimum expected count is .17.

**Inference**

The above table infers that, the significant value is greater than 0.05 hence the null hypothesis is accepted therefore there is no significances difference between internal improvements and change of job.

**TO FIND WHETHER THERE IS ANY SIGNIFICANT DIFFERENCE BETWEEN THE EXTERNAL IMPROVEMENT WITH CHANGE OF JOB**

**NULL HYPOTHESIS Ho:** There is no significant difference between external improvements with change of job.

**ALTERNATIVE HYPOTHESIS Ha:** There is significant between external improvements with change of job.

## external improvement \* change of job Crosstabulation

Count		change of job			Total
		yes	may be	no	
external improvement	business reality	0	1	1	2
	negotiation	1	0	0	1
	innovation	0	0	2	2
	team participation	1	1	5	7
Total	2	2	8	12	

## Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.821 <sup>a</sup>	6	.251
Likelihood Ratio	6.901	6	.330
Linear-by-Linear Association	.401	1	.526
N of Valid Cases	12		

a. 12 cells (100.0%) have expected count less than 5. The minimum expected count is .17.

## Inference

The above table infers that, the significant value is greater than 0.05 hence the null hypothesis is accepted therefore there is no significances difference between external improvements and change of job.

## FINDINGS

- According to the respondents, 66.7% agreeing that there is effective communication between staffs and higher officials.
- According to the study it is found that all of the employees are have the ability to adapt to the new situations.
- Majority of the employees (66.7%) agreeing and feeling encouraged that professional development opportunities were given by the management.
- According to the respondents, 88.7% of the employees feel that their creativity is being considered by the organization.
- The study has found that, 41.7% of the respondents say that the promotion is given based on skills.
- The study has found that, the null hypothesis is accepted therefore there is no significances difference between internal improvements and change of job.
- The study has found that, the null hypothesis is accepted therefore there is no significances difference between external improvements and change of job.
- According to the study, the null hypothesis is accepted therefore there is no significant variation between leadership skills and change of job.

### **SUGGESTION**

- The management can encourage the team participation of employees regarding the future endeavors of the organization.
- The organization can give training or educational programs to improve the internal skills of its employees.
- Professional development opportunities or programs can be given to encourage the employees from the side of management.
- Between the age group of 26-35 the attrition rate is more, to avoid that any certificates, rewards or awards can be provided in the name of appreciation to control the attrition rate.
- Even though the employees are satisfied with their job nature, it is identified in the study that many employees prefer to change their job due to lack of leadership skills and internal and external skills So the company can look for some Innovative technologies to decrease their attrition level by providing growth opportunities.

### **CONCLUSION**

The project titled “A Study on employees attrition towards skills” is selected as the attrition is one of the major challenges faced by every organization. The main aim of the study is to find out the reason behind the attrition level towards skills of the employee. It is found that due to lack of internal and external skills which is required for the job is not there and the education qualification and designation is not coincide so employees change their jobs. Based on the findings and suggestions were given to reduce the attrition in the organization. If the management takes initiative steps and implements the suggestions recommended, it will thereby reduce the attrition rate of the organization.

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#### ***Website***

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[www.attrition.org/attrition/about.html](http://www.attrition.org/attrition/about.html)

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