



# A REVIEW STUDY ON EMPLOYEE RETENTION STRATEGY IN AUTOMOBILE INDUSTRY

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## Abstract—

The present study aims to point out the results of review of literature associated with Employee retention practices in India within the last five years (2012-2022). The tactic went to obtain literature was mainly supported electronic search using Google Scholar and J-Gate plus, with key words such as: Employee Retention, turnover rate, Employee Attrition and Retention, Employees intention to go away organisations, the inclusion criteria like Only Empirical studies done on Indian Manufacturing organisations, Published between 2012 and 2022. Studies from different authors and journals were evaluated. The findings of the study suggest the different variables practiced by different organisations to Retain employees within the organisation. The results of the study will allow researchers to raised understand the main Employees retention practices, which may be studied how each variable effective or ineffective in Retaining Employees. This study makes three important contributions to literature of Employees Retention. First during this study all the parameters related to Employee Retention were checked. Second, this study analyses the enormity of turnover rate, and third, provides suggestions to organisations to enhance a number of its strategic features to regulate turnover rate.

**Keywords—** Employee Retention; Employee Turnover; Attrition and Retention.

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2141

## Introduction

“Our assets walk out of the door each evening. we've to form sure that they're going to come within the next morning” Narayana Murthy (Chief mentor of Infosys). Since the start of the new millennium, every Organisation lamented the dearth of talent and its shortening lifetime in organisations (Bhatia, 2011, p. 305). Organisations are compelled to hold-on to their top performers, at any cost, albeit the qualified professionals may available on adequate number but recruiters aren't ready to recruit professionals with required skills due to mismatch of fresh qualified professionals skills to experienced professionals skills or required skills of the organisation, during this sense the dearth of talent persists, in order that the main target of the organisations has shifted from —Numbers|| to —Quality|| and from

—Recruitment|| to —Retention||. But retention of high performing employees may be a challenge for many of the organisations, due to low job loyalty of employees towards their organisation, this has led to the increasing turnover rate rate. Retention of Human resource means creating an enormous picture of organisation as ‘Great place to work’ and facilitating opportunities for total learning, growth and wholesome development of individuals within the organisation, in its strive towards excellence and value creation through human capital. this is often accomplished by ensuring appropriate policies, tools, and techniques for max utilization and retention of competent Employees. But in recent days the requirements of Employees and goals/expectations of Organisations are mismatching, due to this mismatch most of



the organisations face high turnover rate rate. Organisations are struggling to arrest the ever increasing Employee Voluntary turnover rate; it has proven to be one of the most complex and costly human resource challenge confronted by several organisations (Ahuja& Sharma, 2013, p. 71), Manufacturing industries facing around 20% turnover rate. (Hay Group, 2013), Studies suggest that losing a talented employee in most organisations cost up to 4-5 times of his salary (Sharma, 2011, pp. 2-3), and also whenever employees leave, the organisation loses their hard won knowledge and purchased skills. When those employees attend a competitor, the loss is compounded. in order that this study tries to analyse this retention practices in Indian Manufacturing industries which face dearth of research, present study makes three important contributions to the literature of turnover rate and Retention. First during this study all the parameters related to Employee Retention were checked. Second, this study analyses the enormity of turnover rate, and third, provides suggestions to organisations to enhance a number of its strategic features to regulate turnover rate.

### Literature Review

In the year 2006, ArunaRanganathan of Cornell University, USA and SaroshKuruville of Cornell University, USA has done an in depth study on the factors the matter of high turnover within the automobile sector in India, where relatively well-educated employees are performing a spread of primarily low skill, low cost jobs. We highlight the varied approaches employers are taking to unravel the turnover problem. As we'll argue a number of these strategies are fairly traditional, that specialize in various instrumental incentives to market employee retention, while some others are new and rather radical, particularly the articulation of an organizational and work culture tailor-made for the actual demographic profile of dealer employees :young, upper bourgeoisie, welleducated graduates. supported anecdotal evidence and interviews with industry personnel. (a) the recent and rapid climb of the industry and therefore the

incontrovertible fact that firms are experimenting with an entire sort of retention strategies, and (b) the lack of firms to develop an integrated organizational culture that allows attention on both long run organizational performance ,as well as retention. within the year 2008, S Sudha, has done an in depth study on the factors involving the attrition in automobile dealers in India. consistent with her findings, among the listed problems one among the main hurdles the industry is facing is attrition. the businesses are finding it very hard to retain their employees. The organization should have constant touch with its employees to understand their satisfaction and dissatisfaction. within the year, 2012 K R SreeRekha, under the guidance of Dr.T.J.kamalanabhan has done an in depth study on the factors involving employee attrition in BPO in India. consistent with their findings from the research it had been found that In India over the past few years, the ITES/BPO sector has been growing in leaps and bounds. supported the gaps identified from the literature, the study seeks to look at the influence of the intervening variables like organizational commitment on turnover intentions of employees .Applying mediation multiple correlation technique, an empirical examination was conducted .The results supported 208 employees' responses from 5 organizations, indicated that antecedents of turnover within the conceptual model of this study were significantly related to turnover rate intention mediated by organizational commitment. Results of the mediated regression analyses found that organizational commitment may be a significant mediator between organizational justice, satisfaction and organizational support viz a viz turnover intentions. The findings suggest that organizations got to specialise in the way to foster commitment, enhance job satisfaction and to supply support to facilitate employee retention. Finally, the implications for organizational research, managerial practice and therefore the need for future research are discussed(Khobragade, Bhambulkar, &Chawda, 2022) .Most of the research on Employee Retention focuses on why



employees leave. Focusing only on leavers and reasons for leaving ignores something very powerful-why people stay. Staying employees are embedded with the organization; they need built some connections with the organisation. There are three sorts of connections: first Employees links with fellow employees, second Employees perfect fit their jobs and third one sacrifice. Each of those employees' connections could also be focused on the encompassing community (Patil, R. N., & Bhambulkar, A. V., 2020). Employees who have more links, a stronger sense of fit, and grater sacrifices related to leaving the community, they might even be less likely to quit when quitting would involve relocating out of the community. Organizations adopting —one size fits for all|| policy won't add this era. Most of the Indian manufacturing organizations neglect the first signs of Employees Turnover, most of the organisations don't have a separate, dedicated department or head associated with control turnover rate or head of Retention, it's considered one among the routine HR department work. a 3rd new perspective on Employee Retention suggests that the new motives that drive individual to quit could also be different than the explanations they supply after the choice has been made. The Forces model identifies eight distinct motivational forces that act because the direct motivators driving quit decisions (Essentials, 2006, pp. 61-65).

### **Methodology**

Historical research method has been used in the present study for evaluating literature pertaining time period of last five years (2012-2022). For the evaluation purpose of Employee Retention and turnover, the literature search was based on some HRM core books and mainly on electronic search using Google Scholar and J-Gate plus, the terms used in the search process included headers Human Resource Management with keywords such as, Employee Retention, Employee Turnover, Employee Attrition and Retention, Employees intention to leave organizations.

### **Data Collection**

The data for the study are collected by Survey method. The contact methods are Direct & Personal.

**Data Source** The data are collected from 2 main sources, i.e., Primary source and Secondary source.

#### **Primary source**

Here the data are collected by direct personal interview and indirect oral investigation. Interview was conducted with the HR manager of the Organization, and oral investigation was done with each Department's in-charge. Information was also collected by drafting a questionnaire which was distributed to the other employees of the Organization.

#### **Secondary source**

Here the data are collected from various books, brochures, Company's website, etc. Previous year's data which were stored in the Organization are also used for comparison and analysis.

### **Sampling plan**

#### **Type of population**

The type of universe selected in sample design is finite population.

#### **Sample unit**

The sample unit in this research is limited to the employees of the Organization.

#### **Sample size**

The size of the sample is i.e., in % of the population.

#### **Sampling method**

As the population is known, the sampling is done using Probability sampling and the sampling technique used is Stratified Random Sampling. The samples are selected from each department. Broadly there are departments in the organization. The sample consists of % of the population. The populations and selected samples of each department are as follows:

### **Research Instrument**

2143

The research instrument or tool used is Questionnaire.

**Questionnaire design** The questionnaire was prepared for the employees of the Company. A total of number of questions were included in each questionnaire. A well structured questionnaire was prepared which consist of both closed-ended and open-ended questions.

#### **Closed-ended questions**

The closed-ended questions cover the probable causes or factors which might directly or indirectly increase the rate of attrition and would lead towards employee's turnover. One of the questions was designed by using "Multiple item rating grid", where various statements indicating the factors of satisfaction was included and the respondents were required to indicate their satisfaction regarding each factor. They were also required to indicate the importance of each factor in relation to their job. The other questions were designed using the "5 point likert scale" and other rating scales like "Multiple-Choice, Multiple-Response scale (Checklist)" as well. The data used for this purpose were interval, nominal and ordinal data.

#### **Open-ended questions**

The open- ended question was designed which included suggestions from the employees. The data has been analyzed department wise. The frequencies and category percentages for each question has been determined for each department separately and then an overall analysis has been done by combining the data of the different departments. The visual display of data has been in the form of bar chart and pie diagram for each question. Weighted Average method: It is a method where the frequencies of the component items are multiplied by certain values (weights) and the aggregate of the products are divided by the total of weights.

**Conclusion and Suggestion** Improvement It is enviable for organisations to plan Employee

retention strategy which should cover following aspects

1. Identifying and prioritizing important key employees who present a current or future retention risk.
2. For each key retention group, clarify reasons for wanting to retain them.
3. Making the interviews with employees independently and keeping them confidential for best results.
4. Using the information that is collected to clear, quantifiable retention goals for each group of employees.

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