

Study of Attrition Trend and Influencing Factor in the Sectors of IT (Service) and Pharma (Manufacturing)

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Abstract: Indian Industries are going through various phases of change, these changes are visible across the sectors of industries, be it service, manufacturing, supporting industries etc. Post globalisation and era of Technologies things have changed very drastic. Similarly things and behaviour of human resource has also changed, with faster pace of economic growth and demanding life style has impacted the thinking of human beings. Human Resource which is one of the major pillar of the Industry and economy has also started behaving very dynamically, unlike prior to 90s where people used to get retired from one job and never thought of changing the job. With changes in the economy, demand, supply, needs, technology, family factors and education systems, resources are more aware of their values and become more demanding and more forecasting towards their career and financial goals. Which has motivated resources to change the jobs may be due to career or financial or family reasons. These changes of job by resources resulting into the attrition of human resources impacts significantly on the company's growth, financial planning and productivity.

Keywords: Human Resource, Attrition, age groups, Information and Technology (IT) and Pharma.

I. INTRODUCTION

There's a saying that employees don't leave companies, they leave managers – and today they are leaving more often than ever and now a day's even employees are leaving the company though they love the managers.

Human behaviour is most unpredicted things and resulting into attrition. In the era of highly competitive industrial environment, where technology, geography get changes very fast and impacts on the stability of the human resources and results in attrition, now a day's people are changing the jobs may be due to financial/career or family reason, sometime due to brand value of the company or due to location of the work place.

Here we would like to focus on Attrition of professionals in two major sector of Indian Industry i.e.

- I. IT(Back end industry)
- II. Pharma (Manufacturing Sector)

Will try understand and know the various influencing factors for attrition of professional in above fields. Some of the factors to be considered are.

- Career Growth.
- Financial Growth.
- Working environment.
- Work life balance.
- Family issues.
- Community/Social issues.

- Geographical issues.
- Age group wise analysis. Social factor such as family compulsion, community interest and Geographical issues

II. LITERATURE REVIEW

Literature review is very important part of the research study which provides the frame of work for study in terms of concept development, setting guidelines for study, deciding the target participants, latest developments happening in the related industries and various new guidelines getting released.

This Helps in understanding the research and add value to it, which enables to develop a competent research paper and share the updated information to the audience.

Dr. Ify Dial & Dr. Rao Nemani(2012), in his international has focussed on high attrition in IT sector for new entrants, they have analysed the many factors influencing the attrition.

Ms. Deepti Sinha(2013), on her study of attrition in Pharma sector has stressed on employee retention and how it should be the strategic focus and compelling necessity of businesses today. Thus, ignoring the problem of mounting attrition level can have devastating consequences for the business. Organizations can afford to ignore the problem at their own peril.

Pandit, YVL. (2007), Also have emphasised on the retention of the human talent in the industry and has suggested various ways to improve on high attrition rate.

From www.Forbes.com. Six Reasons Your Best Employees Quit You i.e. No Vision, No Connection To The Big Picture, No Empathy, No (Effective) Motivation, No Future and No Fun.

III. OBJECTIVE OF STUDY

- To study various factors influencing the attrition rate
- Analysis of various categories impacting on attrition.
- Concluding the major factors
- Suggestion to control the high attritions.

Hypothesis of the Study

- H_1 : Attrition rate and reason helps to create awareness in the industry to control it.
- H_{A1} : Attrition rate and reason does not help to create awareness in the industry to control it.
- H_2 : Attrition rate study and analysis has a positive impact on the industries to control it.
- H_{A2} : Attrition rate study and analysis does not have a positive impact on the industries to control it.

Limitation of the Study

- The study is limited to IT and Pharma sectors in Indian scenario
- The study is limited to Mumbai and Nearby suburb Industrial areas

Significance/ Importance of the Study

The research study is significant to evaluate the level of attrition rate and create awareness in the industry to control the factors which are influencing the high attrition rate. Also to improve on the various requirements at Industries and establish the better/healthy working environment.

Scope and Coverage of the Study

- The study covers a specific period of 2014-2015.
- It studies the attrition rate in the IT and Pharma industries in metro and semi metros of India.

Area of the Study

- The study was conducted at Mumbai and nearby suburb Industrial areas.

IV. RESEARCH METHODOLOGY

- **Research Design**

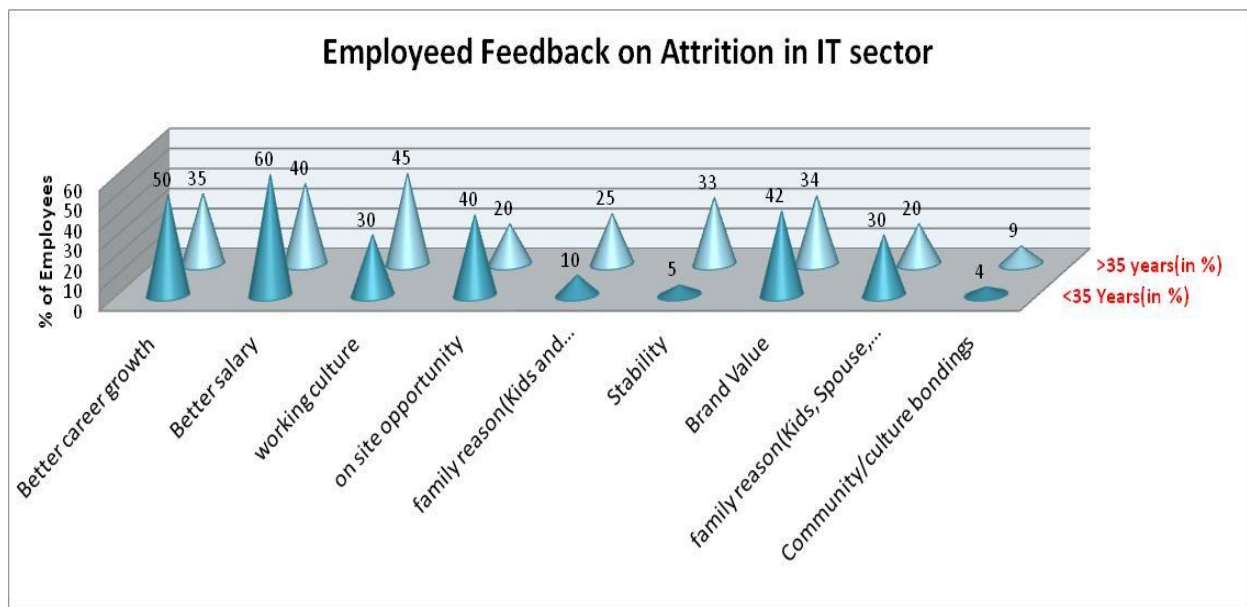
- The present study is diagnostic and exploratory in nature and makes use of both primary and secondary data.

- **Method of Data Collection**

- The present study is based on the analytical method. The research study is mainly based on primary data which is collected, compiled and calculated mainly from schedules, questionnaire and interviews of 50 professionals from IT and Pharma companies in Mumbai and nearby suburb Industrial areas. Other related information collected from journals, conference proceedings and websites.

Data Analysis:

1. IT Sector Research Analysis:



(The aggregate percentage exceeds 100% because most respondents used more than one method of project evaluation).

Observation

From the above chart following are the observation:

- Career growth:** is one of the major criteria for age group <35 Yrs compare to >35 yrs. This shows employees with age getting settled.
- Salary:** Biggest criteria for age group < 35 Yrs than >35 Yrs, here it is to note that with age money factor does not affect much.
- Working Culture:** Matters much to the more aged employees than <35 Yrs.
- On Sites Opportunity:** Matters more for the <35 Yrs than >35 Yrs.
- Family reasons:** one of the important factor for >35 yrs age group, which reflect the growing responsibility.
- Community/culture bonding:** matters more for the >35 Yrs .

Conclusion

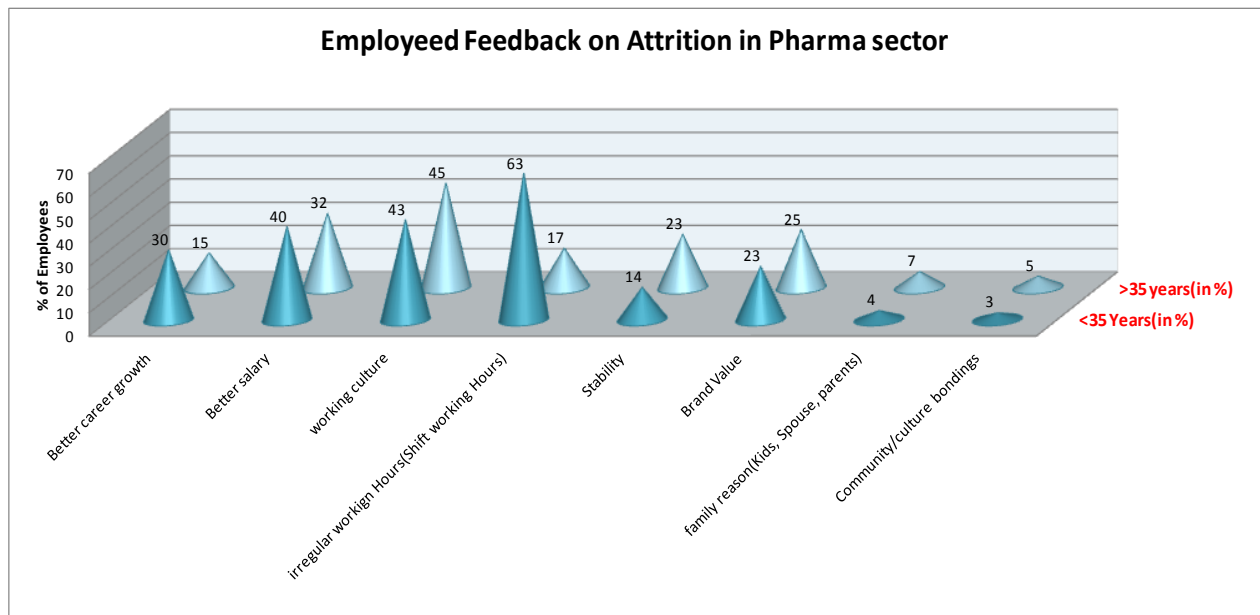
From above observation, we can co-relate, that stability, social responsibility and work culture matter more, whereas for the age group <35 Yrs matter more is money, on site opportunity and career growth than the other factors.

Actions Suggested from the research to minimise the attrition rate:**I. <35 Yrs age group:**

- Better career and salary projections in beginning, where employees know what will be their career graph and earnings projection.
- Periodic opinions and open interaction on the career option, opportunity to the existing employees for new openings.
- Periodic internal surveys.

II. >35 Yrs age group

- Better work atmosphere.
- Sense of job security and stability.
- Setting up module to address the social issues.
- Ensure work and life is balanced.

2. Pharma Sector Research Analysis:

(The aggregate percentage exceeds 100% because most respondents used more than one method of project evaluation).

Observation**From the above chart following are the observation**

- Career growth:** is one of the criteria for age group <35 Yrs compare to >35 yrs. This shows employees with age getting settled and not much interested in hoping the job.
- Salary:** Biggest criteria for the both age group (< 35 Yrs than >35 Yrs), which indicates salary is still moderate in this sector as compare to very high salary in IT and Telecom sector.
- Working Culture:** Significant in both the age group, one of the reason come out during the survey of mainly shift working which makes life monotonous along with typical life style, tempts people to change.
- Family reasons:** One of the important factor for >35 yrs age group, which reflect the growing responsibility.
- Social concern:** Matters more for the >35 Yrs.

Conclusion

- From above observation, we can co-relate, that stability, social responsibility and work culture matter more, whereas for the age group <35 Yrs matter more is money, on site opportunity and career growth than the other factors.
- For >35 Yrs of age group are more stable than <35 yrs of age group.

Actions Suggested from the research to minimise the attrition rate:**III. <35 Yrs age group:**

- a. Better career and salary projections in beginning, where employees know what will be their career graph and earnings projection.
- b. Periodic opinions and open interaction on the career option, opportunity to the existing employees for new openings.
- c. Periodic internal surveys.

IV. >35 Yrs age group

- a. Better work atmosphere.
- b. Sense of job security and stability.
- c. Setting up module to address the social issues.
- d. Ensure work and life is balanced.

Interpretation

Attrition rate and causes analysis has help in understanding the major factors influencing the higher rates and suggestions to control it. Hence our H₂ is proved.

Suggestions/Recommendations

Some of the points we would like to highlight for improvement

- a. 10% of the employees changes the job only to meet the requirement of theirs family. It is recommended for companies to see if geographical need of existing employees can be met through internal transfer and postings.
- b. 25-30% Female employee leaves/changes the job to be with their spouse. Recommended to have special initiative to get competent and suitable spouse adjusted in the same organisation.
- c. Only 60% of the employees changes the job for big four reasons i.e. career, money, brand and working environment. Here periodic incentive, training, other motivational initiative is needed to minimise the attrition.

V. CONCLUSION**After analysing these two sectors following are the observation**

- Salary /Money is one of the criteria
- Working culture and timing also make lots of the contribution for change of job
- Brand value: also become important for stability
- Community and culture bonding also result in the change/stick to the organisation
- <35 years of Age group people are more tempt to change than >35 years of agre group.
- IT sector- people <35 years are more admired to work on site, where as people >35 years looks for stable place of working either on site or off site.
- Pharma sector is pretty stable sector, here brand makes the significant difference, which co relates with stability.
- Also surprisingly family factors makes lots of difference in changing the jobs mainly
 - Married women's are observed to be at losing end and leaves/changes the jobs to be with family
- Community and Culture- Plays some of the role in deciding for job change. E.g.
 - People from Mumbai, don't prefer to go to other city, likewise in all metros
 - People from semi urban and rural areas are very open to change the job and location as they are already away from their location, but this type of observation is more in <35 years and less in >35 years age group.
- a. IT/SW(Backend) Industry: Observes 30-35% Attrition rate/Year
- b. Pharma (Manufacturing Industry) : Observes 15-20% Attrition rate/Year

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