

EMPLOYEE RETENTION STRATEGIES IN THE AUTOMOBILE SECTOR

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R. GAYATHRI

Assistant Manager - Talent Management

KONE Elevator India Pvt. Ltd., Chennai, Tamil Nadu, India

Dr. K. KARTHIKEYAN

*Professor & Head, Department of Management Studies
Saranathan College of Engineering, Trichy, Tamil Nadu, India*

Introduction

Ecumenical, retention of adroit employees has been of solemn concern to managers in the face of ever incrementing high rate of employee turnover. Today's business environment has become very competitive thus making adept employees the major differentiating factor for most organisations. Organisations - both public and private - rely on the expertise of their employees to compete auspiciously and indeed gain competitive advantage in the international market.

Long-term health and prosperity of any organization depends upon the retention of key employees. Customer contentment, organizational performance in terms of incremented sales, slaked colleagues and reporting staff, efficacious succession orchestrating etc., is dependent upon the faculty to retain the best employees in any organization. Inspiring employees to remain in the organization for a long period can be termed as employee retention. It is a process in which the employees are emboldened to remain with the organization for the maximum period or until the completion of the project.

Many employee retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff. It is a process in which the employees are encouraged to remain with the organization for the maximum period or until the completion of the project. Retention Strategies helps organizations provide effective employee communication to improve commitment and enhance workforce support for key corporate initiatives.

Review of Literature

Fitz-enz (1990), recognized that employee retention is not influenced by a single factor, but there are hosts of factors which are responsible for retaining employees in an organization. Management need to pay attention to factors such as compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice etc.

Osteraker (1999), the employee satisfaction and retention are the key factors for the success of an organization. The Retention factor can be divided into three broad dimensions, i.e., social, mental and physical. The mental dimension of retention consists of work characteristics, employees always prefer flexible work tasks where they can use their knowledge and see the results of their efforts which, in turn, helps in retaining the valuable resources. The social dimension consists of the contacts that the employees have with other people, both internal and external. The physical dimension consists of working conditions and pay.

Research Question

To identify the factors that has an impact on retaining the middle level employees in the automobile industry

Hypothesis

There is No relationship between the factors that has an impact on retaining the employees in automobile industry

Methodology

The research design chosen for the study is descriptive. The primary data collected through a structured questionnaire which was originally developed for this purpose. Twenty questionnaires were distributed for pre-testing the questionnaire's contents. A complete questionnaire will be developed based on the comments collected during the pre-testing period. The study was carried out in top 2 automobile industries in Tamil Nadu and only the middle level employees of those organizations were taken as respondents. Totally there were 472 middle level employees were there in both the organization out of that 290 employees were selected as sample for the study. Type of sampling adopted was convenient sampling. For designing an effective questionnaire for the study, it was felt necessary to test the validity of the questionnaire. To test the reliability and validity of the data collected Cronbach's alpha test was used and values of Coefficient alpha (Cronbach's Alpha) have been obtained, the minimum value of Coefficient alpha obtained was **0. 737**. This shows data has satisfactory internal consistency reliability. Using Statistical Package for Social Sciences (SPSS) some of the relevant tools like Multiple Regression Model was applied in the study. Due to various reasons the companies names were not disclosed in the study.

Multiple Regression Analysis

Factors Influencing Employee retention in Company 1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
ER	.952 (a)	.907	.901	.215

a Predictors: (Constant), organization supports for higher education and training, In my job I have the opportunity to do something with my skills and knowledge, Do my work, I follow the instructions closely, even when they are not in line with my own ideas, Love to accept complex and challenging tasks, When innovations are made, it is usually because management has decided on a corporate strategy and corporate goals and we then try to accomplish these goals as well as possible, Within the organizational a lot of the time the focus is on my weaknesses, Learn something that can be useful in the workplace, I take the initiative, On the job I have sufficient opportunity to use my personal talents and use my initiative, Some subjects that arise during work are so interesting that I investigate them further, even when it is not necessary for my work, Work pressure is too high here, Employee I am put under a lot of pressure, Job it is very important that I do what is expected of me as closely as possible, Organizational gives me the opportunity to get training in subjects that interest me., organization gives me a chance to learn new things, For most situations at work, procedures are enforced by the organization, Organizational stimulates me to think about where I stand and where I need to get to achieve the organizational goals, Usually when a problem occurs I rely on procedures that are dictated by the organization, Lot of freedom of choice when it comes to the tasks we have to do, Constant pressure of work—things that need to be done, deadlines and competition—make me tense and sometimes depressed, Sometimes think that my job asks too many different things of me now, even if i wanted to

ER - Employee Retention

The multiple regressions are shown in the above table. The model summary table shows R-Square for this model is .907. This means that 90.7 percent of the variation overall Retention (dependent variable) can be explained from the 20 independent variables. The table also shows the adjusted R-square for the model as.901. Anytime another independent variable is added to a multiple regression model, the R-square will increase (even if only slightly). Consequently, it becomes difficult to determine which models do the best job of explaining variation in the same dependent variable. The adjusted R-Square does just what its name implies. It adjusts the R-square by the number of predictor variables in the model. This adjustment allows the easy comparison of the explanatory power of models with different numbers of predictor's variable. It also helps us decide how many variables to include in our regression model.

Coefficient of Retention in Company 1

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1.317	0.140		-9.437	0.000
Appreciation and Stimulation					
On the job I have sufficient opportunity to use my personal talents and use my initiative	0.145	0.020	0.224	7.381	0.000
Organizational gives me the opportunity to get training in subjects that interest me.	-0.017	0.021	-0.032	-0.801	0.424
Organizational stimulates me to think about where I stand and where I need to get to achieve the organizational goals	0.158	0.023	0.324	6.800	0.000
In my job I have the opportunity to do something with my skills and knowledge	-0.164	0.048	-0.266	-3.403	0.001
Lot of freedom of choice when it comes to the tasks we have to do	0.016	0.053	0.026	0.293	0.770
Work-Life Balance					
Work pressure is too high here	0.217	0.024	0.307	9.078	0.000
Sometimes think that my job asks too many different things of me	0.051	0.060	0.085	0.851	0.395
Constant pressure of work—things that need to be done, deadlines and competition—make me tense and sometimes depressed	0.111	0.053	0.186	2.073	0.039
Within the organizational a lot of the time the focus is on my weaknesses	0.104	0.064	0.181	1.613	0.108
Employee I am put under a lot of pressure	0.273	0.034	0.326	7.944	0.000
Following Procedures					
Do my work, I follow the instructions closely, even when they are not in line with my own ideas	0.017	0.027	0.025	0.627	0.531
When innovations are made, it is usually because management has decided on a corporate strategy and corporate goals and we then try to accomplish these goals as well as possible	0.045	0.027	0.082	1.671	0.096
Job it is very important that I do what is expected of me as closely as possible	-0.102	0.032	-0.164	-3.144	0.002
Usually when a problem occurs I rely on procedures that are dictated by the organization	0.074	0.032	0.130	2.344	0.020
For most situations at work, procedures are enforced by the organization	-0.054	0.024	-0.093	-2.281	0.023

Learning and Development					
organization gives me a chance to learn new things	0.130	0.031	0.239	4.257	0.000
Love to accept complex and challenging tasks	0.333	0.032	0.641	10.301	0.000
Learn something that can be useful in the workplace, I take the initiative	0.182	0.024	0.286	7.678	0.000
Some subjects that arise during work are so interesting that I investigate them further, even when it is not necessary for my work	-0.133	0.039	-0.154	-3.400	0.001
organization supports for higher education and training	0.008	0.009	0.016	0.895	0.371

Dependent Variable: Employee Retention

To determine if one or more of the independent variables are significant predictors of organizational performance, we examine the information provided in the coefficient table. Out of twenty independent statements thirteen statements are statistically significant.

Appreciation and Stimulation

On the job I have sufficient opportunity to use my personal talents and use my initiative (0.224), which is significant (0.000). Organizational stimulates me to think about where I stand and where I need to get to achieve the organizational goals (0.324), which is significant (0.000). In my job I have the opportunity to do something with my skills and knowledge (-0.266), which is significant (0.001).

Work-Life Balance

Work pressure is too high here (0.307), which is significant (0.000). Constant pressure of work—things that need to be done, deadlines and competition—make me tense and sometimes depressed (0.186), which is significant (0.039). Employee I am put under a lot of pressure (0.326), which is significant (0.000).

Following Procedures

Job it is very important that I do what is expected of me as closely as possible (-0.164), which is significant (0.002). Usually when a problem occurs I rely on procedures that are dictated by the organization (0.130), which is significant (0.020). For most situations at work, procedures are enforced by the organization (-0.093), which is significant (0.023).

Learning and Development

Organization gives me a chance to learn new things (0.239), which is significant (0.000). Love to accept complex and challenging tasks (0.641), which is significant

(0.000). Learn something that can be useful in the workplace, I take the initiative (0.286), which is significant (0.000). Some subjects that arise during work are so interesting that I investigate them further, even when it is not necessary for my work (-0.154), which is significant (0.001).

Factors Influencing Employee retention in Company B

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
ER	.966(a)	.933	.925	.198

a Predictors: (Constant), organization supports for higher education and training, In my job I have the opportunity to do something with my skills and knowledge, Do my work, I follow the instructions closely, even when they are not in line with my own ideas, Love to accept complex and challenging tasks, When innovations are made, it is usually because management has decided on a corporate strategy and corporate goals and we then try to accomplish these goals as well as possible, Within the organizational a lot of the time the focus is on my weaknesses, Learn something that can be useful in the workplace, I take the initiative, On the job I have sufficient opportunity to use my personal talents and use my initiative, Some subjects that arise during work are so interesting that I investigate them further, even when it is not necessary for my work, Work pressure is too high here, Employee I am put under a lot of pressure, Job it is very important that I do what is expected of me as closely as possible, Organizational gives me the opportunity to get training in subjects that interest me., organization gives me a chance to learn new things, For most situations at work, procedures are enforced by the organization, Organizational stimulates me to think about where I stand and where I need to get to achieve the organizational goals, Usually when a problem occurs I rely on procedures that are dictated by the organization, Lot of freedom of choice when it comes to the tasks we have to do, Constant pressure of work—things that need to be done, deadlines and competition—make me tense and sometimes depressed, Sometimes think that my job asks too many different things of me now, even if i wanted to

ER - Employee Retention

The multiple regressions are shown in the above table. The model summary table shows R-Square forth is model is .933. This means that 93.3 percent of the variation in overall Retention (dependent variable) can be explained from the 20 independent variables. The table also shows the adjusted R-square for the model as .925.

Anytime another independent variable is added to a multiple regression model, the R-square will increase (even if only slightly). Consequently, it becomes difficult to

determine which models do the best job of explaining variation in the same dependent variable. The adjusted R-Square does just what its name implies. It adjusts the R-square by the number of predictor variables in the model. This adjustment allows the easy comparison of the explanatory power of models with different numbers of predictor's variable. It also helps us decide how many variables to include in our regression model.

Coefficient of Retention in Company B

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-0.632	0.204		-3.101	0.002
Appreciation and Stimulation					
On the job I have sufficient opportunity to use my personal talents and use my initiative	0.037	0.033	0.038	1.114	0.267
Organizational gives me the opportunity to get training in subjects that interest me.	0.001	0.037	0.001	0.040	0.968
Organizational stimulates me to think about where I stand and where I need to get to achieve the organizational goals	0.082	0.043	0.093	1.881	0.062
In my job I have the opportunity to do something with my skills and knowledge	0.147	0.050	0.153	2.908	0.004
Lot of freedom of choice when it comes to the tasks we have to do	-0.012	0.036	-0.012	-0.337	0.736
Work-Life Balance					
Work pressure is too high here	-0.190	0.031	-0.224	-6.156	0.000
Sometimes think that my job asks too many different things of me	-0.040	0.040	-0.050	-1.004	0.317
Constant pressure of work—things that need to be done, deadlines and competition—make me tense and sometimes depressed	0.268	0.035	0.363	7.554	0.000
Within the organizational a lot of the time the focus is on my weaknesses	0.075	0.032	0.085	2.307	0.022
Employee I am put under a lot of pressure	0.047	0.040	0.061	1.156	0.249
Following Procedures					
Do my work, I follow the instructions closely, even when they are not in line with my own ideas	0.071	0.046	0.103	1.545	0.124
When innovations are made, it is usually because management has decided on a corporate strategy and corporate goals and we then try to accomplish these goals as well as possible	-0.041	0.031	-0.057	-1.339	0.182
Job it is very important that I do what is expected of me as closely as possible	0.386	0.031	0.612	12.608	0.000

Usually when a problem occurs I rely on procedures that are dictated by the organization	-0.151	0.050	-0.270	-3.010	0.003
For most situations at work, procedures are enforced by the organization	0.250	0.025	0.420	10.063	0.000
Learning and Development					
organization gives me a chance to learn new things	-0.092	0.039	-0.094	-2.352	0.020
Love to accept complex and challenging tasks	0.084	0.029	0.093	2.876	0.005
Learn something that can be useful in the workplace, I take the initiative	0.144	0.031	0.132	4.702	0.000
Some subjects that arise during work are so interesting that I investigate them further, even when it is not necessary for my work	0.131	0.045	0.120	2.938	0.004
organization supports for higher education and training	-0.006	0.010	-0.012	-0.605	0.546

Dependent Variable: Employee Retention

To determine if one or more of the independent variables are significant predictors of organizational performance, we examine the information provided in the coefficient table. Out of twenty independent statements eleven statements are statistically significant.

Appreciation and Stimulation

In my job I have the opportunity to do something with my skills and knowledge (0.153), which is significant (0.004).

Work-Life Balance

Work pressure is too high here (-0.224), which is significant (0.000). Constant pressure of work—things that need to be done, deadlines and competition—make me tense and sometimes depressed (0.363), which is significant (0.000). Within the organizational a lot of the time the focus is on my weaknesses (0.085), which is significant (0.022).

Following Procedures

Job it is very important that I do what is expected of me as closely as possible (0.612), which is significant (0.000). Usually when a problem occurs I rely on procedures that are dictated by the organization (-0.270), which is significant (0.003). For most situations at work, procedures are enforced by the organization (0.420), which is significant (0.000).

Learning and Development

organization gives me a chance to learn new things (-0.094), which is significant (0.020). Love to accept complex and challenging tasks (0.093), which is significant (0.005). Learn something that can be useful in the workplace, I take the initiative

(0.132), which is significant (0.000). Some subjects that arise during work are so interesting that I investigate them further, even when it is not necessary for my work (0.120), which is significant (0.004).

Conclusion

The Indian Automobile industry has been going through ups and downs of the market for a couple of years due to recession and the climatic factors. In such conditions, the cost is the key word .Attrition increases the cost .It is the cost of recruitment, cull, training, development, wastage and accidents. Therefore, a holistic approach right from recruitment to the exit interview is essential. Efforts are needed for providing participative culture in decision making, captivating monetary incentives, training in stress management, vocation development, and fair and equal treatment at the managerial level. This would avail to control attrition at the managerial level and would avail in the development and magnification of the automobile industry and Indian economy. This calls out to the automobile industry to come up with incipient conceptions to reduce the attrition and develop India in the authentic sense.

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