



Assessment of Gradual Reduction of Workforce in Indian Technical Organizations

Nitin Sharma

M. Tech

*Takshshila Institute of Engineering & Technology
Jabalpur (M.P.) India*

Email :- nitinsharma032@gmail.com

Abstract—In order to establish and maintain sustainable retention of employee in India. They need an understanding of the society and the work culture (Gross & Conner, 2006). The human resource issues such as managing good working relationships, salary and benefits, negotiation procedures, and termination concerns will influence companies' sustainability in the process of staffing an operation in the fast-paced economy of India, but it seems to be an even bigger problem. The pronounced worker shortage, with few qualified candidates for the many existing job opportunist, can be harmful for companies. Suitable employees are difficult to acquire, making each employee a valuable and critical asset. With the competition for and ideates so high and the fact that India is home to less than 1% unemployed workers, companies 'needs to prevent their workers from voluntary leave the organization. Voluntary employee turnover appears when an employee chooses to leave the organization, mostly due to a new job opening. In a highly competitive worker market, new attractive job opportunities may more than often occur to the employee. This increases the pressure on companies to retain their valuable resource, their employees.

Keywords:— Employee, retention, turnover, motivation.

1. INTRODUCTION

India has one of the fastest growing economies in the world and is located amidst a booming region in NCR. Both domestic and foreign companies have rushed to invest in the country. India has enjoyed an abundance of good fortune in the business sector for quite some time. Despite the positive changes in the country's economy, the social welfare system is still lacking. Only a small part of the population is covered by, for example, state pension and social security system. India has, however, an obligatory basic education that is free of charge but the percentage of young people whom continue to higher education is lower than in most other countries, this is causing problem for investors. The growing economy has transformed from the traditionally agricultural nation to a mostly export oriented industrial nation. India's large manufacturing industry is facing growing global competition, especially from low-wage countries such as China. Opportunities to develop the manufacturing business are currently limited by the lack of worker with fairly high level of education. The government has acknowledged that they must improve upon conditions of its worker source, for example, the worker laws have been revisited to meet the needs of both domestic and foreign employers and employees. Despite success in the business sector, India's worker market has had its

setbacks. During the crisis in 2008-2009 the unemployment rate rose sharply but has since declined gradually. There are plenty of work opportunities in India and the government's changes are attracting even more investors. Although worker is coming in from countries such as China to saturate the market, there are not enough workers that can meet investors' needs for specific knowledge. Educated workers seem to be slipping away and the consequence is a shortage of worker. This shortage can damage the sustainability of businesses as they confront numerous human resources issues (Gross & Conner, 2006).

2. AIM OF THE STUDY

The aim of this study is to identify and analyze organizational reasons for employee retention among white-collar workers at a multinational company in India. The result intends to help the company to better understand the benefits of employee retention strategies and provide indications which can be supportive in the development of these.

A Mixed Model of Employee Retention

Influenced by March and Simon's model of organizational participation and Lee and Mitchell's job embeddedness theory (1994), we suggest a mixed model, aiming to (1) Analyze factors within job satisfaction to show how important they are for employee retention and, (2) Show the relevance of employee retention so that the organization can strengthen and develop those factors that strongly contributes to retention opportunities. To gain a deeper understanding how to retain employees, it is important to identify the factors that influence job satisfaction since the relationship between satisfaction and employee turnover is very strong. The previous research, as presented earlier, concluded several reasons that are of great importance among Indian workers to prevent employee turnover and increase retention. These reasons have been

categorized into different factors in the mixed model under the variable —Job satisfaction.

The mixed model suggests that job satisfaction affects the desirability of movement. High job satisfaction equals low desirability of movement; low job satisfaction equals high desirability of movement. The desirability of movement in relation to the ease of movement, which is primarily determined by the worker market, affects the outcome. The employee weighs pros and cons, risks and opportunities to make a decision about the future in the organization, this decision will decided whether employee turnover or retention occurs. The concept of Lee and Mitchell's theory of job embeddedness is emphasized by the strength of the relationship between job satisfaction and the employee. This relationship makes the employee more likely to remain in the organization as it reflex's up on the pros and cons, risks and opportunities. Lee et al (2004) indicate that the relationship between job embeddedness and employee turnover- and retention can diverse due to context. We will therefore take the individual, organizational and social perspective on job satisfaction into consideration.



Figure 1. Mixed model

3. METHODOLOGY

The research was based on a quantitative method carried out through a questionnaire. The choice of methodology was based on the fact that the results intended to help the company to better understand the benefits of employee retention. The results should, however, only provide indications and therefore reflect the entire selection and not focus on in-depth understanding of few respondents' point of view. By measuring the frequency of certain responses and generalize the results to our selection, we could show indication of central factors in job satisfaction. These indications were interpreted as important for employee retention. The study was conducted in Indian land, which means a different cultural context than what we are used to. A quantitative method was chosen in order to reduce the impact of cultural differences. In a context where "saving face" is rooted in the culture, it was important that respondents felt confident to speak their minds. A questionnaire can be answered without revealing the interviewee's identity and was a way to minimize both the cultural and linguistic barriers.

4. RESULTS

Gender, Length of employment, marital status, Children and Retention plan are those backgrounds variables found in the survey. These are presented below to give the reader an overview of the respondents. There were a total 33 participants in the study. A majority of the respondents were men, only 7 women participated, equivalent to 26 men. Length of employment was spread between participants, from 6 relatively new recruits to 4 veterans.

B a c k - g r o u n d variable	Distribution of responses		
Gender X=	Man 26	Woman 7	
Length of employment X=	< 1 year 6	1-3 years 5	3-5 years 10
	5-10 years 7	>10 years 4	
M a r i t a l Status X=	Married 14		Single 18
C h i l d r e n X=	Yes 12		No 21
Retention Plan X=	1-2years 9	2-3years 10	3-4 years 3
	>4 years 10		

5. JOB SATISFACTION

In this section the perception of the factors that affects job satisfaction. These factors are; Work design, Leadership, Social support, Development, Compensation & Benefits, Work life balance. Nevertheless, to give an overall picture of the perceived job satisfaction illustrates figure 2 the means values.

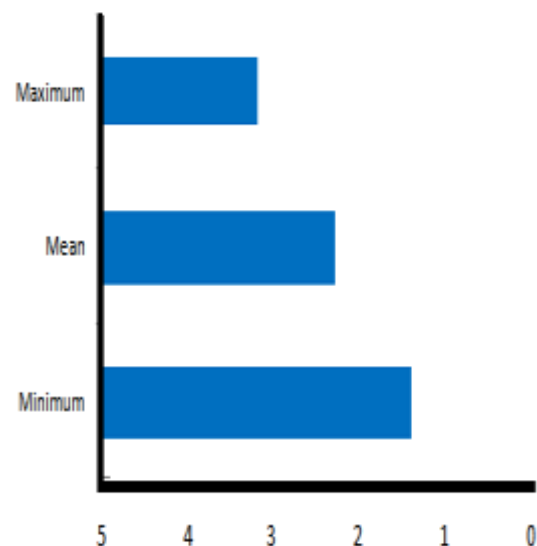


Figure 2. Mean values for how employees perceived job satisfaction. 1 implies "strongly satisfied" and 5 imply "strongly dissatisfied". Std. Deviation 0.38

The mean value was 2.3, no participant has a lower value than 3.2 and the most positive value was 1.4 (see. statistical concepts, appendix 1 for introduction of mean and standard deviation). This result indicates that our selection is satisfied with their work situation, but there are rooms for improvements.

Perceived Job Satisfaction

This section presents the statements mean value in a bar chart. The mean value is calculated for each statement to facilitate comparison. The results will not be analyzed in this section, since we only want to give a description of how the factors perceives.

6. WORK DESIGN

Three statements measured Work design to find out how this job satisfaction factor was perceived. The respondents had to take these under consideration and state which answer that best agreed with their opinion. The statements and the mean of the answers are presented in figure 3.

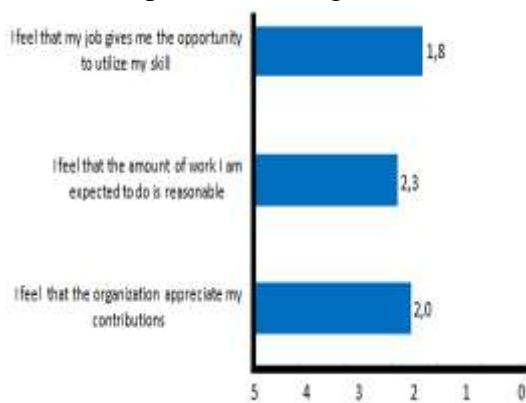


Figure 3. Mean values for how employees perceived Work design. 1 implies "strongly agree" and 5 implies "strongly disagree". Std. Deviation 0.40

The result showed that all statements were perceived as no higher than 2.3 and no lower than 2.0. This result shows that respondents felt that the organizations appreciate their contributions and that they could utilize their skills. There were mixed opinions regarding whether the amount of work assigned were reasonable, and this

statement got the highest mean, which shows that within Work design, this statement were perceived as the most unsatisfied.

Leadership

Four statements measured Leadership to find out how this job satisfaction factor was perceived. The respondents had to take these under consideration and state which answer that best agreed with their opinion. The statements and the mean of the answers are presented in figure 4.

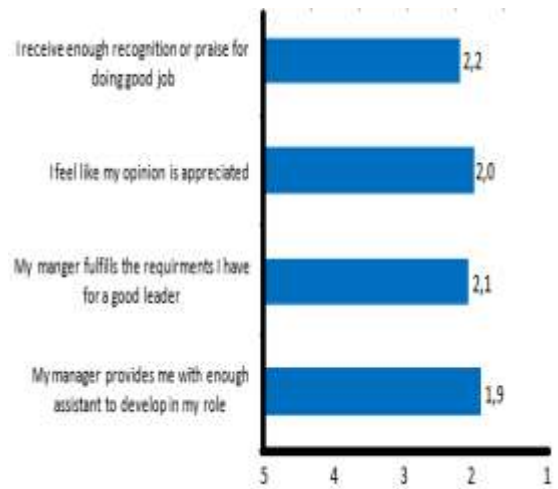


Figure 4. Mean values for how employees perceives Leadership. 1 implies "Strongly agree" and 5 implies "strongly disagree". Std. Deviation 0.45

The results showed that all statements were perceived no higher than 2.2 and no lower than 1.9. The mean indicates that the respondents feel that their manager fulfill the requirements they have for a good leader. The result shows also that the respondents feel that their manager provides them with enough assistants to develop in their professional role.

Social Support

Four statements measured Social Support to find out how this job satisfaction factor was perceived. The respondents had to take these under consideration and state which answer that best agreed with their opinion. The statements and the mean of the answers are presented in Figure 5.

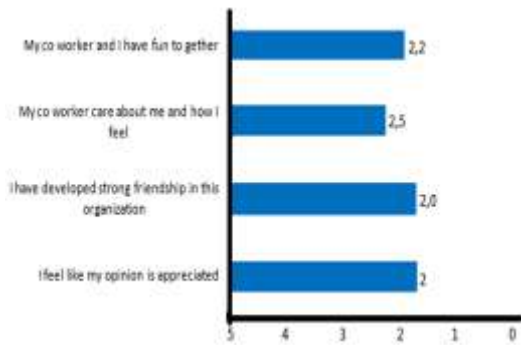


Figure 5. Mean values for how employees perceived Social support. 1 implies” strongly agree” and 5 implies” strongly disagree”. Std. Deviation 0.49

The respondents were neither fully satisfied nor dissatisfied with the Social support in the organization. All the statements had no higher than 2.5 and no lower than 2.0. The respondents were least satisfied with the perceived care from co-workers and most satisfied with those friendships that has developed within the organization and they felt that their opinion is appreciated. In addition to the statements, we ask what the respondents would miss if they were to leave the organization. The majority will miss their co-workers, their friendships and cohesion of the organization.

Compensation & Benefits

Five statements measured Compensation & Benefits to find out how these job satisfaction factors were perceived. The respondents had to take these under consideration and state which answer that best agreed with their opinion. The statements and the mean of the answers are presented in Figure 6.

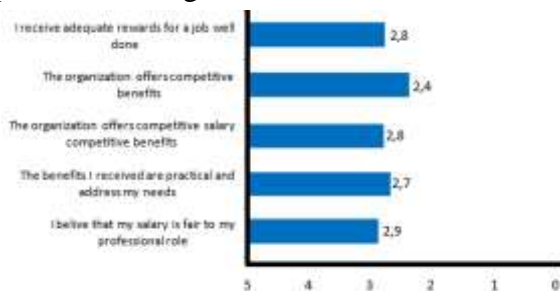


Figure 6. Mean values for how employees perceived Compensation & Benefit. 1 implies” Strongly agree” and 5”strongly disagree”. Std. Deviation 0.75

The result showed that all statements were perceived as no higher than 2.9 and no lower than 2.4. This shows that respondent’s are neither fully satisfied nor dissatisfied. The mean shows that the general opinion about the fairness of salary could be improved and were the statements that are least satisfied. The competitive of benefits got, however, the highest value. Some of the respondents were not fully satisfied with what they received. 6 of the respondents disagreed that the organization offers competitive salary. In another statement regarding whether benefits are practical and address their needs there were 9 respondents who disagreed.

Development

Three statements measured Development to find out how this job satisfaction factor was perceived. The respondents had to take these under consideration and state which answer that best agreed with their opinion. The statements and the mean of the answers are presented in figure 7.

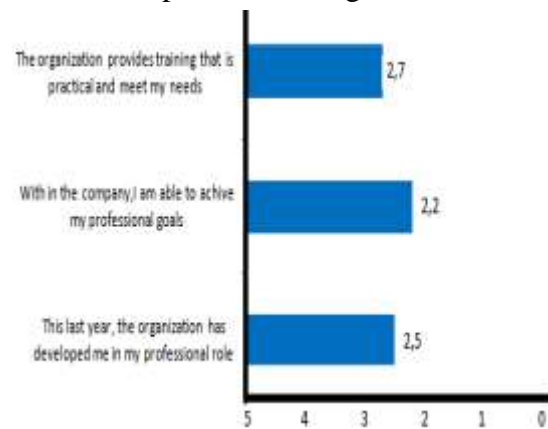


Figure 7. Mean values for how employees perceived Development, 1 imply” Strongly agree” and 5 imply” Strongly disagree”. Std. Deviation 0.77

The result showed that all statements were perceived as no higher than 2.7 and no lower than 2.2. This shows that respondent’s are neither fully satisfied nor dissatisfied. The mean shows that the general opinion about the annual development could be improved as the result showed tendencies of dissatisfaction.

3 of the respondents felt that they could not at all achieve their professional goals in the organization, but there were 11 who agreed and 9 who strongly agreed that this was possible. In one of our open questions, we asked about the expectations when applied for a position at a multinational company. Among the answers dominated development opportunities, the most prominent was the desire to learn English.

Work-Life Balance

Two statements measured Work-life balance, together with some open questions, to find out how this job satisfaction factor was perceived. The respondents had to take the statements under consideration and state which answer that best agreed with their opinion. The statements and the mean of the answers are presented in figure8 .

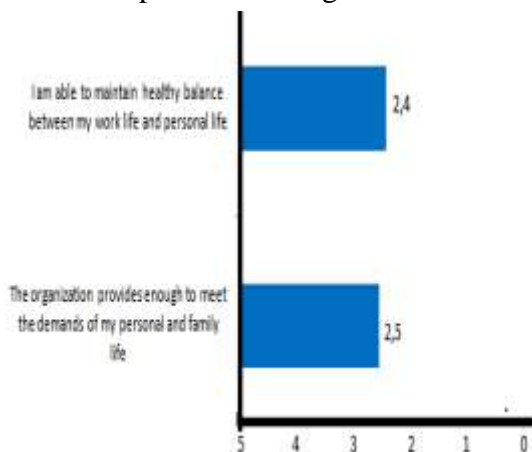


Figure 8. Mean values for how employee's perceived Work-life balance. 1 implies "Strongly agree" and 5 implies "strongly disagree". Std. Deviation 0.76

The respondents were neither fully satisfied nor dissatisfied with the efforts within Work-life balance in the organization. Both statements had no higher than 2.5 and no lower than 2.4. The Work-life balance could benefit from some improvements. There were mixed opinions, from strongly agree to strongly disagree, whether they considered that the organization helped to improve their Work-life balance enough and whether they felt that the ability to maintain a healthy balance. In addition to

the statements, we asked: What does the organization do that helps you in your personal / family life? We received 24 answers. The majority emphasized benefits as the primary assistance from the company. The benefits that created balance the most considered; Health insurance, Long holiday and annual leaves, Competitive salary.

7. CONCLUSION

Which factors within job satisfaction are central for employee retention? Within the concept of job satisfaction all six factors; Work design, Leadership, Social support, Development, Compensation & Benefits, and Work-life balance receives empirical support. All factors are therefore to be seen as central for employee retention and should be strengthened and developed in order to establish sustainable employee retention strategies. The result points out that Leadership, Development and Compensation & Benefit seems to be the most central factors, and should therefore be a priority.

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