

# AN EMPIRICAL STUDY OF EMPLOYEE TURNOVER AT ASHOK IRON WORKS PRIVATE LIMITED (AIW) PLANT-I BELAGAVI

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## Abstract

*Employee's turnover is one of the factors which affect the organization's productivity, which is considered to be one of the challenging issues in business nowadays. The impact of turnover has received considerable attention by senior management, human resources professionals and industrial psychologists. It has proven to be one of the costliest and seemingly intractable human resource challenges confronting by several organizations globally. Employees' turnover is a big issue at Ashok Iron Works Private Limited Plat-I. Currently, most young employees are leaving the organization due to unknown reasons. Hence, this research clearly identifies the causes of employees' turnover and its employee retention mechanism which in turn, will help in developing appropriate policy and training program at country level in general and at organizational level in particular. The research helps to find out the possible solutions of reducing the rate of turnover. It may further help the company to retain the good and experienced employees and seek employee loyalty in the long run.*

## Keywords:

*Employee Turnover, Human Resource Challenges, Employee Satisfaction, Benefits, Work Environment, Motivation*

## 1. INTRODUCTION

In today's competitive business world, it is considered to be an important task to manage employee turnover for any organization. Managing turnover successfully is very essential to achieve the organizational goals. Turnover refers to retirement, resignation and redundancy [1]. Many reasons describe why employees withdraw from an organization especially in an economy where skills are relatively scarce and recruitment is costly, or where it takes several months to fill vacant positions as the present situation in the Ethiopian public sector [2]. Employees voluntarily resign their appointments in organizations for various reasons. Employee turnover is one of the most important issues of business organizations, and one that needs special attention [3]. Employee turnover is a warning sign of low morale and it is the amount of movement in and out of employees in an organization. In general, employees either leave their jobs voluntarily by their own decision or forced to leave by the decision of the employer [4]. Employee's turnover is one of the factors which affect the organization's productivity, which is considered to be one of the challenging issues in business nowadays. The impact of turnover has received considerable attention by senior management, human resources professionals and industrial psychologists [5]. It has proven to be one of the costliest and seemingly intractable human resource challenges confronting by several organizations globally [6]. Turnover of employees is both voluntary and involuntary. Voluntary turnover is a major problem for organizations in many countries [7]. There are not many empirical studies conducted on employees' turnover which were supported by formal and published research [8] - [10].

## 1.1 OBJECTIVE OF STUDY

- To find out the employees' annual turnover at AIW Pvt. Ltd. plant I.
- To find out the average turnover rate of the employee at AIW Pvt. Ltd. plant I.
- To analyze the actual causes of the employee turnover at AIW Pvt. Ltd. plant I.
- To determine the effect of employee turnover at AIW Pvt. Ltd. plant I.
- To measure the satisfaction level of the employee in the company.

## 2. RESEARCH METHODOLOGY

### 2.1 RESEARCH DESIGN

The research is descriptive in nature [11] [12]. A systematic questionnaire was prepared and handed over to respondents of the sample size of 100 out of 350 employees working in Ashok Iron Works Pvt. Ltd. Plant I [13] and the data collected for analysis.

### 2.2 DATA ANALYSIS

Table.1. Period of working at AIW-I

	Frequency	Percentage
Less than 6 months	6	6%
1 year	10	10%
1-5 years	19	19%
5-10 years	35	35%
10 and more years	30	30%
Total	100	100%

It indicates that employees working at AIW-I are comfortable.

Table.2. Term of employment

	Frequency	Percentage
Contract	20	20%
Permanent	63	63%
Temporary	11	11%
Free lances	6	6%
None	0	0
Total	100	100%

It clearly indicates that company has more focus on the permanent employees.

Table.3. Satisfaction with the work at AIW-I

	Frequency	Percentage
Yes	96	96%
No	4	4%
Total	100	100%

It indicates that the company has provided the right work to the right person and the employees are happy and satisfied with it.

Table.4. Opportunity or space to create or innovate the new things at work place

	Frequency	Percentage
Yes	91	91%
No	9	9%
Total	100	100%

The company provides more freedom to the workers to put their ideas into their work to find something new and innovative thing at work place.

Table.5. Company provides adequate number of leave to the employees when they ask

	Frequency	Percentage
Strongly disagree	5	5%
Disagree	26	26%
Neutral	20	20%
Agree	27	27%
Strongly Agree	22	22%
Total	100	100%

It clearly shows that there is no clarity about the leave policy among the employees.

Table.6. Distance from work place

	Frequency	Percentage
Within 1km	22	22%
Within 5km	13	13%
Within 10km	34	34%
Within 20km	23	23%
More than 20km	8	8%
Total	100	100%

The company is not situated very far from their place of stay and hence it can't be the main cause for the turnover.

Table.7. Company provides proper safety tools to take care of employees at work place

	Frequency	Percentage
Strongly disagree	23	23%
Disagree	6	6%
Neutral	37	37%
Agree	30	30%

Strongly Agree	4	4%
Total	100	100%

It clearly shows that the AIW-I does not maintain or provide the proper safety tool to their employees.

Table.8. Transport provided by the company to the work place

	Frequency	Percentage
Excellent	34	34%
Very Good	11	11%
Good	13	13%
Fair	7	7%
Poor	35	35%
Total	100	100%

The company has to relook at their transport facility for the employees.

Table.9. Salary

	Frequency	Percentage
Highly satisfactory	36	36%
Satisfactory	28	28%
Neutral	23	23%
Dissatisfactory	11	11%
Highly dissatisfactory	2	2%
Total	100	100%

The salary paid at AIW-I seems to be satisfactory and not bad.

Table.10. Benefits and other facilities provided at AIW in relation to other companies

	Frequency	Percentage
Highly satisfactory	39	39%
Satisfactory	33	33%
Neutral	21	21%
Dissatisfactory	4	4%
Highly dissatisfactory	3	3%
Total	100	100%

The benefits and facility provided at AIW-I are good but need to cover all the employees.

Table.11. Job in accordance with the qualification

	Frequency	Percentage
Highly satisfactory	38	38%
Satisfactory	34	34%
Neutral	24	24%
Dissatisfactory	3	3%
Highly dissatisfactory	1	1%
Total	100	100%

Company trying to provide right job to their employees in accordance to their qualification.

Table.12. Work environment at AIW I

	Frequency	Percentage
Highly satisfactory	39	39%
Satisfactory	34	34%
Neutral	20	20%
Dissatisfactory	5	5%
Highly dissatisfactory	2	2%
Total	100	100%

It clearly states that the present working environment is good at AIW-I.

Table.13. Work and job responsibilities

	Frequency	Percentage
Highly satisfactory	42	42%
Satisfactory	23	23%
Neutral	32	32%
Dissatisfactory	2	2%
Highly dissatisfactory	1	1%
Total	100	100%

The employees must be given clarity about their job and responsibilities.

Table.14. Relation with superior or co-workers

	Frequency	Percentage
Highly satisfactory	45	45%
Satisfactory	27	27%
Neutral	27	27%
Dissatisfactory	1	1%
Highly dissatisfactory	0	0
Total	100	100%

The employees of the AIW-I have good relation with among the workers which is the good sign for the company.

Table.15. Supervisors trust in employees work

	Frequency	Percentage
Highly satisfactory	48	48%
Satisfactory	24	24%
Neutral	28	28%
Dissatisfactory	0	0
Highly dissatisfactory	0	0
Total	100	100%

The management and the supervisors have the trust on their employees at the work place.

Table.16. Superior's behavior towards employee problems

	Frequency	Percentage
Highly satisfactory	39	39%

Satisfactory	29	29%
Neutral	29	29%
Dissatisfactory	3	3%
Highly dissatisfactory	0	0
Total	100	100%

Majority of the respondents find solutions to their problems from their superiors.

Table.17. Notice of the mistake by the superiors

	Frequency	Percentage
Always	76	76%
Sometimes	16	16%
Rarely	8	8%
Not at all	0	0
None	0	0
Total	100	100%

Fairly good performance management followed.

Table.18. Promotion and increment practices at AIW I

	Frequency	Percentage
Highly satisfactory	32	32%
Satisfactory	27	27%
Neutral	37	37%
Dissatisfactory	2	2%
Highly dissatisfactory	2	2%
Total	100	100%

The company needs to focus on the current promotion and increment activity carried in the AIW-I.

Table.19. Motivational activity followed at AIW I

	Frequency	Percentage
Highly satisfactory	37	37%
Satisfactory	25	25%
Neutral	32	32%
Dissatisfactory	4	4%
Highly dissatisfactory	2	2%
Total	100	100%

The company needs to have some more motivational activities.

Table.20. Support from the company to balance personal life with the professional life

	Frequency	Percentage
Highly satisfactory	40	40%
Satisfactory	30	30%
Neutral	24	24%
Dissatisfactory	6	6%

Highly dissatisfactory	0	0
Total	100	100%

Company supports its employees to manage their personal and professional life.

Table.21. Reason for the employees leaving the company

	Frequency	Percentage
Yes	65	65%
No	35	35%
Total	100	100%

There are various reasons for employees leaving the company.

Table.22. Employee turnover causing problem to the job/work

	Frequency	Percentage
Strongly disagree	5	5%
Disagree	5	5%
Neutral	23	23%
Agree	14	14%
Strongly Agree	53	53%
Total	100	100%

Employee turnover causing problem to the job or work to a greater extent.

### 3. HYPOTHESIS TESTING

- $H_0$ : Employee turnover is not significant at AIW Pvt. Ltd. Plant-I
- $H_1$ : Employee turnover is significant at AIW Pvt. Ltd. Plant-I

Table.23. One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
AVG	100	3.7891	.35052	.03505

Table.24. One-Sample Test

	Test Value = 3					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
AVG	22.512	99	.000	.78909	.7195	.8586

The calculated mean and SD using t-Test is shown in Table.23 and Table.24. As per the table mean value is 3.7891 which is more than assumed mean value of 3 and SD is 0.35052 which shows the stability as the value is close to 0-1. The mean difference value is 0.78909 lies between 0.8586 and 0.7195 therefore the test is significant.

To test the Hypothesis five combined sample t-test was conducted and the results are as under, t-test is used with assumed

mean 3. The total score in the five-point Likert scale is 15 and the average is 3. The calculated mean value was found to be 3.7891 which is more than the assumed values of 3. The observed P value is .000 which is less than assumed alpha value of 0.05 and the calculated t-test value is 22.512 in absolute terms which is greater than the table t-test value=1.96 at df=99 and alpha=5%. Therefore, the null hypothesis is rejected and the alternative hypothesis can be accepted, "Employee turnover is significant at AIW Pvt. Ltd at Plant-I".

### 4. FINDINGS

- Majority of the employees have been working from the long time, more than 5 years (65%)
- Most of the employees at AIW-I are permanent based employees (63%)
- Most of the employees are facing travelling facility to the company (42%)
- AIW-I provides good salary to its employees (64%)
- The employees are satisfied with the current benefits provided at the AIW-I compared to other companies in the Belgaum city (72%)
- The superiors and supervisors make the correction on the spot where employees go wrong in their work at AIW-I (76%)
- The most of the employees are satisfied with the promotion and increment practice at AIW-I (96%)
- The company supports the employees to balance their personal life with the professional life (70%)
- There are various reasons for the employee turnover in AIW-I like night shifts, travelling problem, salary problems food problem during night, work load pressure etc. (65%)
- Most of the employees feel that employee turnover is causing problem to the current working employees in their work (90%)
- There are some accidents on the site which really question the safety of the employees at the work place.
- The work load of the employees that have left the job is borne by the current employee at AIW-I.

### 5. SUGGESTIONS

- The company needs to extend the term of employment of permanent employees which is 63% to others also based on the long run experience of the current temporary employees.
- The company must focus on the safety of its employee by providing more safety tools to them at their work place.
- The company must provide the travelling facility to the night shift employees.
- The company must relook at the leave system to retain good employees from leaving the company.
- Company must have the canteen facility in the night to cater to the needs for the night shift employees.
- There is a need to recruit the new employees in place of those that have left the job.

## 6. CONCLUSIONS

Employee Turnover is the major factor that is affecting the overall organization's business and growth. The level of Employee Turnover is high at AIW-I but it can be reduced as much as possible. By making some of the required changes in their present activities which they are following right now in the organization. There are various reasons for the employee turnover in the company which are not the major problems. These problems can be sorted out and the employee turnover can be easily reduced in AIW-I.

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