

A STUDY ON EMPLOYEE RETENTION PRACTICES OF AUTOMOBILE INDUSTRIES IN INDIA WITH SPECIAL REFERENCE TO HYUNDAI MOTORS, CHENNAI

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ABSTRACT

The Automobile Industries have now realized the importance of retention management. However, the study focus on identifying the present retention process and aims at providing suggestions and recommendations for the organizations to improve its retention strategy. The study not only focuses on retention but also helps to identify employees overall satisfaction by taking into accounts the factors such as work culture, pay, training and coordination. The research will diagnose the causes of turnover like lack of job satisfaction, Commitment to the organization, Availability of other jobs, Pay and benefits, or any other direct or indirect factors therein.

The research helps to identify how the employee retention strategy paves the way for the growth of a company. The HRD can identify the individual and organizational goals, objectives and policies of the selected automobile companies. The research will provide information enabling the organization to think on the following aspects like, the Employee Retention strategy needed so that the company can reduce its cost of recruitment as well as create a good work environment so that the morale of employee will be high which is very much required in this competitive world.

A tentative conclusion is that by advocating employee retention strategy in an organization it will lead to better human relationship and it will eliminate the discrepancies in the scalar chain which will lead to better work environment. The outcome of the study brings about as how to reduce stress, improve performance, how

to raise the standard of living of the employee, what training are to be provided and finally it includes identifying all the monetary and fringe benefits so that the rate of turnover is low and employee retention is high.

The findings from the research will provide the outcome in a way such that it will provide benefit both to employees and employer which in turn on the whole will lead to development of the organization within a short span of time.

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1. INTRODUCTION

Employee Retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. It is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as the employee. Effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed, by having policies and practices in place that address their diverse needs. Retention of key employees is critical to the long-term health and success of any organization. It is a known fact that retaining the best employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning, and deeply embedded organizational knowledge and learning. Employee retention matters, as organizational issues such as training time and investment, lost knowledge, insecure employees, and a costly candidate search are involved. Hence, failing to retain a key employee is a costly proposition for an organization. Various estimates suggest that losing a middle manager in most organizations costs up to five times his salary. Corporate is facing a lot of problems in employee retention these days. Hiring knowledgeable people for the job is essential for an employer, but retention is even more important than hiring.

Employee retention is a new era of modern technology and competitive business environment. Organizations are continuously changing .this changing environment is not only effecting the organizations but also the employees working in it. In order to maximize organizational efficiency and for optimal utilization of the resources, human resources must be managed properly. Human resource management plays a vital role in this regard. They are responsible that how employees are treated in the organization. Employee retention is a vital issue and challenge to all the organizations now days. There are numbers of factors which promote the employees to stay or leave the organization. It may be external factors, internal factors and the combined effect of both. Human resource practices counts a lot in this regard. It is the need of the hour that hr managers should identify the needs of the employee and then devises the retention strategies. One strategy does not fit to all as different individuals have different priorities. Hr professionals face the vital challenge to retain talented employees.

Employee retention is very critical to the long term health of any organization. When an organization loses its talented employee it leaves a negative impact on innovation, customer satisfaction, knowledge gain during the past years and on the profitability of the organization more over replacing cost of another employee contribute a lot to the organization.

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2. IDENTIFICATION OF THE RESEARCH PROBLEM

In Global economy Employee Retention has become a burning problem because, most of the employees are leaving the organizations as they like on account of taking up employments elsewhere. Even in some of the cases, the employees are not even informing the organizations about their intention to leave. However, some of them are giving prior notices to leave the organizations and firms as per the norms of the organization and taking better prospects. This will create a great disturbance to the organizations for want of suitable substitutes immediately due to sudden relief of its employees. Organizations and firms are taking up Program for recruitment of the employees to fill up the consequential vacancies. Because of the new employees appointed from time to time in the place of the employees left, the organization suffers a lot to stimulate the new employees for desired objectives and goals. This will affect badly on the HR policies of the automobile Organizations. To overtake this problem, major steps have to be undertaken for the retention of the employees in an organization for the better sustainability and cognitive involvement.

Understanding Employee Opinion and analyzing the retention factors are critical to an organizational success. An employee interprets their organization environment with their own perception. Many studies concerning employee retention have been conducted in many sectors namely Business Process Outsourcing, Information Technology and Health Care Industry. One of the sectors that was not paid attention was Automobile Industry, which contributes to a major portion of the National Income.

Thus, the present study aims to analyze and enhance the employee retention practices in the selected automobile companies in India. The study also aims to provide certain suggestions and recommendations to the organization for retaining its employees.

3. SCOPE OF THE RESEARCH WORK

A tentative conclusion is that by advocating employee retention strategy in an organization it will lead to better human relationship and it will eliminate the discrepancies in the scalar chain which will lead to better work environment. The outcome of the study brings about as how to reduce stress, improve performance, how to raise the standard of living of the employee, what training are to be provided and finally it includes identifying all the monetary and fringe benefits so that the rate of turnover is low and employee retention is high.

The findings from the research will provide the outcome in a way such that it will provide benefit both to employees and employer which in turn on the whole will lead to development of the organization within a short span of time. The study will also aim to provide proper match between the person and the job, organizational climate and culture, pay and performance, improved co-ordination between the individual, their coworkers, and the supervisors, and also provide for growth and advancement which will lead to Employee retention which will reduce job dissatisfaction as well attract, retain, and motivate the workforce. This research has been designed by employing quantitative methodology with a sample confined to employees of Automobile industries in India.

On the strong side of our study lies the fact that the whole population of the automobile industry has been covered and Quota sample of employees has been selected. However, it is not possible to build a one-to-one rapport with all the employees. Thus, a limited sample of 500 respondents has been chosen for the research and a detailed study has been done. Moreover, only selected facets of job characteristics have been considered for the study like retention strategies, work environment, rewards and recognition, welfare measures and about superior subordinate relationship. There are many other factors beyond these factors which can be included in order to assess employee attrition and employee retention in automobile industry. Therefore, the scope of the study is limited to the sample size and also to the selected dimensions of personal and job characteristics.

4. OBJECTIVES OF THE STUDY

Primary Objectives

To study the employee retention practices of automobile industries in India with special reference to Hyundai motors, Chennai.

Secondary Objectives

1. To study the employee retention practices with specific reference to automobile industry.
2. To find employees overall satisfaction in the organization with relation to work environment culture.

3. To examine the Training and Development activities provided and to identify whether it leads to improved coordination among employees in their work.
4. To analyze the reward and compensation factors.
5. To make suggestions to the organization to improve its employees retention strategies.

5. RESEARCH METHODOLOGY

It is necessary for the researcher to know not only the research method or techniques but also the methodology. Thus, when we talk of research methodology we not only talk of the research methods but also consider the logic behind the methods we use in the context of our research study and explain why we are using a particular method or technique and why we are not using others so that research results are capable of being evaluated either by the researcher himself or by others.

Research problems would result in certain conclusions by means of logical analysis which the decision-maker may use for his action or solution.

Research design

A research design is purely and simply the frame work plan for a study that guides the collection and analysis of a data. In this study the researcher has adopted descriptive research design.

Descriptive research design

It includes surveys and fact finding enquires of different kinds. It simply describes something such as a demographic of employees. It deals with description of the state of offers as it is and the researchers have no influence on the respondents.

Data collection

Data collection is one of the most important aspects of research. For the success of any project accurate data is very important and necessary. The information collected through research methodology must be accurate and relevant.

Methods of data collection:

- Primary Data
- Secondary Data

6. DATA COLLECTION AND ANALYSIS

Primary Data

Data collected by a researcher is known as primary data. It is collected by a person for his own use obtained from findings. This is considered as first hand information. This is that data which is collected by us to meet our own specific purpose. The data is collected by the means of questionnaire filled in by the employees at different posts of Nagpur area office. This method of data collection is very popular particularly in big organizations.

Secondary Data

Secondary data means data that are already available i.e., they refer to data which has already been collected and analyzed by someone else. This type of data information can also be used by the researcher for his use as second hand information sources through which secondary data can be collected. Secondary data may either be published data or unpublished data.

The research approach

Survey Method

The research instrument

Questionnaire

The respondents

The employees of the organization.

Sampling

It is the process of selecting representative subset of a total population for obtaining data for the study of the whole population the subset is known as sample. The sample size is selected for the study 500 employees. The techniques of sampling unit in this study are convenience sampling.

Convenience sampling

In this method the sample units are chosen primarily on the basis of the convenience to the researcher.

Statistical Tools to be used

- Simple Average Method,
- Weighted Average Rank Method,
- Chi-square Test,
- Analysis of Variance (ANOVA)
- Bar Diagram,
- Line Diagram,
- Pie Diagram,

7. SUGGESTIONS

Based on the study undertaken the following suggestions is being put forth for employees, management and the society.

The opinion of the employee regarding employee retention is pointed out as follows
Employees opinion towards retention

1. From the study it has been inferred that the employees wish to have job rotation and assigning new task so that they may not have monotony in work.
2. The employees also have specified that providing of staff quarters facility will improve retention among married employees.
3. Married employees also feel that they could have educational loans for their wards for higher education and providing job for family members will improve the morale and loyalty towards the company.
4. More training and development programs could be provided for employee to improve new skills so that they will have better motivation towards their work.
5. The organization should concentrate to be friendlier and have personal touch with employees so that their problems could be handled in a better way.

6. Performance appraisal should be conducted periodically and better rewards and recognition should be provided for excellent employees, which will increase retention.
7. Offer a competitive compensation package and better career prospects.
8. The organization should provide an environment so that the employees can have a balance between official work and personal life.
9. The management should take into consideration the opinions and suggestions of employees.
10. Proper coordination and good superior subordinate relationship should be maintained.

8. CONCLUSION

This study investigated the relationship between various factors like job satisfaction, superior subordinate relationship, attributes influencing to remain in present organization, work environment, organizational culture, rewards and recognition with employee retention. The study utilized a survey method and the results of 500 respondents were the basis for statistical findings. The information obtained through this study will help the employees to address their needs to the management so that they can implement their requirements and can retain their best talents.

The automobile companies selected for this study have adopted suitable policies and regulations so that retention is higher for these organizations. However the organizations should know to identify the benefits of retaining the employees so that it can achieve its business objective and can gain competitive advantage over their competitors.

As employees are the bases for company, retention of employees is a major focus for HR department. The management should identify the important factors that affect retention and should take necessary measures to improve these. Also, the management should take appropriate measure to identify the reasons of employees voluntarily leave. It is only the employees that implement and give tangibility to the corporate mission. In other words if it is the highest rung in the corporate hierarchy that has ideas, it is the employees' rung that has the chisel to bring the vision to life. In the best of worlds, employees would love their jobs. Like their co-workers, work hard for their employers, get paid well for their work, have ample chances of advancement and flexible schedules so they could attend to personal or family needs when necessary. And never leave. But then there's the real world. And in the real world, employees, do, leave, either because they want more money, hate the working conditions, hate their co-workers, want a change, or because their spouse gets a dream job in another state. Unlike inanimate products and systems that subject themselves to fine tuning without any reaction, employees would not subject themselves to any measure taken without reaction and analysis. Hence managing human resources, particularly retaining them, is an art that calls for special skills and strategies. Employee survey and exit interviews can be used for assessing the reasons of employee voluntarily leave. HR interventions such as improving selection process, effective orientation and training, better employee relation, better career

development programs and planning should be used to improve employee retention. Thus it can be concluded by indicating that organizations should concentrate in identifying employees and also identify their needs with respect to their career, education and family. So that this positive approach of the organization will increase the retention of employees.

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