

A STUDY ON CAUSES OF ATTRITION AND RETENTION STRATEGIES TAKEN AT KOMATSU INDIA PRIVATE LIMITED

Submitted in partial fulfilment of the requirements for the award of
Master of Business Administration

By

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**DEPARTMENT OF BUSINESS ADMINISTRATION SCHOOL OF
MANAGEMENT STUDIES**

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)
Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
JEPPIAR NAGAR, RAJIV GANDHI SALAI, CHENNAI-600119.
MARCH-2021**



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SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of VAIDEHI SRIKRISHNA (39410258) carried out the project entitled "**A Study on causes of Attrition and retention strategies taken at KOMATSU INDIA PRIVATE LIMITED**" under my supervision from January 2021 to March 2021.

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To,

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Sub:- Permission for MBA II-Year Project.

Herewith to the request of Ms.Vaidehi Srikrishna (Reg.No.39410258) MBA II-Year from Sathyabama Institute of Science and Technology, Chennai. We accept and grant permission for doing her final project at Komatsu India Private Limited., based on “A Study on Causes of Attrition and Retention strategies”. During this period, she has to strictly follow the rules and regulations mentioned as in the procedure for the Project/Inplant Trainees of Komatsu India Private Limited.

She also must follow the standard operating procedure (SOP) made for the current pandemic situation.

For Komatsu India Private Ltd.



S.SriKrishna

Director, Senior Vice President — HR ,GA & ICT.

DECLARATION

I **VAIDEHI SRIKRISHNA 39410258** hereby declare that the Project entitled **A Study on Attrition and Retention Strategies taken at Komatsu India Private Limited** done by me under the guidance of **Dr.J. RANI** at SATHYABAMA INSTITUTE OF SCIENCE AND TECHNOLOGY, CHENNAI is submitted in partial fulfilment of the requirements for the award of Master of Business Administration degree.

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PLACE:

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ABSTRACT

Employees are the most valuable assets of an organization. They are the people who add values to the organization. To find, attract, develop, and retain the right talent is also a major role of the management. Therefore, it is indispensable to maintain permanent and promising workforce, which over the years has become a tough task for employers and thereby increased attrition in the organizations.

Attrition is said to be the gradual reduction in the number of employees through retirement, resignation, or death. It can also be called as Employee Turnover or Employee Defection. The organization must find out new approaches to retain the most effective manpower.

Retention of employees involves understanding the intrinsic motivators as individuals differ a lot. Retaining the employees is a critical and ongoing effort. This study is an outcome of analysing the causes of attrition and strategies taken for retaining the employees of the company. To identify the employee's opinion on this, a set of questions were framed. The data were collected by using a convenience sampling of 120 respondents randomly taken from each department from a total of 2000 employees in the company. Using SPSS, the test like Correlation were carried out respectively. Based on the analysis, various findings were made, and suggestions are given appropriately.

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CHAPTER-1

INTRODUCTION

1.1 WHAT IS “ATTRITION”?

The subject of Attrition is handled by the Human Resource management as a part of their HR core functions in a company.

Attrition is defined as a gradual reduction of the size of workforce through normal means, such as retirement, resignation, or death. This is normal in any business and industry. Attrition rate is defined as the rate of shrinkage in size or number. This type of reduction in staff is one way a company can decrease labour costs: the company simply waits for its employees to leave and freezes hiring.

Attrition of employees in a limited measure is desirable for influx of new ideas in any type of organization. It helps organizations to maintain their agility in fast changing environment. It brings in new blood, opens up new vistas for change, development and improvement, shows avenues to expand operations and add to the creative lines of the organizations. Attrition in a limited measure can thus bring gains to the organization.

However, if attrition increases beyond a certain level, the gains are transformed into pains. Recruiters explain that high attrition rates significantly increase the investment made on. Significant investments in time and money need to be made for acquiring employees in any organization. These can never be translated into profit when attrition is high.

Hence urge for employee retention arises. Effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs. The organization is fully at loss when employees leave their job once they are fully trained. Employee retention consider various measures taken so that an individual stays in the organisation for the maximum period. It is beneficial both for the organisation as well as the employee.

A strong retention strategy becomes a powerful recruitment tool. Retention of key employees is critical to the long-term health and success of any organization. It is a known fact that retaining your best employees ensures customer satisfaction,

increased product sales, satisfied colleagues and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning. Employee retention matters as organizational issues such as training time and investment; lost knowledge; insecure employees and a costly candidate search are involved. Hence failing to retain a key employee is a costly proposition for an organization. Intelligent employers always realise the importance of retaining the best talent.

The causes for the attrition of employees from the company is due to Job Dissatisfaction, Work Pressure, Power Harassment , Unhealthy relationship with their Co-Workers , Sexual Harassment , Personal reasons which arises from finance , health and family and so on.

1.1.1 Attrition in Manufacturing Industries

Companies in India as well as in other countries face a formidable challenge of recruiting and retaining talents while at the same time having to manage talent loss through attrition due to industry downturns or through voluntary individual turnover. Losing talents and employees result in performance losses which can have long term negative effect on companies especially if the departing talent leaves gaps in its execution capability and human resource functioning which not only includes lost productivity but also possibly loss of teamwork, harmony, and social goodwill.

With attrition rates being a bane of every industry, companies are devising innovative business models for effective retention of talent. There are a lot of factors responsible for attrition and employers are getting increasingly conscious of the factors that can keep an employee committed.

Attrition may be defined as gradual reduction in membership or personnel as through retirement, resignation, or death. In other words, attrition can be defined as the number of employees leaving the organization which includes both voluntary and involuntary separation.

The employee gradually reduces his/her ties with the company than crib about the underlying factors causing attrition. It is symptomatic of a much deeper malaise that cuts deeper into the innards of organizations. Attrition rates vary from sector to sector and industry to industry. Apart from the unavoidable ones like resignation,

retirement, death or disability, the causes are found to be many and varied. They vary according to the nature of business, the level of the employees and the nature of the responsibility shouldered by them.

The main reason is the 'ergonomic discomfort' experienced by the employee and the 'functional incompatibility' between the corporate management and the employees. Very often an employee finds himself among colleagues and superiors he is unable to cope up with. Or he finds himself totally out of tune in his functions with the employee's functional requirements, failing to rise to the employer's expectations. Another important reason is that the employee's remuneration is not voluminous enough to bear the brunt and cushion the concussions of his family and social life.

Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their jobs. The company addresses the employee retention by taking many measures such as identifying the cost turnover, providing much of learning, support, and work environment and so on.

The question of how to retain valuable employees is one of the biggest problems that plague companies in the competitive marketplace. Not too long ago, companies accepted the "revolving door policy" as part of doing business and were quick to fill a vacant job with another eager candidate. Nowadays, businesses often find that they spend considerable time, effort, and money to train an employee only to have them develop into a valuable commodity and leave the company for greener pastures.

To create a successful company, employers should consider as many options as possible when it comes to retaining employees, while at the same time securing their trust and loyalty so they have less of a desire to leave in the future. Employees need to be retained because good, faithful, trained, and hardworking employees are required to run business. They have acquired good product knowledge over the long run and a trained employee can handle customers better and solve problems of peers who are new to the organization.

When an employee leaves, he takes away with him all company information such as ongoing projects, etc. The Goodwill of the company gets hampered due to more employee turnover rate and the competitors start watching to recruit best talents

from them. Efficiency of work is hampered to a large extent. For example – If an employee leaves in the middle of an ongoing project it's very difficult to fill that vacuum and a new employee can never replace an old and talented employee so this leads to delayed completion of projects and less work satisfaction among other team members.

In the present context, the present paper is ascertained to study on the causes of attrition and retention strategies taken at KOMATSU INDIA PRIVATE LIMITED at Chennai.

1.2 INDUSTRY PROFILE

KOMATSU Ltd. is a Japanese multinational corporation that manufactures construction, mining, forestry, and military equipment like press machines, lasers and thermoelectric generators. Its headquarters are in Minato, Tokyo, Japan. The corporation was named after the city of Komatsu, Ishikawa, where the company was founded in 1921. Worldwide; the Komatsu Group consists of Komatsu Ltd. and 266 other companies (227 consolidated subsidiaries and 38 companies accounted for by the equity method).

Komatsu Iron Works was Initiated by Takeuchi Mining Industry as a subsidiary to make industrial tools for the parent company. Eventually, Komatsu became large enough to sell it to the public which spun off on May 13, 1921 as Komatsu Ltd. All through the 1930s, it also produced tractors for the Japanese military, as well as bulldozers, tanks and howitzers and produced its first AGRICULTURAL TRACTOR by the year 1931. After World War II, under its new president Yoshinari Kawai, Komatsu added non-military bulldozers and forklifts to its line of equipment.

In 1949, it started its base production diesel engine. As a company, their growth was aided by strong demand for its bulldozers during Japan's post-war reconstruction in 1950s. By 1957, the company improved and advanced its technology which made all their models to use Komatsu engine by themselves. In 1967, Komatsu entered the United states market and took CATERPILLAR (the largest bulldozer manufacturer) into its home market.

The main objective of the industry was focused on its expansion throughout the world.

- 1970- Komatsu American Corporation were established.
- 1971- Komatsu Singapore Private Limited were established.
- 1979-Komatsu Australia Private Limited were established.
- 1980-Komatsu and International Harvester of the United States had a joint Venture to produce compact tractors called KIMCO.
- 1982-Komatsu Indonesia were established and started its production by 1983.
- 1986-Komatsu Industries Gempa in GERMANY were established.
- 1988-Komatsu and its Dresser Industries establishes Komatsu Dresser to manufacture mining tractors and equipment until September 1988 to August 1994.
- In 1997, Komatsu Mining Products were Consolidated under the name Komatsu Mining System.

Around Asian countries, Komatsu Industries were established in

- 1995-Komatsu Vietnam Company Limited.
- 2000-Komatsu Changlin Construction Machinery Co (renamed Komatsu (Changzhou) Construction Machinery Corporation in November)
- In 2000s, Komatsu were working with the Linde Group of Germany for manufacturing and sales of Lift Trucks.
- In 2001-Established Galeo as a new brand of new generation construction equipment for world-wide contribution.
- In 2002-Komatsu Italy were established.
- In 2004-Komatsu Ab were established to purchase Sweden Parket Forest Ab formerly Valtra and Valmet a manufacturer of Forest machinery, Komatsu Zenoah (Shandong) Machine Co., Ltd in China (renamed Komatsu

Utility Machine co., Ltd. in 2007) to manufacture Mini excavators and hydraulic equipment, as well as Komatsu Power Generations Systems (Shanghai) Ltd. to manufacture power generators Komatsu Forklift Manufacturing (China) Co., Ltd was also found in China to produce Forklifts in the same year.

- Komatsu moved into Russia in 2008 with Komatsu Manufacturing Rus, LLC being production began in 2010.

1.3 COMPANY PROFILE

Komatsu Limited established in 1921 is a diversified provider of industrial-use and services. While remaining an international leader in the field of construction and mining equipment, the company engages in other business, such as industrial machinery and vehicles, logistics, electronics, and other solutions-based operations.

By upholding “Quality and Reliability” as the most important management policy, the company is resolutely committed to providing safe, innovative, products and service that best meets the needs and expectations of its customers around the world. Komatsu is one of the first automobile hub of Chennai.

The manufacturing facility of Komatsu Oragadam was started in the year 2007. The outline operation includes manufacture, sale and service of construction and mining equipment.

They provide a wide array of construction and mining equipment, ranging from super-large machines capable of mining applications to mini units for urban use. Their range also includes a huge variety of attachments, along with system products. But the facility of Komatsu India Private Limited in Chennai mainly manufactures mining dump trucks of 60 ton (HD465) and 100 ton (HD785).

Komatsu has reinforced its Sales & Service relationship with Larsen & Toubro (L&T) is a technology-driven company that infuses engineering with imagination with a record of over 70 year and adjudged India’s best managed and most

respected company on various attributes of customer delight and shareholder value. They are well known for their wide marketing and distribution network and established a reputation for strong customer support throughout India. It has developed India's high-end market for hydraulic excavators from zero with Komatsu.

Komatsu's wholly owned subsidiary in Chennai, Komatsu is going to Steadily consolidate the production of Komatsu equipment at KIPL, which is Strategically located as an export base and has improved QCD (Quality, Cost, and Delivery) in the production of dump trucks. Under this initiative, Komatsu is going to integrate KIPL thoroughly in its globally flexible production operations to further sharpen its competitiveness. Komatsu is going to consign the production of hydraulic excavators to LTK for the time being and continue to support quality control at LTK.

1.3.1 Product Range:

Komatsu India Private Limited is a fully owned subsidiary of Komatsu Ltd., one of the world's leading manufacturers of construction, mining, and industrial machinery. We are known for our Quality You Can Rely On.

The corner stone of Komatsu Group's management lies in commitment to "Quality and Reliability" and maximize its corporate value. The Company believes its corporate values are the total sum of trust given to the company by society and all stakeholders.

Komatsu Way: The Komatsu way is a written statement of values that all employees in the Komatsu Group, including those at top management level, should pass down in a lasting way at their workplaces and worksites. Designed for all employees, the Komatsu Way is comprised of three chapters of Top Management, "Mono zukuri" (Komatsu Way of manufacturing) and Brand Management.

The structure of the organization includes Human Resource, Design, Manufacturing Engineering, Logistics, Planning and Coordination Department, Purchase, Production, Quality Audit, Plant Engineering and Maintenance, Internal Audit & Compliance, Ict, Finance and Accounting.

1.4 NEED FOR THE STUDY:

The study is mainly undertaken to identify the level of employee's attitude, the dissatisfaction factors they face in the organization, why they choose to stay and for what reason they prefer to change their job. Once the levels of employee's attitude are identified, it would be possible for the management to take necessary action to reduce attrition level. Building a stable workforce takes considerably more than just throwing money or giving them use of a luxury accommodation. There's more involved than just a lot of aggressive recruiting or strong attention to retention. To achieve workforce stability, with all its financial and operational advantages, employers must invest energy in resources in a range of discrete strategies.

1.5 SCOPE AND SIGNIFICANCE OF THE STUDY:

This study provides to understand factors affecting attrition and retention of employees of KIPL. Moreover, only selected facets of job characteristics have been considered for the study. Therefore, the scope of the study is limited to the geographical location of the sample size and also to the selected dimensions of personal characteristics. The study throws light through valuable suggestion to decrease attrition level in the organization. This study can help the management to find the weaker parts of the employee feels towards the organization and helps in converting those weaker part in to stronger by providing the optimum suggestions or solutions.

This study has a wider for scope in any kind of organization since "attrition" is general one and makes the employees to put forth their practical difficulties and need factors in the organization. This study can help the management to know for which the reason employees tend to change their job, through dissatisfaction factors faced in the organization and helps to recover by providing the optimum suggestions or solutions.

1.6 OBJECTIVES OF THE STUDY:

- To study on the causes of attrition (leaving the job) and retention (holding back) strategies taken in Komatsu India Private Limited.
- To investigate on the strategies and benefits provided by the company for an employee to hold back from retention and lower the attrition rate.
- To study on HR activities from exit process and formulate the back up of complete strategy for retaining the employees.
- To analyze the recognition and dealings with leaving the job and retaining of employees.
- To examine and determine the causes to encompass the organization's ability to provide the best of professional climate.

1.7 LIMITATIONS OF THE STUDY:

- Due to time constraint, only a reasonable sample size of 120 respondents were taken and analysed. Still a larger sample size could increase the accuracy in the result.
- Some of the respondents can hide the real opinion.
- Some of the respondents avoid filling the form.
- Some of the respondents did not have the time to fill questionnaire, so they mark option without reading the question.
- A sample size cannot represent the whole population at all times.
- The period of study is only 6 months.

CHAPTER-2

REVIEW OF LITERATURE:

Employee Attrition is the present large discussing term among HR professionals. Although many studies have been conducted on employee's attrition to find out the reason of attrition, effects of attrition but little has been done to find out the employee's mind set about relationship, career management and its effect on attrition. This will study those facts which are resulting into the attrition. The purpose of this 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.

Saiyadain Mirza S., Tripti Pande Desai, Emerging Issues in human resource management, Excel books, New Delhi 2007, page 133 In a book called "Emerging Issues in Human Resource Management, an Indian perspective", 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. They were a total of 73 respondents who were selected consisting of ex-employees (27 from manufacturing, 27 from IT sector and 21 from ITES sector) and 5 human resources managers from all the three sectors. The information was collected on telephone and by mail. It was found that better prospects, location preferences, stagnation and ill-defined career plans were the prominent reasons of attrition in the manufacturing 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.

Memoria C.B., V.S.P. Rao, Personal Management and cases, Himalaya Publication, 2012, 13th chapter, page 251. In this book, the author focuses on employee turnover, its reasons and has also explained on 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, etc. 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.

Rao T.V, Factors affecting attrition and strategies of retention, NHRD Journal, Vol-1, Issue-3, May 2007 He 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 boss. There are many factors responsible for an employee quitting one company to another.

Managing attrition does not mean 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, organizational, professional, and societal factors including peer pressure, socio economic and environmental factors.

Further the author describes that better and competitive compensation and incentive package, good organizational climate, employee satisfaction survey, celebrating 56 festivals, birthdays, social and cultural network are the factors which retain the employees for a longer time.

Prof. Lichia You, India Employee Turnover Report, 2008, This study was conducted to identify the level and patterns of labour turnover in India. A total of 151 senior manager forms and executives were selected as sample size. A survey 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 relationships 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.

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 All India level and in every region. He reveals that the labour productivity of Indian 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 turnover.

Adhikari Atanu (2009), Factors affecting Employee Attrition: A Multiple Regression Approach. 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.

Generally, people feel that salary is the prime thing to quit an organization, but it isn't true. Employees give more preference to the job profile, job contents, behaviour and attitude of their higher authorities and at the end the preference depends on the 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.

Bojagar S.A, A Study of attrition as HR challenge in medium scale industries Pimpri-Chinchwad area, Contemporary Research in India, Vol-2, Issue-2, June 2012. He 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 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 to be switching over even for hike in salary, lack of good relations with colleagues. Hence it was clear from the survey that the reasons for leaving the company may vary with an organization even in the same industry.

[http://www.financialexpress.com/news.attrition-rates-high-amonghr](http://www.financialexpress.com/news.attrition-rates-high-amonghr-professionals/197100/)

professionals/197100/ 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 days facing one of the highest attrition rates of nearly 70-80%. Since the last 2 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 of INX executive search says, an acute shortage of talent is one of the important reasons for attrition among Human Resource professionals. Hence, there is no need to increase the supply of talented, qualified and skilled Human resource professionals in India.

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 the human resources 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 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 the 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.

M.D Rawat, Chief Secretary of ASSOCHEM (The associated chambers of commerce and industry in India), Daily Aajka Anand

Many people feel that employees change their job due to better opportunity, but it is not true. In a survey conducted by ASSOCHEM (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 cannot change their higher authorities so they change their job. Most of the employees said that a good industrial environment was important than the salary.

It was found that the employees faced health related problems due to misbehaviour by their boss. M.D. Rawat, Chief Secretary of Association said that there is a 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.

Bray field and Crockett, (1955) have highlighted the positive relationship between attitudinal variables and voluntary turnover. It is seen that attitude-based turnover models have a direct link between employee attitudes and the act of leaving the organization.

Arthur, (1994) the key employees, who have done amazing in their education and are hardworking, always feel the need to be rewarded and recognized for their performance in the organization. Their enthusiasm to work and perform better depends a lot on the organizations" way of rewarding and recognizing them. So, if an organization has an environment that provides prospects for further development and self-actualization, this will reduce the chances of an employee leaving the organization.

Hom and Griffeth (1995) described in a study that the process of encouraging employees to stay for a long period or till the project completion is termed as retention.

Wysocki, B (1997) pointed out the view of "The Society of Human Resource Management" that retention of employee is the hottest topic in the current scenario.

(Magner et al., 1996) emphasized that the employees stay longer in the same organization where they feel they are involved in the decision-making process. This involvement gives them the satisfaction to be part of something important.

(Herman, 1999) has highlighted five main reasons because of which employees leave their current organization. Insufficient support, incompatible corporate culture, unsatisfactory relationships with coworkers, dissatisfaction with compensation offered, and inadequate opportunities for growth are the reasons because of which employees leave.

CHAPTER-3

RESEARCH METHODOLOGY

INTRODUCTION

Research methodology is a blueprint of methods and techniques used by researcher at different stages of research to accomplish the objectives of the study. A study without better planning may not provide desired results, so research methodology is imperative for achieving the required goals of the research. This chapter embraces research design, problem statement, research objectives, hypotheses, sample design, data collection instrument, statistical techniques, limitations and chapter plan of the study.

3.1 RESEARCH DESIGN

Extant research is exploratory cum descriptive in nature. Exploratory research provides insight and understanding of the subject. It assists in identifying and defining the research problem, hypotheses development, designing data collection instrument, and formulation of objectives. Descriptive research is conclusive in nature and deals with analysis of data to examine the perception and purchase intention of sample units in this study.

3.2 SAMPLING TECHNIQUE

The method adopted here is convenient sampling method because convenient is a complete survey method. The data has been collected from random employees of each department. The area from which sampling were conducted is around Chennai.

3.3 SOURCES OF DATA

3.3.1 Primary Data: The primary source of data will be collected through Observations and Questionnaire.

3.3.1 Secondary Data: The secondary source of data will be collected through Company's Website, Internal Annual Reports, Tools such as Data Graphs.

3.4 STRUCTURE OF QUESTIONNAIRE

The structure of questionnaire used here is Multiple choice questions.

3.5 SAMPLE SIZE

The study was done with a sample size of 120 respondents. The respondents were selected for the study from the various departments of KOMATSU.

3.6 PERIOD OF STUDY

The period of study was from December 2020-March 2021

3.7 HYPOTHESIS/ANALYTICAL TOOLS

Data was analysed using statistical techniques such a correlation and ANOVA as per the requirement of data with the help of SPSS (Statistical Package for Social Science).

3.7.1 Percentage Analysis

Percentage analysis is the method to represent raw streams of data as a percentage (a part in 100-percent) for better understanding of collected data. Percentage Analysis is applied to create a contingency table from the frequency distribution and represent the collected data for better understanding.

3.7.2 Correlation

The correlation coefficient is a statistical measure of the strength of the relationship between the relative movements of two variables. The value range between -1.0 and 1.0. A correlation of -1.0 shows a perfect negative correlation, while a correlation of 1.0 show a perfect positive correlation.

CHAPTER-4

DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS

TABLE 4.1.1: Showing Gender wise classification of respondents.

Options	No. of Respondents	Percentage
Male	94	78.3%
Female	26	21.7%

Source: primary data

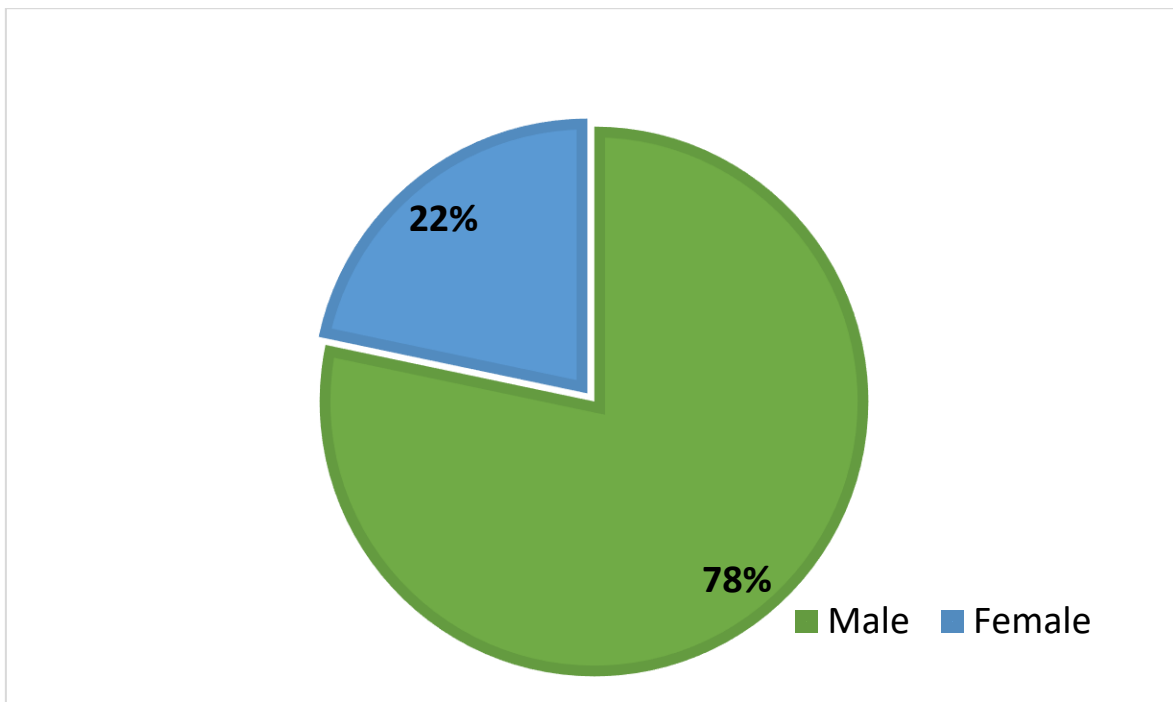


CHART 4.1.1 Showing respondents in Gender

Interpretation:

From the above Table and Chart, it is understood that 78% of the respondents are Male and 22% of the respondents are Female and further it is concluded that majority (78%) of the respondents are Male.

Table 4.1.2: Showing Age wise classification of respondents

Source : primary data

Options	No. of Respondents	Percentage
Up to 30 years	39	39%
31-40 years	57	57%
41-50 years	20	20%
Above 50 years	4	4%

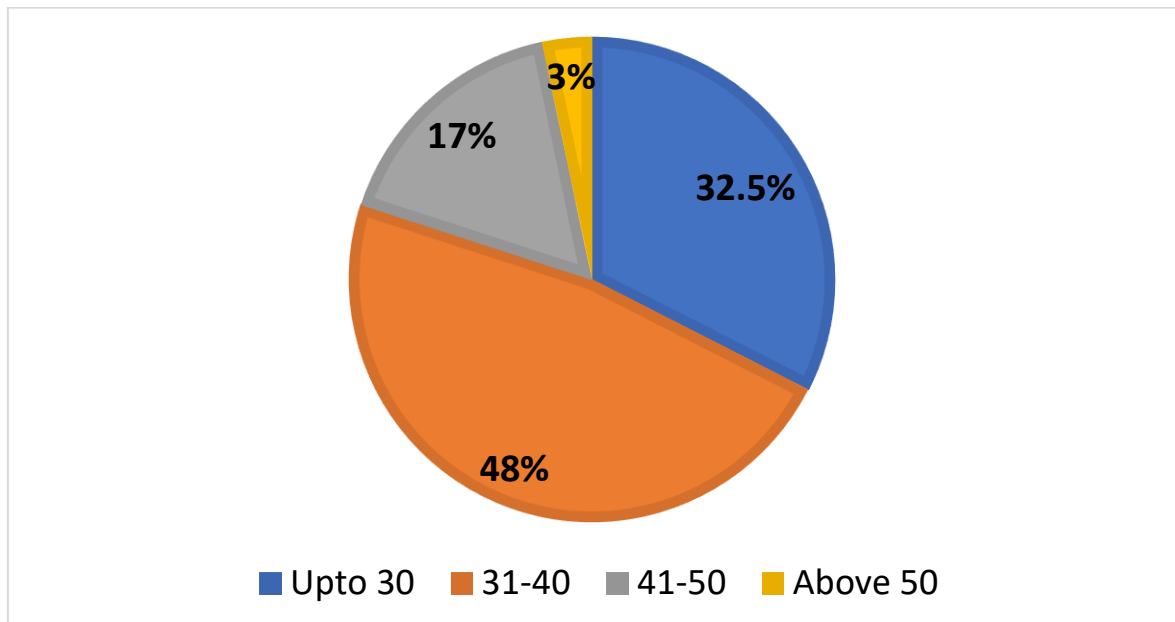


Chart 4.1.2 showing age wise classification of respondents

Interpretation:

From the above Table and Chart, it is understood that 39% of the respondents are aged up to 30, 57% of the respondents are aged between 31-40, 20% of the respondents are aged between 41-50, 3.3% of the respondents are aged above 50 and further it is concluded that majority (57%) of the respondents are aged between 31-40.

Table 4.1.3 showing Education Qualification

Source: primary data

Options	No. of respondents	Percentage
Diploma	22	18.3%
Bachelor's Degree	70	58.3%%
Master's Degree	28	23.3%

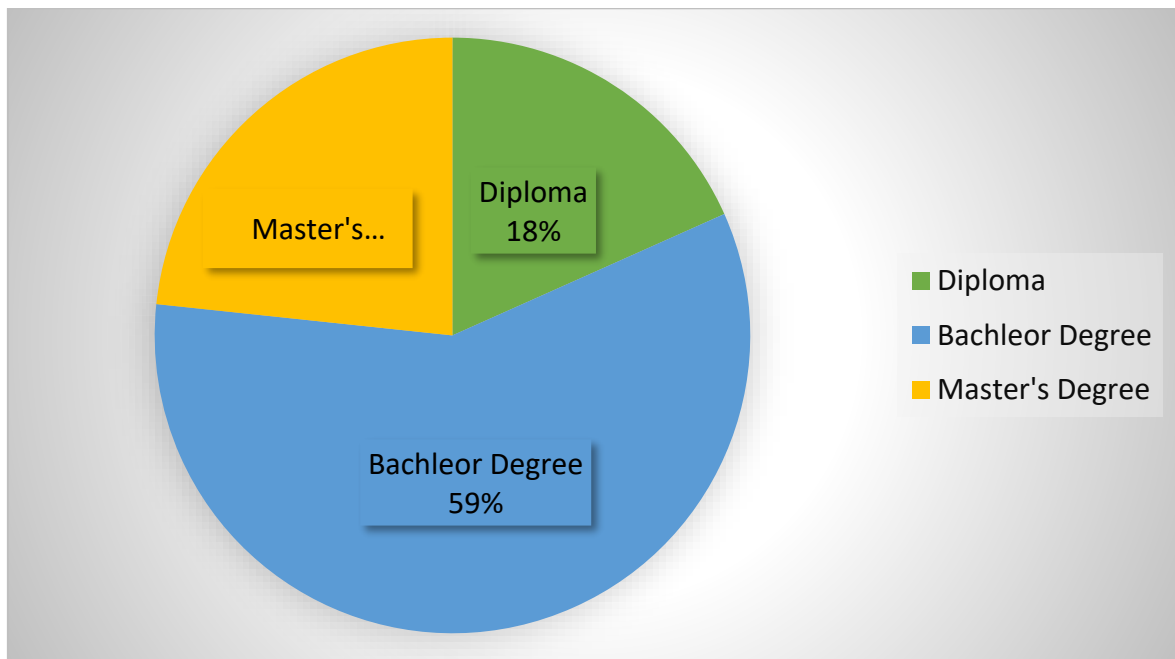


Chart 4.1.3 Showing respondents according to their Education Qualification

Interpretation:

From the above Table and Chart, it is understood that 18.3% of the respondents belong to Diploma, 58.3% of the respondents belong to bachelor's degree, 23.3% of the respondents belong to master's degree. Further it is concluded that majority (58.3%) of the respondents belong to bachelor's degree.

Table 4.1.4 Showing respondents according to their Designation of service

Source: primary data

Options	No. of Respondents	Percentage
Executive	21	17.5%
Associate Manager	64	53.3%
Deputy Manager	23	19.2%
Others	12	10%

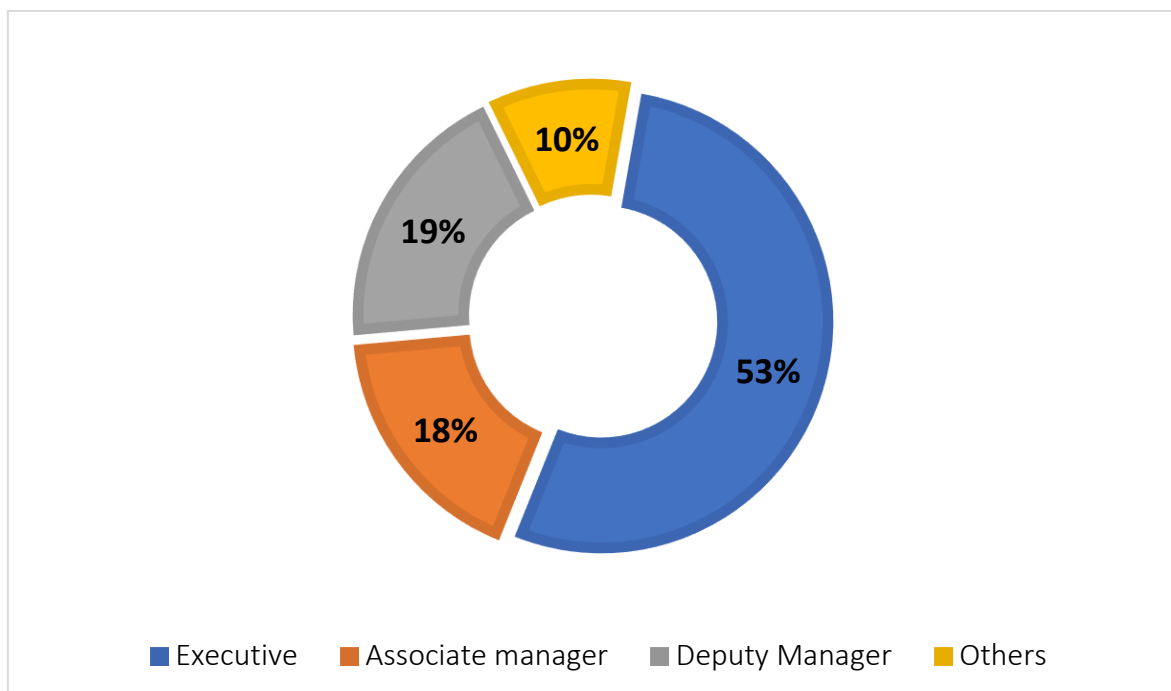


Chart 4.1.4 Showing respondents according to their Department of service

Interpretation:

From the above Table and Chart, it is understood that 17.5% of the respondents belong to Executive, 53.3% of the respondents belong to Associate Manager, 19.2% of the respondents belong to Deputy Manager, 10% of the respondents belong to Other category. Therefore, it is concluded that majority (53.3%) of the respondents are associate manager.

Table 4.1.5 Showing respondents according to the year of joining

Source: primary data

Options	No. of respondents	Percentage
2005-2010	42	35%
2010-2015	53	44.2%
2015-2020	25	20.8%

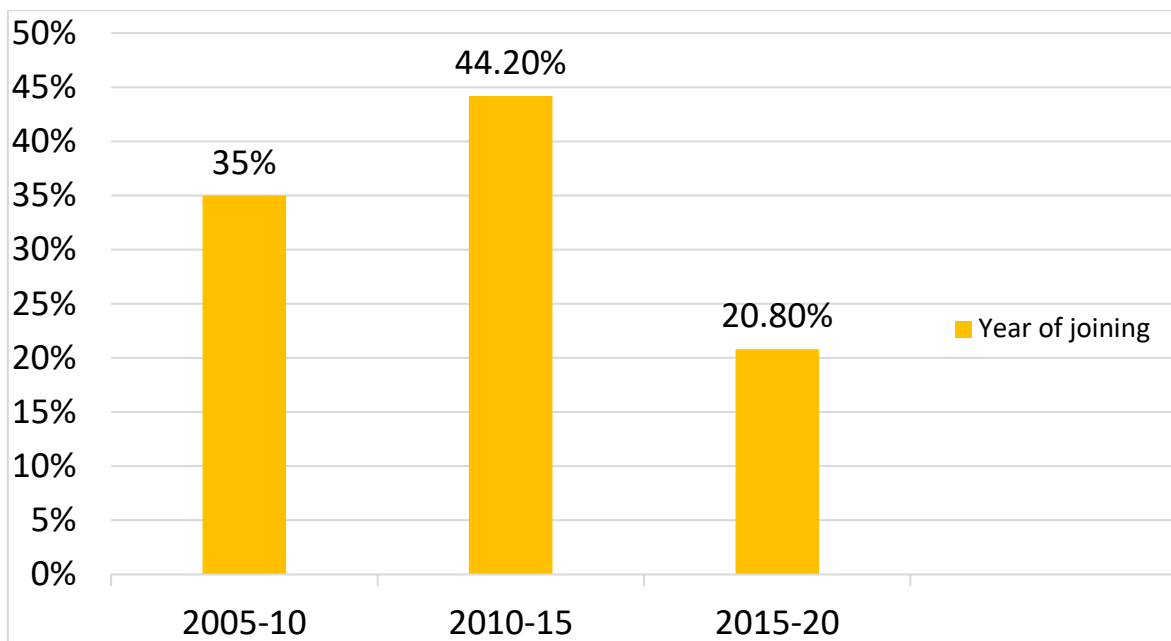


Chart 4.1.5 Showing respondents according to their year of joining

Interpretation:

From the above table and chart it is understood that 35% of the respondents belong between the year 2005-2010, 44.2% of the respondents belong between the year 2010-2015, 20.8% of the respondents belong between the year 2015-2020. Further it is concluded that majority (44.2%) of the respondents belong between the year 2010-2015.

Table 4.1.6 Showing respondents based on their years of experience

Source: primary data

Options	No. of respondents	Percentage
0-5 years	47	39.2%
5-10 years	58	48.3%
Above 10 years	15	12.5%

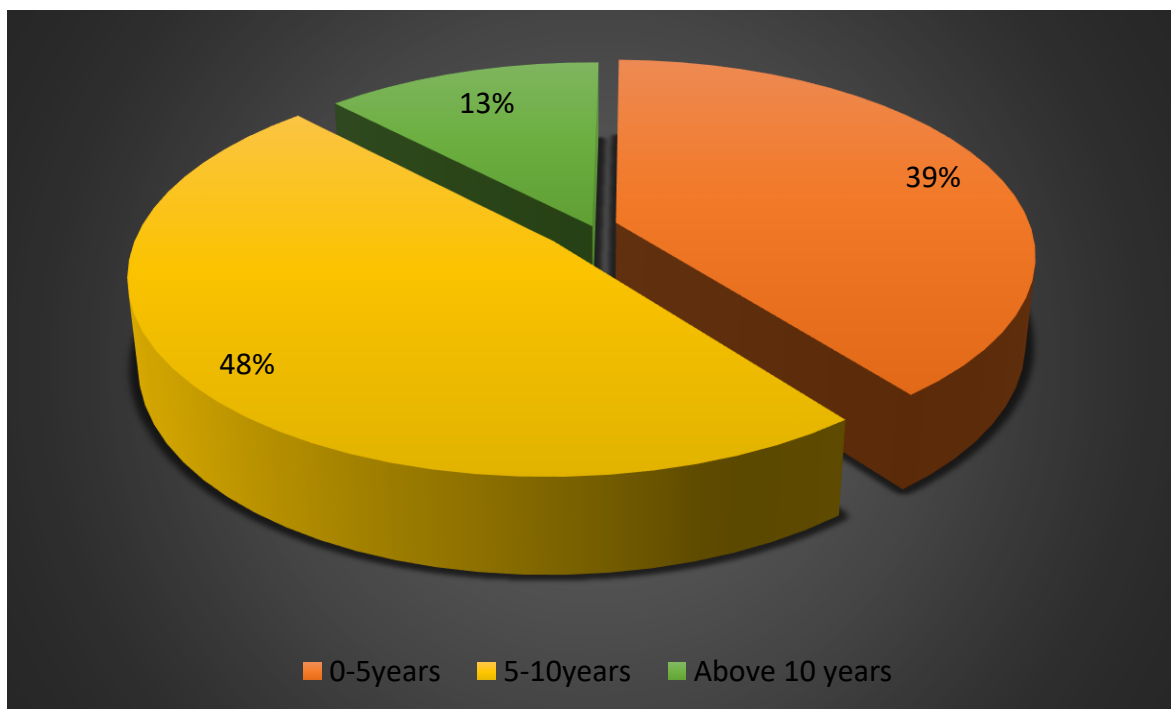


Chart 4.1.6 Showing respondents according to their years of experience

Interpretation:

From the above table and chart, it is understood that 48% of the respondents belong between 5-10 years of experience, 39% of the respondents belong between 0-5 years, 12.5% of the respondents belong above 10 years of experience. Further it is concluded that majority (48%) belong to the category of 5-10 years.

Table 4.1.7 Showing respondents on department of service

Source: primary data

Options	No. of respondents	Percentage
Human Resource	39	28.3%
Finance	35	29.2%
Marketing	32	26.7%
Production	12	10%
Others	7	5.8%

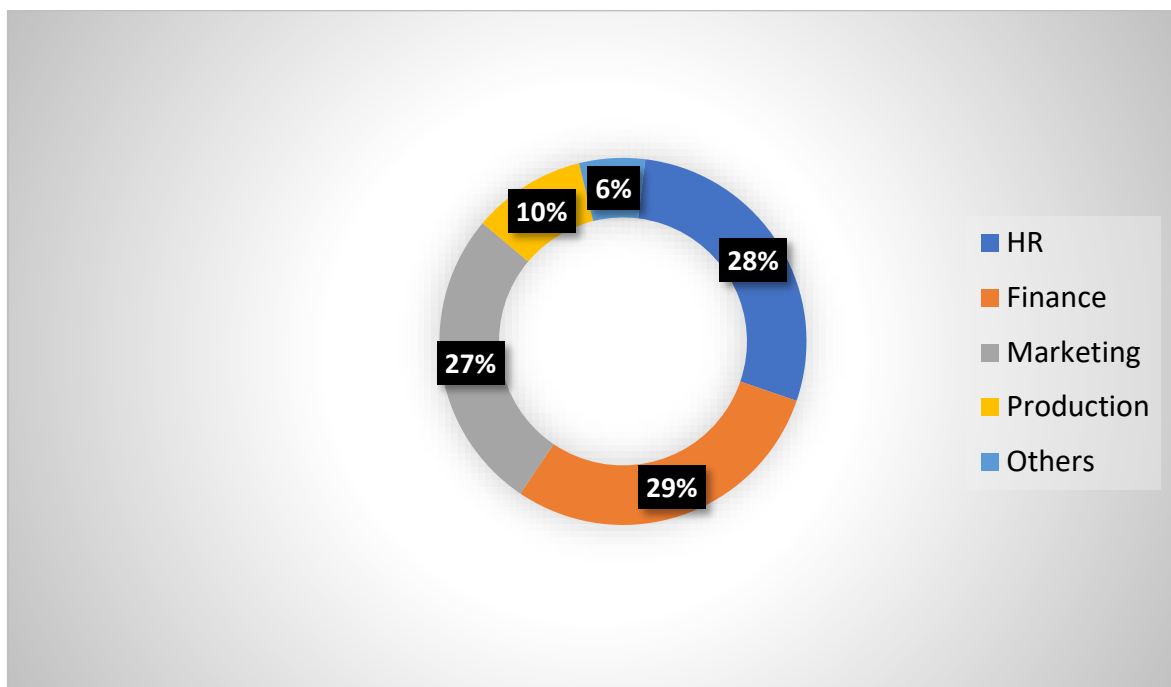


Chart 4.1.7 Showing respondents according to their department of service

Interpretation:

From the above table and chart, it is understood that 28.3% of the respondents belong to Human resource, 29.2% of the respondents belong to Finance, 26.7% of the respondents belong to Marketing, 10% of the respondents belong to Production, 5.8% belong to another category. Further it is concluded that majority (29%) belong to Finance Department.

Table 4.1.8 Showing respondents on the cause of attrition in the company

Source: primary data

Options	No. of respondents	Percentage
Absence of conducive workplace	29	24.2%
Personal reasons	70	58.3%
Lack of career	12	10%
Odd working hours	9	7.5%

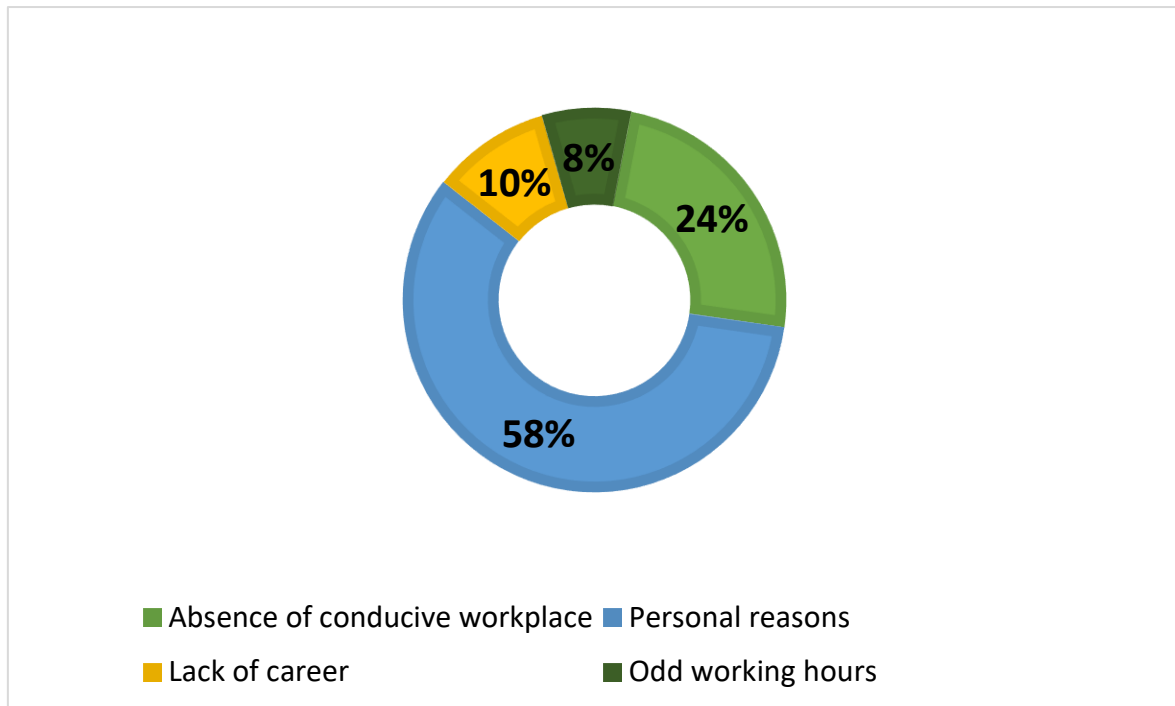


Chart 4.1.8 Showing respondents on the cause of attrition

Interpretation:

From the above table and chart, it is understood that 58% of the respondents belong to personal reasons category, 24% of the respondents belong to the absence of conducive workplace category, 8% of the respondents belong to the odd working hours category and 10% of the respondents belong to lack of career category. Further it is concluded that, the majority (58%) of the respondents belong to personal reason category.

Table 4.1.9 Showing respondents if attrition and retention recognised as a HR challenge

Source: primary data

Options	No. of respondents	Percentage
Yes	115	95.8%
No	5	4.2%

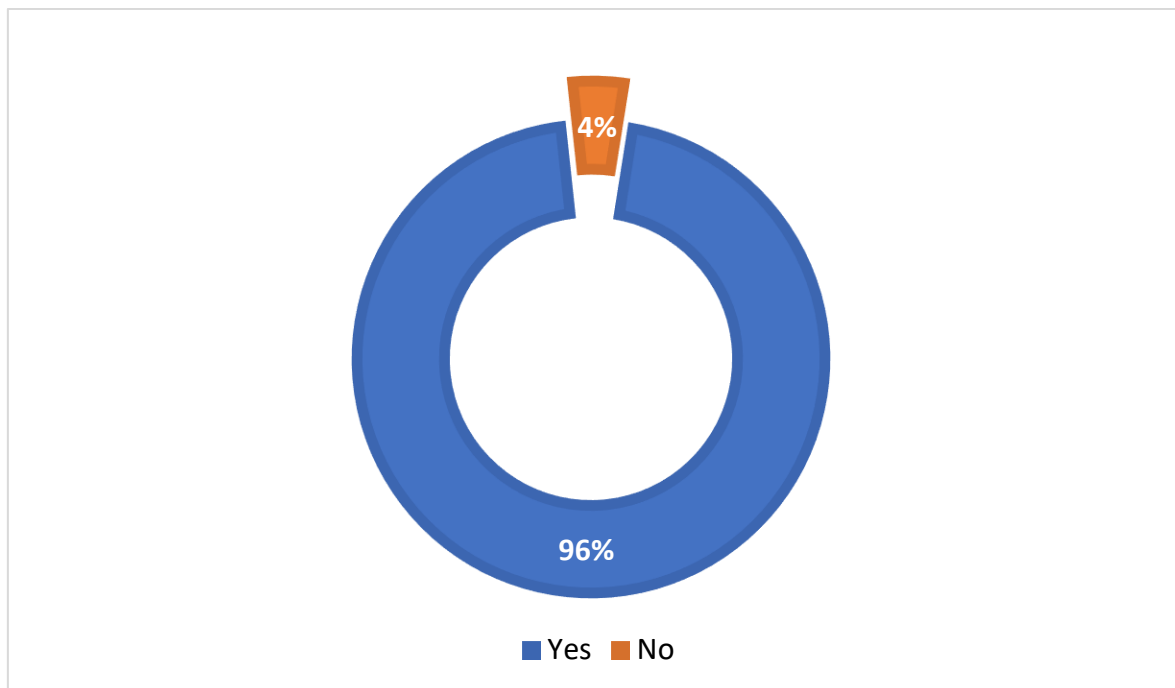


Chart 4.1.9 Showing respondents if attrition and retention is recognized as HR challenge

Interpretation:

From the above table and chart, it is understood that 96% of the respondents belong to Yes category, 4% of the respondents belong to No category. Further it is concluded that majority (96%) of the respondents belong to Yes category.

Table 4.1.10 Showing respondents on the level of employees who are susceptible to attrition

Source: primary data

Options	No. of respondents	Percentage
Junior level	41	34.2%
Middle level	56	56%
Senior level	20	16.7%
Top level	3	2.5%

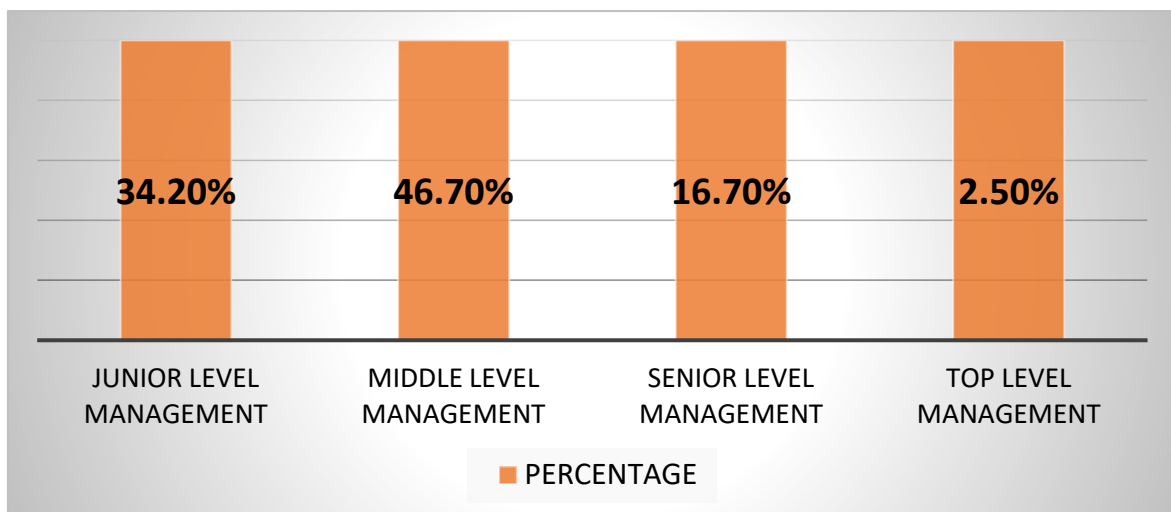


Chart 4.1.10 Showing respondents on the level of employees who are susceptible to attrition

Interpretation:

From the above table and chart, it is understood that 34.2% of the respondents belong to junior level management, 46.7% of the respondents belong to middle level management, 16.7% of the respondents belong to senior level management, 2.5% of the respondents belong to the top-level management. Further it is concluded that majority (46.7%) of the respondents belong to middle level management.

Table 4.1.11 Showing respondents on employee opportunities given by the company

Source: primary data

Options	No. of respondents	Percentage
Yes	112	93.3%
No	8	6.7%

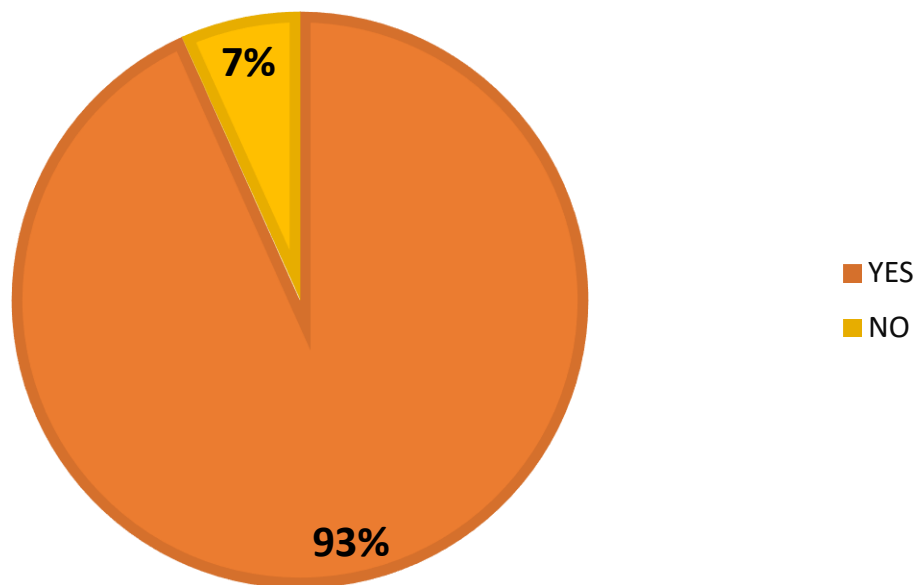


Chart 4.1.11 Showing respondents on employee opportunities given by the company

Interpretation:

From the above table and chart, it is understood that 93.3% of the respondents belong to yes category, 6.7% of the respondents belong to no category. Further it is concluded that majority (93.3%) of the respondents belong to Yes category.

Table 4.1.12 Showing respondents on transparent communication environment

Source: primary data

Options	No. of respondents	Percentage
Yes	102	85%
No	18	15%

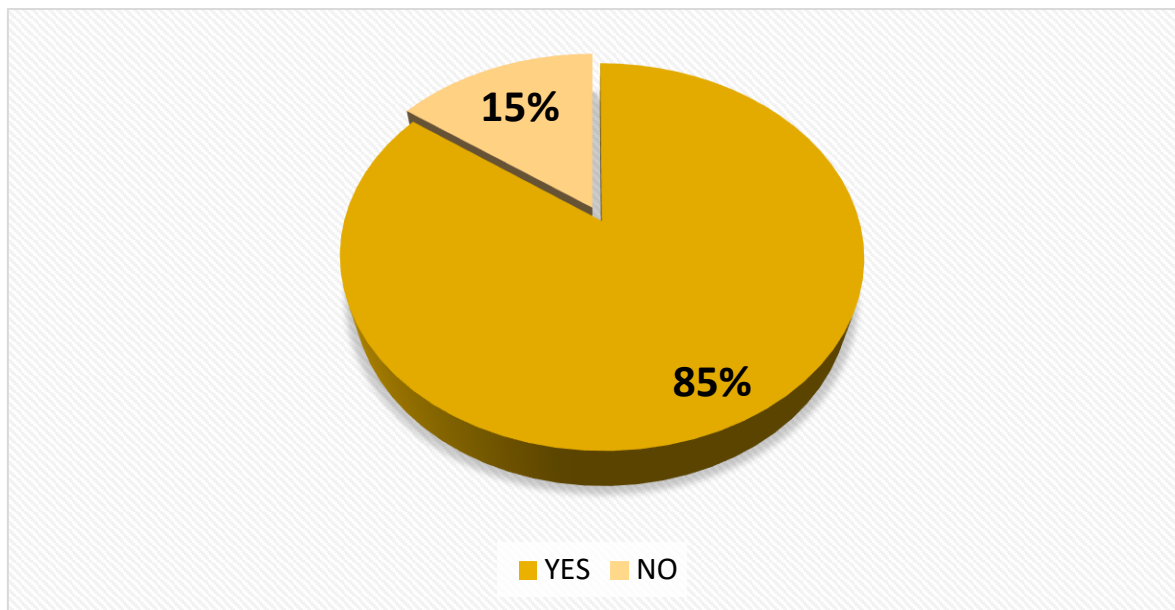


Chart 4.1.12 Showing respondents on transparent communication environment

Interpretation:

From the above table and chart, it is understood that 85% of the respondents belong to yes category, 15% of the respondents belong to no category. Further it is concluded that majority (85%) of the respondents belong to yes category.

Table 4.1.13 Showing respondents on mandatory to serve a notice period

Source: primary data

Options	No. of respondents	Percentage
Yes	114	95%
No	6	5%

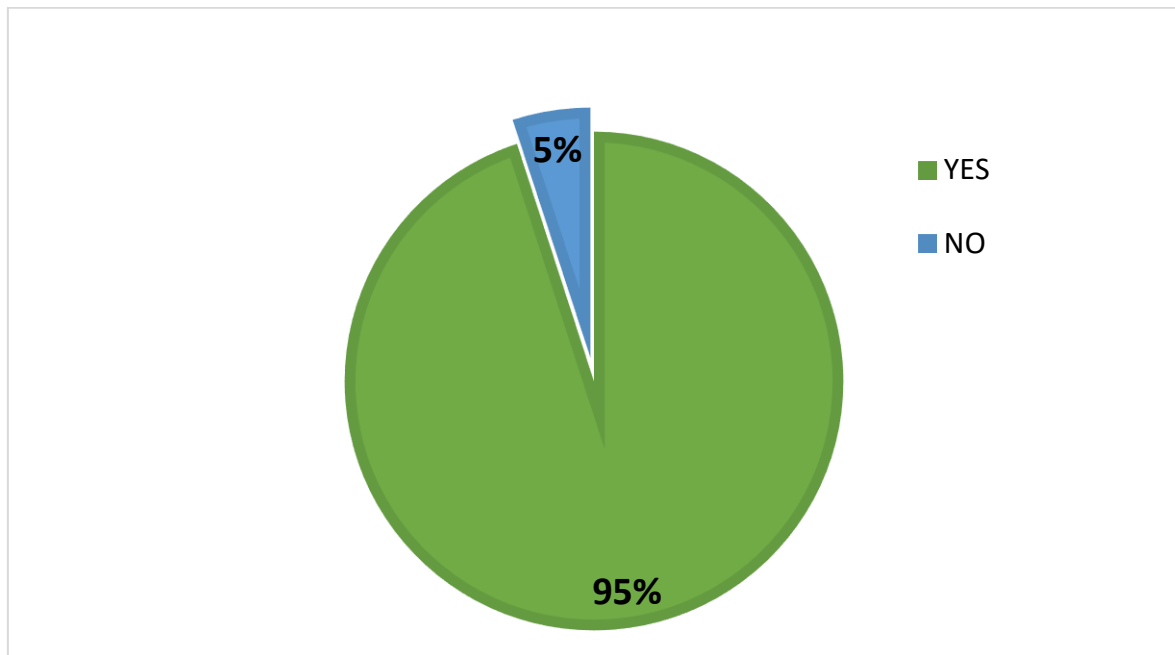


Chart 4.1.13 Showing respondents on mandatory to serve a notice period

Interpretation:

From the above table and chart, it is understood that 95% of the respondents belong to yes category, 5% of the respondents belong to no category. Further, it is concluded that majority (95%) of the respondents belong to yes category.

Table 4.1.14 Showing respondents if HRM strategy is applied to counter attrition

Source: primary data

Options	No. of respondents	Percentage
Yes	100	83.3%
No	20	16.7%

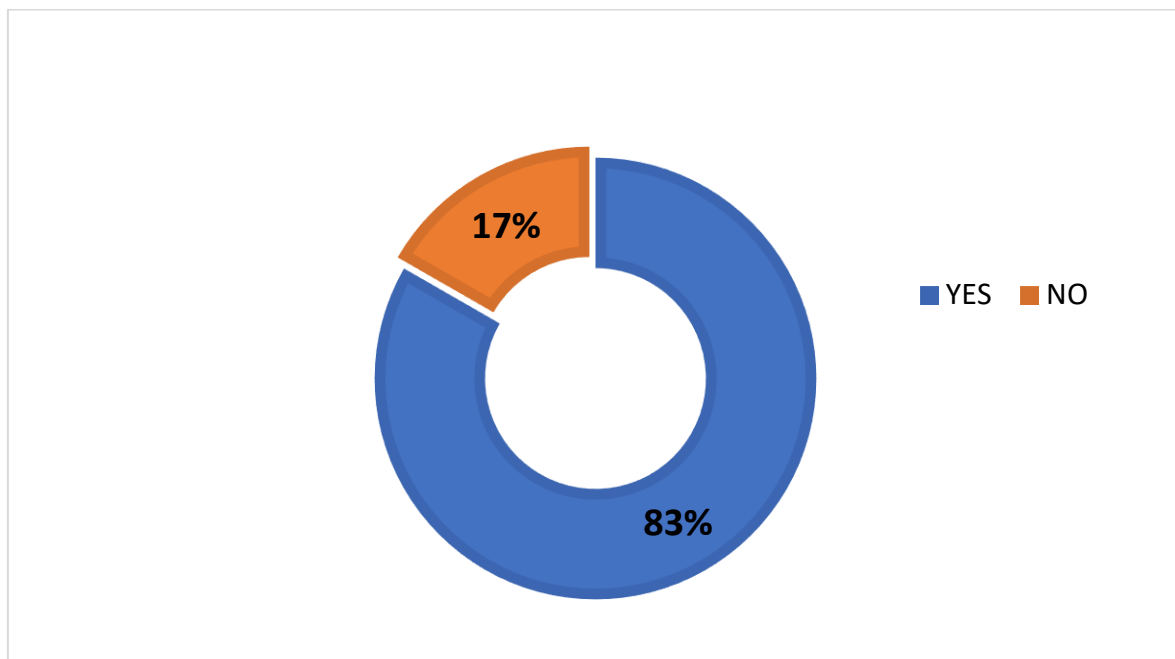


Chart 4.1.14 Showing respondents if HRM strategy is applied to counter attrition

Interpretation:

From the above table and chart, it is understood that 83% of the respondents belong to yes category, 17% of the respondents belong to no category. Further, it is concluded that majority (83.3%) of the respondents belong to yes category.

Table 4.1.15 Showing respondents if an exit interview is conducted before leaving the company

Source: primary data

Options	No. of respondents	Percentage
Yes	107	89.2%
No	13	10.8%

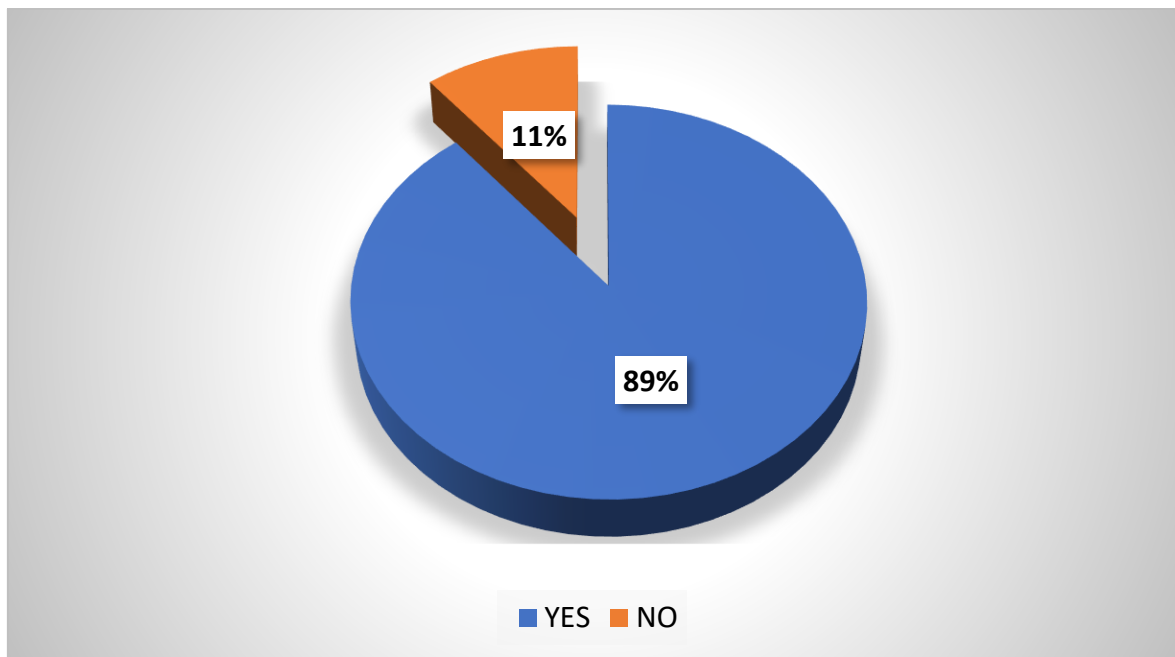


Chart 4.1.15 Showing respondents if an exit interview is conducted before leaving the company

Interpretation:

From the above table and chart, it is understood that 89.2% of the respondents belong to yes category, 10.8% of the respondents belong to no category. Further, it is concluded that majority (89.2%) of the respondents belong to yes category.

Table 4.1.16 Showing respondents if a policy is being to attempt to retain the employee by offering extra benefits.

Source: primary data

Options	No. of respondents	Percentage
Yes	58	48.3%
No	21	17.5%
Depends on the individual	41	34.2%

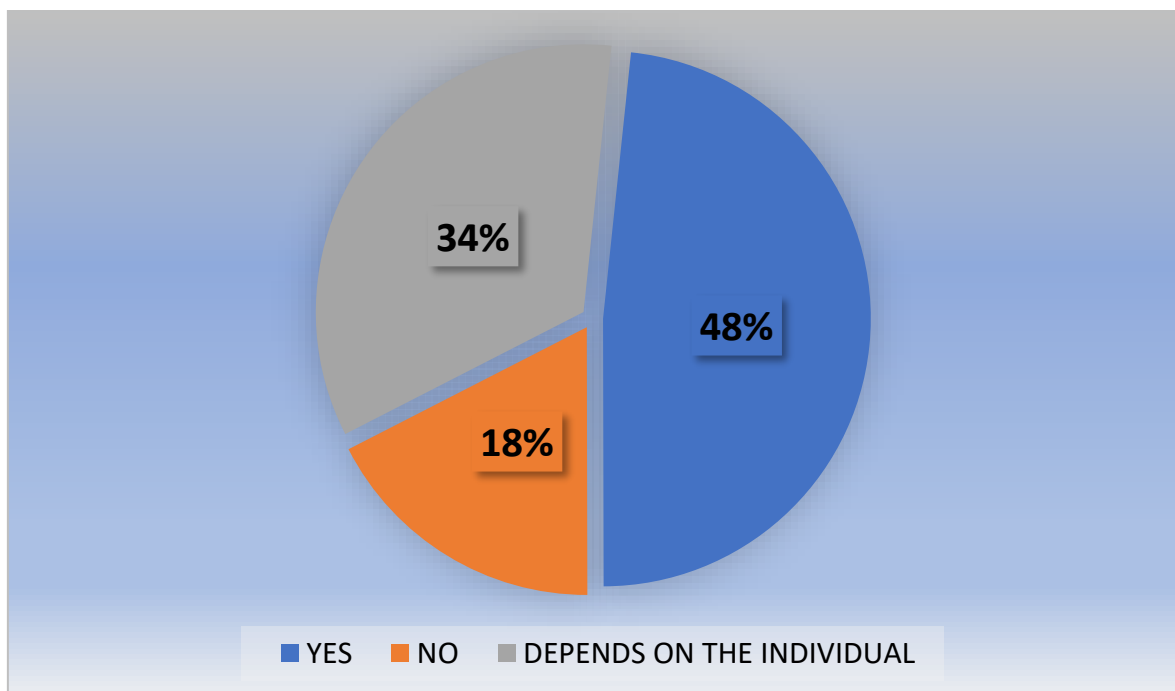


Chart 4.1.16 Showing respondents if a policy is being to attempt to retain the employee by offering extra benefits

Interpretation:

From the above table and chart, it is understood that 58% of the respondents belong to yes category, 17.5% of the respondents belong to no category, 34.2% of the respondents belong to depends on the individual category. Further, it is concluded that majority (48.3%) of the respondents belong to the yes category.

Table 4.1.17 Showing respondents on organization's working environment

Source: primary data

Options	No. of respondents	Percentage
Employee's Friendly	85	70.8%
Stressful	21	17.5%
Average	14	11.7%

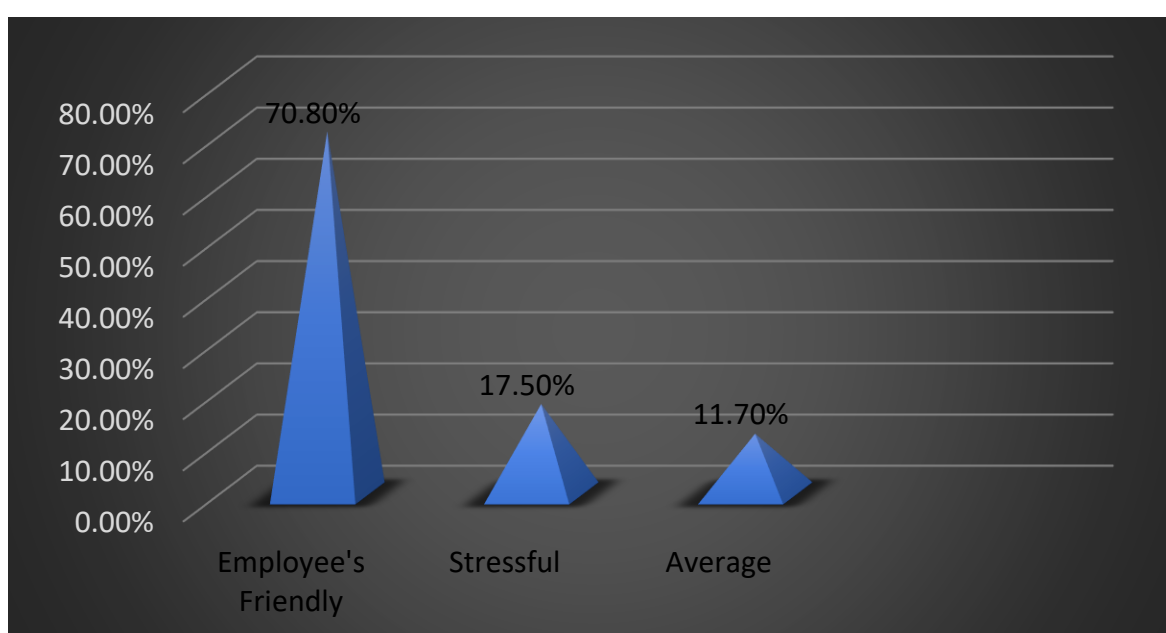


Chart 4.1.17 Showing respondents on organization's working environment

Interpretation:

From the above table and chart, it is understood that 70.8% of the respondents have chosen employee's friendly category, 17.5% of the respondents have chosen stressful category, 11.7% of the respondents have chosen average category. Further, it is concluded that majority (70.8%) of the respondents have chosen employee's friendly category.

Table 4.1.18 Showing respondents if any policy has to be modified or changed

Source: primary data

Options	No. of respondents	Percentage
Leave policy	35	29.2%
Rehire	41	34.2%
Salary	26	21.7%
Others	18	15%

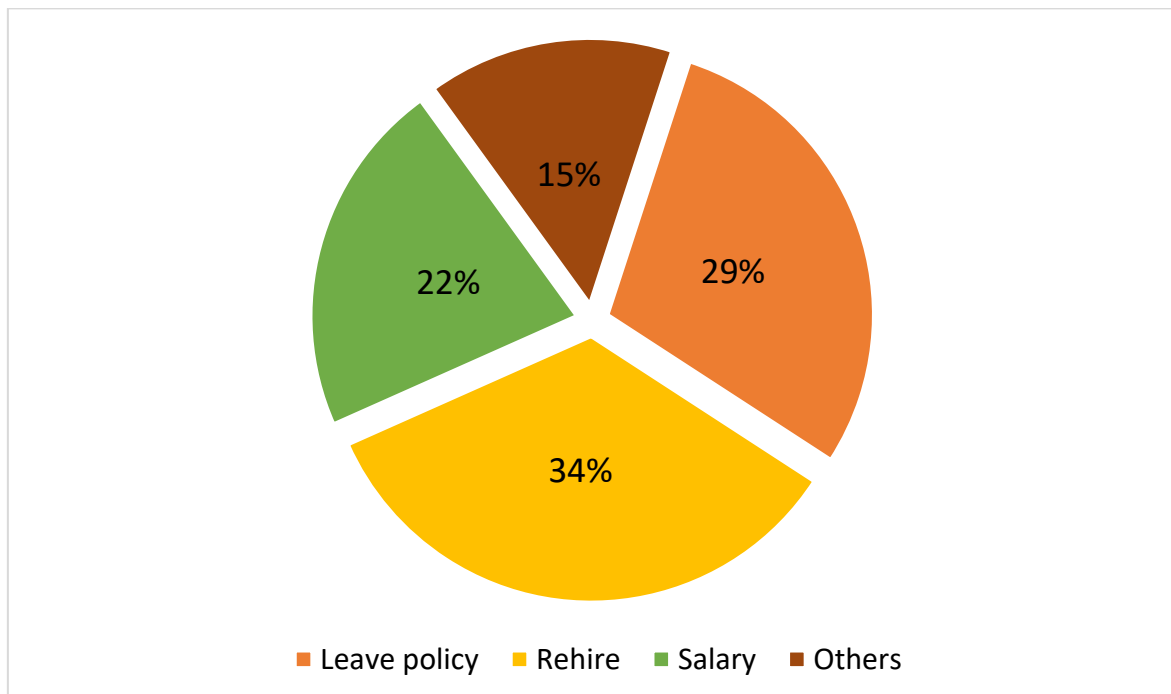


Chart 4.1.18 Showing respondents if any policy to be modified or changed

Interpretation:

From the above table and chart, it is understood that 34% of the respondents belong to Rehire category, 29.2% of the respondents belong to leave policy, 21.7% of the respondents belong to salary category and 15% of the respondents belong to others category. Further, it is concluded that majority (34.2%) of the respondents belong to the rehire category.

Table 4.1.19 Showing respondents on facing grievances

Source: primary data

Options	No. of respondents	Percentage
Mostly	39	67.5%
Rarely	81	32.5%

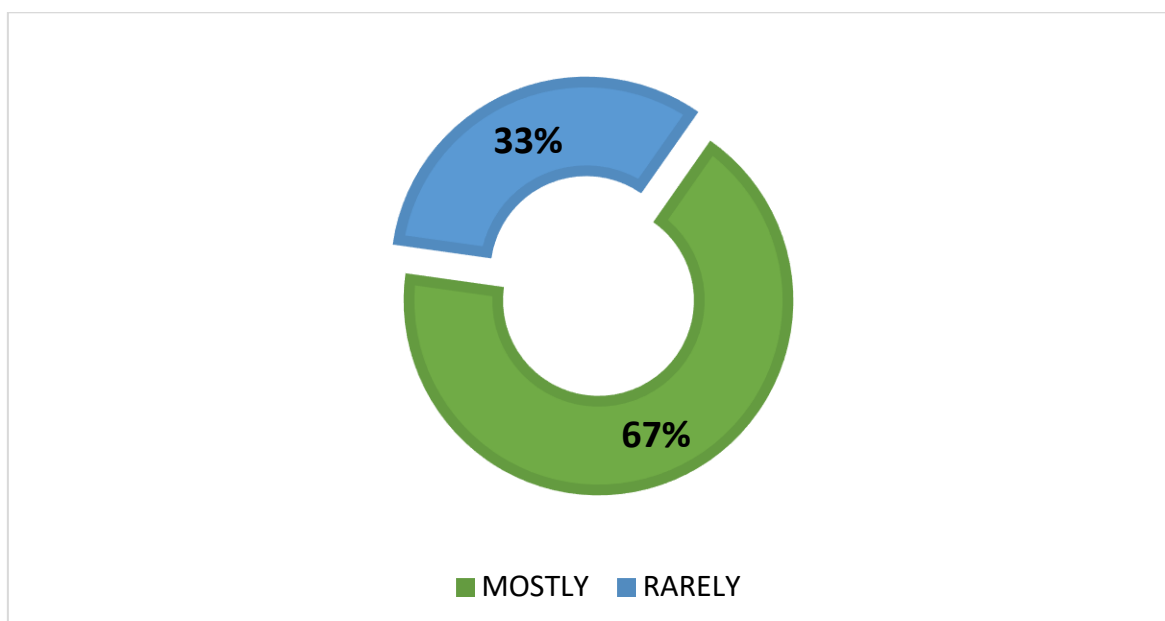


Chart 4.1.19 Showing respondents on facing grievances

Interpretation:

From the above table and chart, it is understood that 67.5% of the respondents face grievances mostly, 32.5% of the respondents face grievances rarely. Further, it is concluded that majority (67.5%) of the respondents face grievances at most times.

Table 4.1.20 Showing respondents on which of the grievances are faced by the employees

Source: primary data

Options	No. of respondents	Percentage
Work environment	29	24.2%
Economic	36	30%
Management	23	19.2%
Personal	32	26.7%

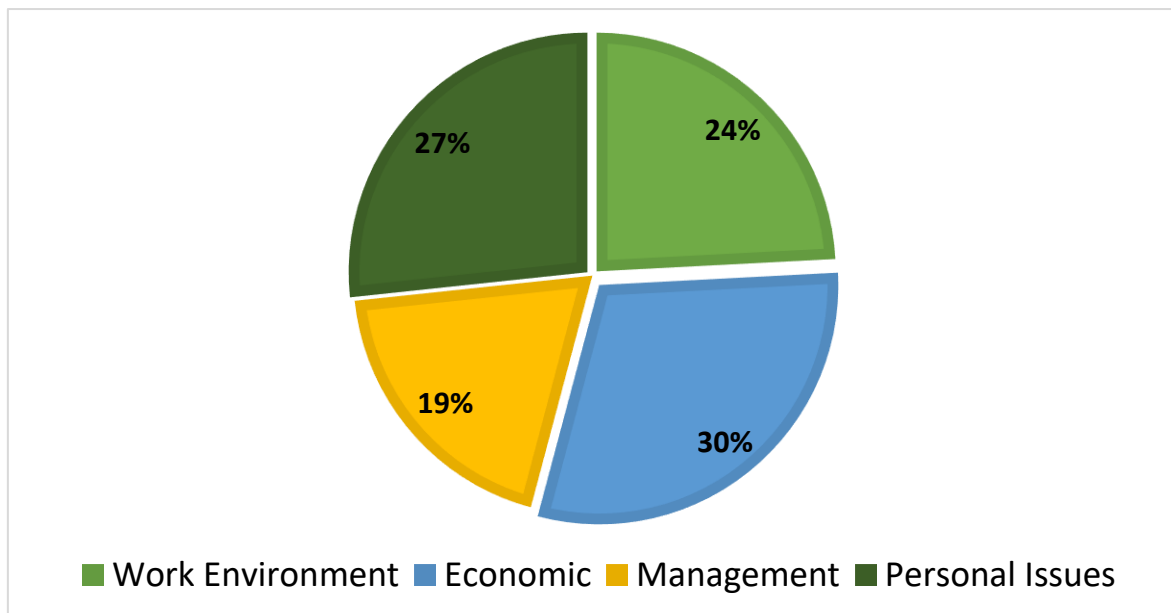


Chart 4.1.20 Showing respondents on grievances faced by the employees

Interpretation:

From the above table and chart, it is understood that 24.2% of the respondents belong to working environment category, 30% of the respondents belong to economic category, 19.2% of the respondents belong to management category, 26.7% of the respondents belong to personal category. Further, it is concluded that majority (30%) of the respondents belong to economic category.

Table 4.1.21 Showing respondents on overall satisfaction with employee welfare activity

Source: primary data

Options	No. of respondents	Percentage
Rating-1	1	0.8%
Rating-2	1	0.8%
Rating3	19	15.8%
Rating4	61	50.8%
Rating-5	38	31.7%

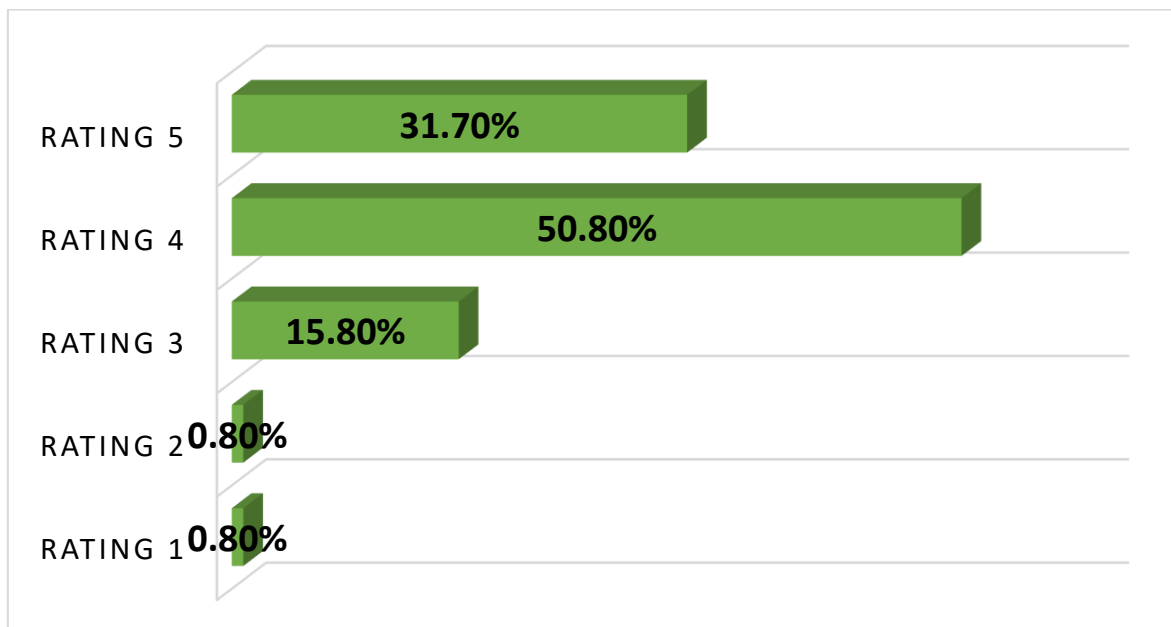


Chart 4.1.21 Showing respondents on overall satisfaction with employee activity

Interpretation:

From the above table and chart, it is understood that 50.85 of the respondents have rated 4, 31.7% of the respondents have rated 5, 15.8% of the respondents have rated 3, 0.8% of the respondents have rated 2, 0.8% of the respondents have rated 1. Further, it is concluded that majority (50.85%) of the respondents have rated 4.

Table 4.1.22 Showing respondents if they would suggest this company to friends, family, and others to work for,

Source: primary data

Options	No. of respondents	Percentage
Yes	118	98.3%
No	2	3.3.%

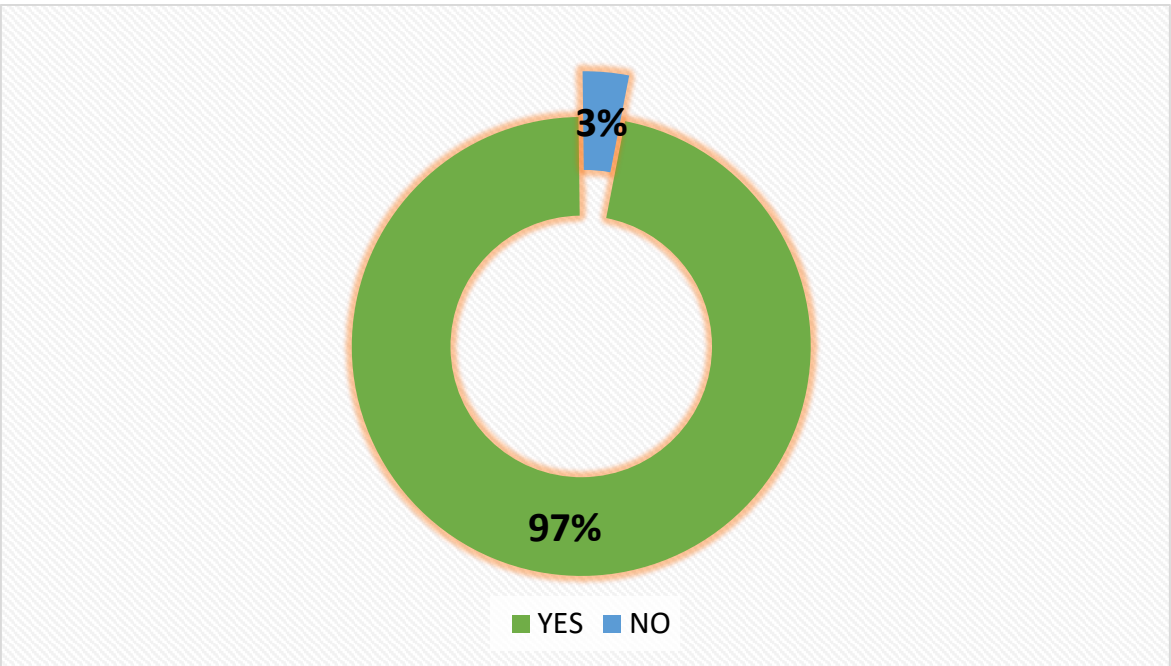


Chart 4.1.22 Showing respondents on suggesting this company to friends, family, and others to work in this company.

Interpretation:

From the above table and chart, it is understood that 97% of the respondents belong to yes category and 3% of the respondents belong to no category. Further it is concluded that majority (97%) of the respondents belong to yes category.

4.2 CORRELATION

HYPOTHESIS:

H0 (NULL HYPOTHESIS):

There is no significance difference between gender and suggesting this company to friends and family.

H1 (ALTERNATIVE HYPOTHESIS):

There is significance difference between gender and suggesting this company to friends and family.

Table 4.2.1 Showing Descriptive Statistics on gender and suggesting this company to friends and family.

Descriptive Statistics			
	Mean	Std. Deviation	N
Gender	1.78	.414	120
Would you suggest this company to work for, to your friends, family or others	2.00	.183	120

Table 4.2.2 Showing Correlation on gender and suggesting the company to friends and family to work

Correlations			
		Gender	Would you suggest this company to work for, to your friends, family or others
Gender	Pearson Correlation	1	.222*
	Sig. (2-tailed)		.015
	N	120	120
Would you suggest this company to work for, to your friends, family or others	Pearson Correlation	.222*	1
	Sig. (2-tailed)	.015	
	N	120	120
*. Correlation is significant at the 0.05 level (2-tailed).			

Inference:

The p-value 0.015 which is lesser to than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between gender and suggesting the company to friends and family.

4.3 CORRELATION**HYPOTHESIS:****H0 (NULL HYPOTHESIS):**

There is no significance difference between designation in the company and if they are satisfied with employment opportunities given by the company

H1 (ALTERNATIVE HYPOTHESIS):

There is significance difference between designation in the company and if they are satisfied with the employment opportunities given by the company.

Table 4.3.1 Showing descriptive statistics on designation and if they are satisfied with the employment opportunities

Descriptive Statistics			
	Mean	Std. Deviation	N
Designation in this company	1.84	1.045	120
Are you satisfied with the employment opportunities given by the company	1.93	.250	120

Table 4.3.2 Showing correlation on designation and if they are satisfied with employment opportunities

Correlations

		Designation in this company	Are you satisfied with the employment opportunities given by the company
Designation in this company	Pearson Correlation	1	-.233*
	Sig. (2-tailed)		.010
	N	120	120
Are you satisfied with the employment opportunities given by the company	Pearson Correlation	-.233*	1
	Sig. (2-tailed)	.010	
	N	120	120
*. Correlation is significant at the 0.05 level (2-tailed).			

Inference:

The ph.-value (0.010) is lesser than the alpha value (0.05), hence alternative hypothesis (H1) is accepted. Therefore, there is a significant difference between designation and satisfied with the employment opportunities given by the company.

4.4 CORRELATION:

HYPOTHESIS:

H0 (NULL HYPOTHESIS):

There is no significant difference between department of service and if organization has made any creative hrm strategy to counter attrition.

H1 (ALTERNATIVE HYPOTHESIS):

There is significant difference between department of service and if organization has made any creative hrm strategy to counter attrition.

Table 4.4.1 Showing descriptive statistics on department of service and if organization has made any creative hrm strategy to counter attrition

Descriptive Statistics

	Mean	Std. Deviation	N
Department of service	2.39	1.245	120
Has your organization has made any creative HRM strategy to counter employee attrition	1.83	.374	120

Table 4.4.2 Showing correlation on department of service and if organization has made any creative hrm strategy to counter attrition

Correlations			
		Department of service	Has your organization has made any creative HRM strategy to counter employee attrition
Department of service	Pearson Correlation	1	-.183*
	Sig. (2-tailed)		.045
	N	120	120
Has your organization has made any creative HRM strategy to counter employee attrition	Pearson Correlation	-.183*	1
	Sig. (2-tailed)	.045	
	N	120	120
*. Correlation is significant at the 0.05 level (2-tailed).			

Inference:

The ph-value which is 0.045 is lesser than the alpha value (0.05). Therefore, alternative hypothesis (H1) is accepted. Hence, there is a significant difference between department of service and if organization has made any creative hrm strategy to counter attrition.

4.5 CORRELATION

HYPOTHESIS:

H0 (NULL HYPOTHESIS):

There is no significant difference between facing grievances and if satisfied with the employment opportunities.

H1 (ALTERNATIVE HYPOTHESIS):

There is a significant difference between facing grievances and if satisfied with the employment opportunities.

Table 4.5.2 Showing descriptive statistics on facing grievances and if satisfied with the employee opportunities

Descriptive Statistics			
	Mean	Std. Deviation	N
How often do you face Grievances in the organization	1.68	.470	120
Are you satisfied with the employment opportunities given by the company	1.93	.250	120

Table 4.5.2 Showing correlation on facing grievances and if satisfies with the employment opportunities

Correlations			
		How often do you face Grievances in the organization	Are you satisfied with the employment opportunities given by the company
How often do you face Grievances in the organization	Pearson Correlation	1	.243**
	Sig. (2-tailed)		.008
	N	120	120
Are you satisfied with the employment opportunities given by the company	Pearson Correlation	.243**	1
	Sig. (2-tailed)	.008	
	N	120	120
**. Correlation is significant at the 0.01 level (2-tailed).			

Inference:

The ph-value 0.008 is lesser than the alpha value (0.05), hence alternative hypothesis (H1) is accepted. Therefore, there is a significant difference between facing grievances and if satisfies with the employment opportunities.

CHAPTER-5

FINDINGS, SUGGESTIONS AND CONCLUSIONS

5.1 FINDINGS

- Majority (78%) of the respondents are Male.
- Majority (47.5%) of the respondents belong to the age category of 31-40 years.
- Majority (58.3%) of the respondents belong to bachelor's degree.
- Majority (53.3%) of the respondents are associate manager.
- Majority (44.2%) of the respondents belong to the year of joining 2010-2015.
- Majority (48.3%) of the respondents belong to the experience in 5-10 years category.
- Majority (29.2%) of the respondents belong to finance department of service.
- Majority (58.3%) of the respondents belong to personal reasons in the cause of attrition.
- Majority (95.8%) of the respondents belong to yes category in attrition and retention recognised as a hr challenge in the company.
- Majority (46.7%) of the respondents belong to middle level management in the level of employees are susceptible in attrition.
- Majority (93.3%) of the respondents belong to yes category in employment opportunities given by the company.
- Majority (85.5%) of the respondents belong to yes category in transparent communication environment.
- Majority (95%) of the respondents belong to yes category if mandatory to serve a notice period before leaving the company.
- Majority (83.3%) of the respondents belong to yes category if any creative hr strategy is made to counter attrition.
- Majority (89.2%) of the respondents belong to yes category on conducting an exit interview before leaving the company.
- Majority (48.3%) of the respondents belong to yes category on making policy by the company to attempt to retain the employees.

- Majority (70.8%) of the respondents belong to employee friendly environment in organization working environment.
- Majority (34.2%) of the respondents belong to rehire policy in which policy is to be modified or changed.
- Majority (67.5%) of the respondents belong to mostly facing grievances in the organization.
- Majority (30%) of the respondents belong to economic kind of grievances faced by the employees.
- Majority (50.8%) of the respondents belong to the rating-4 on overall satisfaction with employee welfare activity.
- Majority (98.3%) of the respondents on suggesting this company to work for to friends, family or others.

- **Correlation Findings:**

The p-value 0.015 which is lesser to than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between gender and suggesting the company to friends and family.

- **Correlation Findings**

The ph.-value (0.010) is lesser than the alpha value (0.05), hence alternative hypothesis (H1) is accepted. Therefore, there is a significant difference between designation and satisfied with the employment opportunities given by the company.

- **Correlation Findings**

The ph-value (0.045) is lesser than the alpha value (0.05). Therefore, alternative hypothesis (H1) is accepted. Hence, there is a significant difference between department of service and if organization has made any creative hrm strategy to counter attrition.

- **Correlation Findings**

The ph-value (0.008) is lesser than the alpha value (0.05), hence alternative hypothesis (H1) is accepted. Therefore, there is a significant difference between facing grievances and if satisfies with the employment opportunities.

5.2 SUGGESTIONS

- As far from the research is made on the attrition and retention, the suggestion on carrying out Market Compensation Survey and filling the gaps to meet average salary range of market once in a year can be applied.
- Furthermore, the company can work on conducting Employee Development Programs.
- Certain types of trainings can help employees for their growth. To help them, various External and other International Training Programs can be provided to encourage them.
- Certain Improvement in Social Security schemes like Gratuity such as increasing days from prevailing of 15 days to much more can motivate employees as a result to hold back the valuable employees.
- Taking into consideration the elements like modernisation of technology, it would help the organization in a good manner. If the organization could support the employee in the above mention element, like if the employees are better equipped with resources and technology, the end products will be standardized and will give competition to other similar products. On the other hand, wastage can be reduced both in terms of manpower and time.

- Reciprocity is the key. Employees are investors in the company and expect a return on investment. The return can be in the form of recognition, empowerment and authority.
- Organizations should have a proactive retention strategy which helps in reducing employee turnover. Retention plan strategies should be different for different level of employees because their roles are different; their needs are different; what motivates them are different and what makes them leave are also different. The intrinsic motivation and involvement factors, as well as age and education level contribute to the sustenance of employees in the organization. Thus, based on the findings, it can be said if the employees are motivated and involved in the work they can be retained. The ease of retention would depend on their degree of motivation and involvement.

5.3 CONCLUSIONS

The main aim of any organization is to earn profit. But to attain the maximum profit, the organization should concentrate more on employees and the ways to retain them for their long run. From the study it is identified that Work Tasks, Technology and Technical Training are the top three factors which might lead to attrition, apart from lack of growth opportunities and salary which are the common factors for employees to change their jobs in almost every organization. This study concludes that to reduce attrition, the company should adopt New Innovative Technologies and Effective Training Programs for the growth of their employees within the organization.

From the study done we can say that the best way to improve employee retention is to understand what the employees want and need from the workplace and provide it. Organization must meet employees demand within limits of course. Management cannot approve all the demand is a fact, but at the same time they can take efforts to convince the employees. Organization should also take efforts to bring most of the retention policies into practice which will give a positive effect on the issue. Even the employees should understand the limits of the organization and act accordingly.

If there is a better understanding between the two parties the problem of employee retention is solved to a great extent. Companies in India as well as in other countries face a formidable challenge of recruiting and retaining talents while at the same time having to manage talent loss through attrition due to industry downturns or through voluntary individual turnover. Losing talents and employees result in performance losses which can have long term negative effect on companies especially if the departing talent leaves gaps in its execution capability and human resource functioning which not only includes lost productivity but also possibly loss of teamwork, harmony, and social goodwill.

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APPENDIX-I

QUESTIONNAIRE

- 1) NAME:
- 2) What is your Gender?
 - a) Male
 - b) Female
- 3) What is your age:
 - a) up to 30 years
 - b)31-40yrs
 - c)41-50yrs
 - d)Above 50
- 4) What is your Educational Qualification?
 - a) Diploma
 - b) bachelor's degree
 - c)Master's Degree
- 5) What is your Designation in this company?
 - a) Executive
 - b) Associate Manager
 - c)Deputy Manager
 - d)Others
- 6) What is your year of joining?
 - a)2005-2010
 - b)2010-2015
 - c)2015-2020

7) Years of experience in this company?

a)0-5

b)5-10

c)Above 10

8) What is your Department of service?

a) Human Resource

b) Finance

c)Marketing

d)Production

e) Others

9) What may be the cause of attrition in your company?

a) Dissatisfaction in the job profile

b) Absence of conducive workplace environment

c) Personal Reasons

d) Lack of career growth

e) Odd working Hours

10) Is attrition and retention a recognized HR challenge in your organization?

a) Yes

b) no

11) Which Level of employees are susceptible to attrition in your perspective?

a) Junior level management

b) Middle level management

c) Senior level management

d) Top level Management

12) Are you satisfied with the employment opportunities given by the company?

a) yes

b) no

13) Does the company provide you a Transparent communication environment?

a) Yes

b) No

14) Does your organisation make it mandatory to serve a Notice period?

a) Yes

b) No

15) Has the organization has made any creative HRM strategy to counter Employee Attrition?

a) Yes

b) No

16) Does the organization conduct any Exit Interview of the employees before leaving the company?

a) yes

b) No

17) Does the Organization have a policy to attempt to retain the employee by offering increased benefit?

a) yes

b) No

c) Depends on the individual

18) How is the Organization's Working environment?

a) Employee's Friendly

b) Stressful

c) Average

19) According to you, which of the following policy can be modified or changed?

a) Leave policy

b) Re-hire policy

c) Salary policy

d) Others

20) How often do you face Grievances in the organization?

a) Mostly

b) Rarely

21) Which of the following Grievance is faced by the employees?

a) Work environment

b) Economic

c) Management

d) Personal

22) Rate the overall Satisfaction with employee welfare activity in your organization?

1- Not satisfactory

2- Not satisfactory

3- Average

4-Good

5-Satisfactory

23) Would you recommend this company to work for, to your friends/others?

a) Yes

b) No

APPENDIX-II

A Study on Causes of Attrition and Retention Strategies taken at Komatsu India Private Limited

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Abstract

Employees are the most valuable assets of an organization. They are the people who add values to the organization. To find, attract, develop, and retain the right talent is also a major role of the management. Therefore, it is indispensable to maintain permanent and promising workforce, which over the years has become a tough task for employers and thereby increased attrition in the organizations. Attrition is said to be the gradual reduction in the number of employees through retirement, resignation, or death. It can also be called as Employee Turnover or Employee Defection. The organization must find out new approaches to retain the most effective manpower. Retention of employees involves understanding the intrinsic motivators as individuals differ a lot. Retaining the employees is a critical and ongoing effort. This study is an outcome of analysing the causes of attrition and strategies taken for retaining the employees of the company. To identify the employee's opinion on this, a set of questions were framed. The data were collected by using a convenience sampling of 120 respondents randomly taken from each department from a total of 2000 employees in the company. Using SPSS, the test like Correlation were carried out respectively. Based on the analysis, various findings were made, and suggestions are given appropriately.

Introduction

The subject of Attrition is handled by the Human Resource management as a part of their HR core functions in a company.

Attrition may be defined as gradual reduction in membership or personnel as through retirement, resignation, or death. In other words, attrition can be defined as the number of employees leaving the organization which includes both voluntary and involuntary separation. The employee gradually reduces his/her ties with the company than crib about the underlying factors causing attrition. It is symptomatic of a much deeper

malaise that cuts deeper into the innards of organizations. Attrition rates vary from sector to sector and industry to industry. Apart from the unavoidable ones like resignation, retirement, death or disability, the causes are found to be many and varied. They vary according to the nature of business, the level of the employees and the nature of the responsibility shouldered by them.

The main reason is the 'ergonomic discomfort' experienced by the employee and the 'functional incompatibility' between the corporate management and the employees. Very often an employee finds himself among colleagues and superiors he is unable to cope up with. Or he finds himself totally out of tune in his functions with the employee's functional requirements, failing to rise to the employer's expectations. Another important reason is that the employee's remuneration is not voluminous enough to bear the brunt and cushion the concussions of his family and social life.

Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their jobs. The company addresses the employee retention by taking many measures such as identifying the cost turnover, providing much of learning, support, and work environment and so on.

The question of how to retain valuable employees is one of the biggest problems that plague companies in the competitive marketplace. Not too long ago, companies accepted the "revolving door policy" as part of doing business and were quick to fill a vacant job with another eager candidate. Nowadays, businesses often find that they spend considerable time, effort, and money to train an employee only to have them develop into a valuable commodity and leave the company for greener pastures.

To create a successful company, employers should consider as many options as possible when it comes to retaining employees, while at the same time securing their trust and loyalty so they have less of a desire to leave in the future. Employees need to be retained because good, faithful, trained, and hardworking employees are required to run business. They have acquired good product knowledge over the long run and a trained employee can handle customers better and solve problems of peers who are new to the organization.

When an employee leaves, he takes away with him all company information such as ongoing projects, etc. The Goodwill of the company gets hampered due to more employee turnover rate and the competitors start watching to recruit best talents from them. Efficiency of work is hampered to a large extent. For example – If an employee leaves in the middle of an ongoing project it's very difficult to fill that vacuum and a new employee can never replace an old and talented employee so this leads to delayed completion of projects and less work satisfaction among other team members. In the present context, the present paper is ascertained to study on the causes of attrition and retention strategies taken at KOMATSU INDIA PRIVATE LIMITED at Chennai.

Literature Review

Employee Attrition is the present large discussing term among HR professionals. Although many studies have been conducted on employee's attrition to find out the reason of attrition, effects of attrition but little has been done to find out the employee's mind set about relationship, career management and its effect on attrition. This will study those facts which are resulting into the attrition. The purpose of this 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.

Saiyadain Mirza S., Tripti Pande Desai, Emerging Issues in human resource management, Excel books, New Delhi 2007, page 133 In a book called "Emerging Issues in Human Resource Management, an Indian perspective", 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. They were a total of 73 respondents who were selected consisting of ex-employees (27 from manufacturing, 27 from IT sector and 21 from ITES sector) and 5 human resources managers from all the three sectors. The information was collected on telephone and by mail. It was found that better prospects, location preferences, stagnation and ill-defined career plans were the prominent reasons of attrition in the manufacturing 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.

Memoria C.B., V.S.P. Rao, Personal Management and cases, Himalaya Publication, 2012, 13th chapter, page 251. In this book, the author focuses on employee turnover, its reasons and has also explained on 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, etc. 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.

Rao T.V, Factors affecting attrition and strategies of retention, NHRD Journal, Vol-1, Issue-3, May 2007 He 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 boss. There are many factors responsible for an employee quitting one company to another. Managing attrition does not mean 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, organizational, professional, and societal factors including peer pressure, socio economic and environmental factors. Further the author describes that better and competitive compensation and incentive package, good organizational climate, employee satisfaction survey, celebrating 56 festivals, birthdays, social and cultural network are the factors which retain the employees for a longer time.

Research Methodology

Research methodology is a blueprint of methods and techniques used by researcher at different stages of research to accomplish the objectives of the study. A study without better planning may not provide desired results, so research methodology is imperative for achieving the required goals of the research. This chapter embraces research design, problem statement, research objectives, hypotheses, sample design, data collection instrument, statistical techniques, limitations and chapter plan of the study. Extant research is exploratory cum descriptive in nature. Exploratory research provides insight and understanding of the subject. It assists in identifying and defining the research problem, hypotheses development, designing data collection instrument, and formulation of objectives. Descriptive research is conclusive in nature and deals with analysis of data to examine the perception and purchase intention of sample units in this study. The method adopted here is convenient sampling method because convenient is a complete survey method. The data has been collected from 120 random employees of each department. The area from which sampling were conducted is around Chennai.

Objectives of the study

To study on the causes of attrition (leaving the job) and retention (holding back) strategies taken in Komatsu India Private Limited. To investigate on the strategies and benefits provided by the company for an employee to hold back from retention and lower the attrition rate. To study on HR activities from exit process and formulate the back up of complete strategy for retaining the employees. To analyze the recognition and dealings with leaving the job and retaining of employees. To examine and determine the causes to encompass the organization's ability to provide the best of professional climate.

Analysis and Findings

In this chapter, the effort has been made to identify the demographic profile of the respondents to find out the causes of attrition.

6.1 Classification of respondents on Demographic Variables

Demographic Variables	Particulars	No. of respondents	Percentage
Gender	Male	94	78.3%

	Female Total	26 120	21.7% 100
Age	Up to 30 years	39	32.5%
	31-40 years	57	47.5%
	41-50 years	20	16.7%
	Above 50 years	4	3.3%
	Total	120	100
Education Qualification	Diploma	22	18.3%
	Bachelor's degree	70	58.3%
	Master's Degree	28	23.3%
	Total	120	100
Designation	Executive	21	17.5%
	Associate manager	64	53.3%
	Deputy manager	23	19.2%
	Others	12	10%
	Total	120	100

Source: Primary Data

It is inferred from the above that 78.3% of the respondents were Male, 47.5% of the respondents were in the age category of 31-40 years, 58.3% of the respondents belong to the bachelor's degree in the educational qualification category, 53.3% of the respondents belong to the category of Associate manager under Designation of the employees.

6.2 Correlation

To find out whether there is any significant difference between Gender and if they would suggest this company to their family, friends and others to work for.

Table 6.2.1 Showing Descriptive Statistics on gender and suggesting this company to friends and family.

Descriptive Statistics			
	Mean	Std. Deviation	N
Gender	1.78	.414	120
Would you suggest this company to work for, to your friends, family or others	2.00	.183	120

Table 6.2.2 Showing Correlation on gender and suggesting the company to friends and family to work

Correlations			
		Gender	Would you suggest this company to work for, to your friends, family or others
Gender	Pearson Correlation	1	.222*
	Sig. (2-tailed)		.015
	N	120	120
Would you suggest this company to work for, to your friends, family or others	Pearson Correlation	.222*	1
	Sig. (2-tailed)	.015	
	N	120	120
*. Correlation is significant at the 0.05 level (2-tailed).			

Inference:

The p-value 0.015 which is lesser to than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between gender and suggesting the company to friends and family.

6.3 Correlation

To find out whether there is any significant difference between Designation in this company and if the employees are satisfied with the employment opportunities given by the company.

Table 6.3.1 Showing descriptive statistics on designation and if they are satisfied with the employment opportunities

Descriptive Statistics			
	Mean	Std. Deviation	N
Designation in this company	1.84	1.045	120
Are you satisfied with the employment opportunities given by the company	1.93	.250	120

Table 6.3.2 Showing correlation on designation and if they are satisfied with employment opportunities

Correlations			
		Designation in this company	Are you satisfied with the employment opportunities given by the company
Designation in this company	Pearson Correlation	1	-.233*
	Sig. (2-tailed)		.010
	N	120	120
Are you satisfied with the employment opportunities given by the company	Pearson Correlation	-.233*	1
	Sig. (2-tailed)	.010	
	N	120	120
*. Correlation is significant at the 0.05 level (2-tailed).			

Inference:

The ph.-value (0.010) is lesser than the alpha value (0.05), hence alternative hypothesis (H1) is accepted. Therefore, there is a significant difference between designation and satisfied with the employment opportunities given by the company.

Findings

- It is inferred that 78.3% of the respondents were Male,
- 47.5% of the respondents were in the age category of 31-40 years,
- 58.3% of the respondents belong to the bachelor's degree in the educational qualification category,
- 53.3% of the respondents belong to the category of Associate manager under Designation of the employees.
- There is a significant difference between Gender and if they would suggest this company to their friends, family and others.
- This is a significant difference between Designation and if they are satisfied with the employment opportunities provided by the company.

Conclusion

The main aim of any organization is to earn profit. But to attain the maximum profit, the organization should concentrate more on employees and the ways to retain them for their long run. From the study it is identified that Work Tasks, Technology and Technical Training are the top three factors which might lead to attrition, apart from lack of growth opportunities and salary which are the common factors for employees to change their jobs in almost every organization. This study concludes that to reduce

attrition, the company should adopt New Innovative Technologies and Effective Training Programs for the growth of their employees within the organization.

From the study done we can say that the best way to improve employee retention is to understand what the employees want and need from the workplace and provide it. Organization must meet employees demand within limits of course. Management cannot approve all the demand is a fact, but at the same time they can take efforts to convince the employees. Organization should also take efforts to bring most of the retention policies into practice which will give a positive effect on the issue. Even the employees should understand the limits of the organization and act accordingly. If there is a better understanding between the two parties the problem of employee retention is solved to a great extent. Companies in India as well as in other countries face a formidable challenge of recruiting and retaining talents while at the same time having to manage talent loss through attrition due to industry downturns or through voluntary individual turnover. Losing talents and employees result in performance losses which can have long term negative effect on companies especially if the departing talent leaves gaps in its execution capability and human resource functioning which not only includes lost productivity but also possibly loss of teamwork, harmony, and social goodwill.

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