Research Article

Factors Influencing Attrition and Retention: An Empirical Analysis in a Textile Industry

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Abstract

The study was carried out to understand the factors influencing attrition and retention. Attrition and retention were one the critical issue that every industry facing nowadays. The aim of the study was to explore the factors influencing attrition and retention in the industry. The sampling size was 105; descriptive research was used to describe the characteristics of a population or phenomenon being studied. The stratified sampling technique was used to select the sample. The main findings include that work pressure, discrimination, and less salary are the reasons for attrition. And the salary increment, welfare measures, fair performance appraisal, rewards and recognition are the retention strategies of employees.

Keywords: Attrition, descriptive research, retention, job, working environment, welfare measures.

Introduction

The most crucial and valuable resource in every industry is its human resources. Attrition is the term used to describe a decline in the workforce caused by retirement, resignation, or death. As a result of resignation, stress, death, illness, and migration, attrition is a natural and unavoidable loss in the workforce. Attrition may be defined as the quantity of departures from an organization or its pace. Since excessive attrition indicates how productive a company is, attrition research is crucial. Every firm that has workers would undoubtedly find it challenging to run efficiently and achieve its goals if those individuals go. To succeed, meet production goals, turnover targets, and ensure organizational survival, every firm needs its workforce. Attrition is the term used to describe the number of employees who leave a company over the course of a specific time period for reasons such retirement, resignation, disciplinary action, and death. In most cases, it costs money to terminate an employee's employment with an organization. The hiring, choosing, training, and upkeep of an employee inside the company take a lot of the organization's time, energy, and resources. So, all of these factors play a role in an employee's decision to quit a company when they do. Depending on the situation, they might be either personal or organizational. Attrition is an issue that almost every industry is dealing with.

The ability of a company to keep its personnel on board is known as employee retention. It is also known as a procedure that encourages and motivates resources to commit to an organization for a longer length of time in order to ensure the sustainability of the organization. Records and reports alone cannot solve the problem of employee retention. It solely depends on how well the employer comprehends the numerous issues of the employees and how they assist them in finding a solution when they need it. Every firm puts time and resources into developing new hires and getting them prepared for the corporate world. If such individuals leave the company after receiving their full training, the corporation will be completely at a loss. It speaks to a company's capacity to keep its workers. Nevertheless, a lot of people relate employee retention to the action's businesses take to keep workers on board. In this way, retention becomes about the methods rather than the results. Retaining workers is one of the main difficulties facing human resource management today. To attain this objective, nevertheless, adequate actions must be performed. Both the company and the employee benefit from staff retention. Today's workers are different; they are not the ones who lack decent chances. They move on to the next job as soon as they become unsatisfied with their current company or work. Employers are expected to keep their top employees on staff. They would have no qualified staff if they didn't.

A competent employer should understand how to draw in and keep talent. Bala and Dhakshayani (2016), conducted a study on, "Employee Attrition in Creative International Pvt. Ltd" The study was conducted at Creative International Pvt. Ltd. The objective of the study is to understand various factors leading to attrition. Data collected was collected through various sources and also by the discussions with the Creative International Pvt. Ltd employees, officials, and the executives. The present study is Descriptive Research. Random Sampling technique is used to collect the facts from the employees concerning their satisfaction level in addition to reasons for attrition. Sample size is 50 respondents from Creative International Pvt. Ltd. Data collected is both Primary and Secondary. Primary Data is collected through questionnaire. Statistical employed for this study is the percentage analysis, Chi-Square, and Correlation. From the research study it is found that 30% of the employees feel that the reason for the employee attrition is the excessive working hours. 70% employees are aware about the retention plans adopted. 36% of the respondents feel that the counseling programs are conducted periodically. The study represents, 28% of the employees feel that remuneration is the motivational factor to retain the employees at the organization. 40% of the employees agree to the training facilities provided in the organization. 50% of the employees agree that they are treated equally and respectfully in the work arena. 48% of the employees feel that the attrition takes place monthly in the organization.

Gangan *et al.* (2019) conducted a study on "Factors Influencing Retention of Manufacturing Industry Employees in Tamil Nadu and Puducherry". This study has tried to identify the factors influencing the retention of 250 employees working in different manufacturing firms in Tamil Nadu and Puducherry. The factors such as financial and non-financial benefits, organization's sense of belongingness, occupational relationship, organizational policies, professional environment, employee empowerment, work-life balance and quality of life are considered as the influencers of employee retention in this study. Collected data are analyzed using reliability and validity analysis, Karl Pearson correlation and multiple regression analysis. Karl Pearson correlation showed that except occupational relationship and the quality of life, all other influencers are significantly associated with employee retention. Multiple regression analysis projected that the quality of life is the highest influencer and the organizational policies are the lowest inducing construct of the employee's retention. Suggestions such as flexi-time, better pay, proper allowances, alternative work timings and employee's grievance Redressal are provided. Mwilu (2016), conducted a study on, Factors Influencing Employee Turnover in the Hotel Industry in Machakos Town, Machakos Country. The purpose of this study was an attempt to understand the factors influencing turnover in the hospitality industry in Machakos Town in Machakos County. The main objective of the study was to establish the factors influencing employee turnover in the hotel industry in Machakos town in Machakos County. The research targeted a population of 176 employees in the three surveyed hotels in Machakos town as at 30 the February 2015. Out of the total population, a sample of 54 employees was selected using Stratified Random Sampling, representing 30% of the total population, covering respondents in different cadres and departments of the hotels. The instruments of data collection used in the study to collect primary data were questionnaires for the hotel staff and an interview guide for hotel management and ministry officials. The results were analyzed and presented in pie charts, bar graphs and tables. Among the three objectives, individual factors were found to be the main contributor to the high rate of employee turnover. It was found out that the main factors that affected the rate of employee turnover were Recruitment policies, Motivation, Level of education and Pay package.

Gibbet (2022) conducted a study on "Factors Affecting Employee Retention in Zimbabwean Companies." The decline of the Zimbabwean economy characterized by the high inflation rate has rendered it difficult for Zimbabwean manufacturing to retain talented employees. The quantitative research methodology was adopted in this paper. The sample size of the study comprised 100 respondents who were randomly selected from the manufacturing companies in Zimbabwe. The sample size of the study was made out of 10 managing directors, 10 managers, 10 supervisors, and 70 employees drawn from the 50 manufacturing companies that were randomly selected. It was established that the companies are failing to retain talented employees, and a lot of the employees are leaving the organizations. Retrenchments and restructurings have become the order of the day. The study recommended that employees needed to implement employee retention strategies to remain viable.

Significance of the study

Manufacturing companies are experiencing a gradual rise in staff attrition, which implies they are working to increase employee retention and happiness. Production will be impacted if attrition rates in the manufacturing sector are high. Aditya Birla saw significant levels of attrition, which had an adverse effect on their ability to produce. They are also having trouble meeting their turnover goals, and HR is having trouble putting together the necessary staffing arrangements. The study will show how employee happiness, hiring practices, and selection procedures are impacted by attrition.

In order to understand attrition reasons and offer retention strategies, researchers must identify the primary factor that contributes to attrition. Work-life balance initiatives for employees should be taken seriously by organizations. It is important to take actions frequently to reduce attrition. Attrition is a problem in many industries, but particularly in the manufacturing sector, retention advice and methods are crucial to reducing it. The HR department is having trouble putting together the necessary workforce because of the high attrition rate, which is making it tough for HR to meet the objective. The management is finding it difficult to deal with this issue. So, in order to lower attrition, every business needs some recommendations and tactics. The present study was aimed with the following objectives.

- To study the various factors affecting the retention practices in the textile industry.
- To study the various factors affecting the attrition in the textile industry.
- To denote whether education qualification has an impact on the attrition and retention.
- To highlight whether the salary has an impact on the attrition and retention.

Materials and methods

Research design: A research design is a systematic and detailed outline of how an investigation about scientific problem will take place. It is the overall strategy that we choose to integrate different components of study in logical way. Research design is blue print of the collection, measurement, and analysis of data. Descriptive design is used to describe characteristic of a population or phenomenon being studied the same design would be adapted by the researcher to describe the various factors which influence attrition and retention.

Universe and sampling: The universe represents the place where the researcher does the research. The researcher chose Aditya Birla Fashion and Retail Limited as a universe to do the research. The total number of employees working there is 2597. In this study, probability technique will be used because the exact population is known. And the simple random method (Stratified proportionate) will be used to select the respondents. The researcher chose 105 as sampling size. All the respondents are women employees those who are working in the shop floor.

Tools of data collection: The Likert scale is utilized by the researcher in the investigation to find out the factors influencing attrition and retention in Aditya Birla Fashion and Retail Limited. The researcher planned to collect data only from the women employees.

1. Factors influencing employees to stay in the organization.
2. Factors influencing employees to leave the organization.
3. Satisfactory level of employees towards job and working environment.

4. Welfare measures provided by the industry.
5. Performance management system.

Results and discussion

The Table 1 states that almost all (98.1%) of the respondents were getting less bonus, and a very meager (1.9%) of the respondents were getting high bonus. All most all (96.2%) the respondents are not satisfied with the grievance handling, and a very meager (3.8%) of the respondents are satisfied with the grievance handling. More than a significant majority (85.7%) of the respondents were feeling that they getting heavy work load, and more than one-tenth (14.3%) of the respondents were feeling that they getting less work load in the organization. More than a significant majority (83.8%) of the respondents are not satisfied with the supervisor support, and less than two-tenth (16.2%) of the respondents are satisfied with the supervisor support. More than three-fourth (77.1%) of the respondents were getting low level of salary, and more than two-tenth (22.9%) of the respondents were getting high level of salary. This table inferred that these are the factors which influencing attrition in the organization.

Table 1. Distribution of respondents based on the various factors influencing attrition.

Factors	Frequency (105)		Percentage	
	Low	High	Low	High
Salary	81	24	77.1%	22.9%
Supervisor Support	88	17	83.8%	16.2%
Heavy Workload	15	90	14.3%	85.7%
Bonus	103	2	98.1%	1.9%
Grievance Handling	101	4	96.2%	3.8%

The Table 2 states that almost all (96.2%) of the respondents were satisfied with the canteen facility provided by the industry, and a very meager (3.8%) of the respondents were not satisfied with the canteen facility. Almost all (96.2%) the respondents were getting high level of safety measures, and less than a very meager (3.8%) of the respondents were getting low level of safety measures. Almost all (96.2%) the respondents were satisfied with the shift timings, and very meager (3.8%) of the respondents were not satisfied with shift timings. Almost all (95.2%) the respondents were satisfied with the rewards and recognition system, and very meager (4.8%) of the respondents were not satisfied with the rewards and recognition. More than a vast majority (93.3%) of the respondents were having high level of satisfaction towards transport facility provided by the industry, and less than one-tenth (6.7%) of the respondents were having low level of satisfaction towards transport facility. This table shows that these are the factors which influencing retention in the organization.

Table 2. Distribution of respondents based on the various factors influencing retention.

Factors	Frequency (105)		Percentage	
	Low	High	Low	High
Canteen	4	101	3.8%	96.2%
Transport	7	98	6.7%	93.3%
Safety measures	4	101	3.8%	96.2%
Rewards and recognition	5	100	4.8%	95.2%
Shift timings	4	101	3.8%	96.2%

Table 3. Distribution of respondents based on their educational qualification with regards to their factors influencing retention.

Factors		Sum of Squares	df	Mean Square	Statistical Inference
Factors influencing retention	Between Groups	137.195	3	45.732	F = 0.021
	Within Groups	1363.605	101	13.501	P<0.05
	Total	1500.800	104		Significant
Factors influencing attrition	Between Groups	28.622	3	9.541	F = 0.648
	Within Groups	1746.768	101	17.295	P>0.05
	Total	1775.390	104		Not Significant
Satisfactory level of employees towards job and working environment	Between Groups	26.690	3	8.897	F = 0.097
	Within Groups	414.967	101	4.109	P>0.05
	Total	441.657	104		Not Significant
Welfare measures provided by the industry	Between Groups	24.310	3	8.103	F = 0.537
	Within Groups	1121.652	101	11.105	P>0.05
	Total	1145.962	104		Not Significant
Performance management system	Between Groups	46.831	3	15.610	F = 0.305
	Within Groups	1288.559	101	12.758	P>0.05
	Total	1335.390	104		Not Significant
Overall Factors influencing attrition and retention	Between Groups	671.838	3	223.946	F = 0.053
	Within Groups	8543.553	101	84.590	P>0.05
	Total	9215.390	104		Not Significant

Table 4. Distribution of respondents based on their salary with regards to their overall factors influencing attrition and retention.

Factors	Correlation value	Statistical inference
Factors influencing retention	0.205*	P>0.05; Significant
Factors influencing attrition	0.019	P<0.05; Not Significant
Satisfactory level of employees towards job and working environment	0.011	P<0.05; Not Significant
Welfare measures provided by the industry	0.161	P>0.05; Not Significant
Performance management system	0.129	P>0.05; Not Significant
Overall Factors influencing attrition and retention	0.194*	P>0.05; Significant

*Correlation is significant at the 0.05 level (2-tailed); **Correlation is significant at the 0.01 level (2-tailed).

The presented Table 3 reveals that, there is a significant difference among educational qualification of the respondents with regards to their factors influencing retention. It is also evident that there is no significant difference among the dimensions of the study which includes; factors influencing attrition, satisfactory level of employees towards job and working environment, welfare measures provided by the industry, performance management system, and the overall factors influencing attrition and retention.

Ho: There is no significant difference among educational qualification of the respondents with regards to their factors influencing retention.

H1: There is a significant difference among educational qualification of the respondents with regards to their factors influencing retention.

Result: There is a significant difference among educational qualification of the respondents and the factors influencing retention. Hence, the research hypothesis is accepted and the null hypothesis is rejected.

The presented Table 4 reveals that, there is a significant relationship between salary of the respondents with regards to their factors influencing retention and the overall factors influencing attrition and retention.

It is also evident that there is no significant relationship between the salary of the respondents and the dimensions of the study which includes; factors influencing attrition, Satisfactory level of employees towards job and working environment, Welfare measures provided by the industry, and Performance management system in the organization.
Ho: There is no significant relationship between salary of the respondents and the factors influencing retention, and overall factors influencing attrition and retention.
H1: There is a significant relationship between salary of the respondents and the factors influencing retention, and overall factors influencing attrition and retention.
Result: There is a significant relationship between salary of the respondents and the overall factors influencing attrition and retention. Hence, the research hypothesis is accepted and the null hypothesis is rejected.

Suggestions

Here the researcher has clearly mentioned the objectives of the study, so that everyone can understand the purpose of the study. The organization should know the needs and expectations of the employees from the organization. The employees have not been discriminated in any point like remuneration, promotion, and rewards. Because all these factors will motivate and empower employees to work towards organization's growth and development. Also, welfare measures should be provided like canteen, transport, medical room, and other welfares. The performance appraisal should be done fairly based on the performance of the employees. And the continuous feedback will improve the performance of the employee. Stress free work environment should be given to the employees to balance a work-life. Involving employees in decision-making process will give sense of ownership towards the organization, it will retain the employees.

Conclusion

The attrition and retention are the crucial factors nowadays in any organizations. The researcher concluded that every organization should know the needs and expectations of the employees. Every organization should know the retention strategies to retain the talented one. And they have to reduce the attrition, because it affects the turnover. Every organization should make sure that they have not crossed the limit of attrition rate. To retain the employees the organization should concern about the employee's career growth and development and they should provide a welfare measures, safety measures, salary increment, rewards and recognition.

The organization can give a chance for the employees to participate in the decision-making process; it will create a sense of ownership, so they will work towards the organization growth and development. All these factors will help the organization to reduce attrition and retain the talented employees.

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