



A STUDY ON ATTRITION LEVEL IN PRIVATE INSURANCE COMPANIES WITH SPECIAL REFERENCE TO CHENNAI, TAMILNADU

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Abstract

Attrition is a critical issue and pretty high in the industry these days. It's the major problem which highlights in all the organizations. Though the term 'ATTRITION' is common, many would be at a loss to define what actually Attrition is, "Attrition is said to be the gradual reduction in the number of employees through retirement, resignation or death. It can also be said as Employee Turnover or Employee Defection" Whenever a well-trained and well-adapted employee leaves the organization, it creates a vacuum. So, the organization loses key skills, knowledge and business relationships. Modern managers and personnel administrators are greatly interested in reducing Attrition in the organization, in such a way that it will contribute to the maximum effectiveness, growth, and progress of the organization.

This study is an outcome of the topic called "A study on Attrition Level in Private Insurance companies". The study is undertaken at Chennai s area. The survey is carried out in the Private Insurance companies for a period of one month.

The main objectives of this study is to know the reasons, why attrition occurs, to identify the factors which make employees dissatisfy, to know the satisfactory level of employees towards their job and working conditions and to find the areas where Private Insurance companies is lagging behind.

Key Words: Attrition, Insurance Companies, Employee Dissatisfaction.

NEED FOR THE STUDY

- The success of any Service organization depends largely on the workers, the employees are considered as the backbone of Insurance companies
- The study was mainly undertaken to identify the level of employee's attitude, the dissatisfaction factors they face in the organization and for what reason they prefer to change their job. Once the levels of Employee's attitude are identified, it would be possible for the management to take necessary action to reduce attrition level. Since they are considered as backbone of the Company, their progression will lead to the success of the Company for the long run.
- This study can be helpful in knowing, why the employees prefer to change their job and which factors make employee dissatisfy.
- Since the study is critical issue, it is needed by the originations in order to asses the overall interest and the feelings of the employees towards their nature of job and organization.

REVIEW OF LITERATURE

Denvir and McMahon (1992) define labor turnover as "the movement of people into and out of employment within an organization" while Mobley (1982) defines turnover as "voluntary cessation of membership in an organization by an individual who receives monetary compensation for participating in that organization".

Forbes (1971) states that labor turnover means separation from an organization and included promotion, transfer or any other internal movement within the institution . Meaghan et al(2002) draws attention on controlling attrition , he states that the value of employees to an organization is a very crucial element in the success of the organization. He further states that this value is intangible and cannot easily be replicated, therefore, the managers should control attrition.

Mobley (1977) suggests a measure to predict attrition, he says that tenure of an employee is one of the best measures that can be used to predict turnover. Firth et al (2007) tries to find out the causes of attrition, he says that there are a range of factors that lead to job related stress, lack of commitment towards the organization and job dissatisfaction which cause employees to quit.

Griffeth et al. (2000) concludes that pay and pay-related variables have a significant effect on employee turnover. Hom & Griffeth (1995) state that several investigations in the past have revealed that organizational commitment and job satisfaction are crucial factors that influence turnover intention.



Wanous (1992) focuses on new employee attrition and says that new employees often leave the organization because their expectations are not met which results into a violation of their psychological contract resulting into turnover. Abassi et al (2000) conclude that there are other factors like inefficient and poor recruitment practices, style of management, lack of recognition, work place conditions, and a lack of competitive compensation system that cause employees to quit the organization.

Louis (1980) states that attrition takes place because new employees compare their actual experience with their past work experiences. Past work experience plays significant role in taking decision to quit in case the new worker's expectations are not met. Ongori (2007) focuses on stress as a cause of attrition; he says that the good workers in organization may tend to leave when they start experiencing signs of occupational stress. This turnover affects the organization adversely in increasing the recruitment and selection costs of the organization.

OBJECTIVES OF THE STUDY

- To know the satisfactory level of employees towards their job and working conditions.
- To identify the factors which make employees dissatisfy.
- To find the areas where Private Insurance companies is lagging behind.
- To know the reasons, why attrition occurs.

RESEARCH METHODOLOGY

The Research Design undertaken for the study is Descriptive one. Questionnaires are prepared and personal interview was conducted. The structured interview method was undertaken. The interview was conducted in English as well as in Tamil. Selective Sampling technique was adopted. In this method the researcher select those units of the population in the sample, which appear convenient to him or the management of the organization where he is conducting research.

Nearly 100 samples are taken from Private Insurance companies Statistical tools like Percentage method, Chi-square test, Correlation, Weighted average method and Analysis of variance (TWO-WAY ANOVA) are used for analysis

ANALYSIS & INTERPRETATION

Table 1-Classification of the Respondents based on their Satisfaction on APPRAISAL Process

S.no	Level of Attitude	No. of Respondents
1	Highly Satisfied (H.S)	10
2	Moderately Satisfied (M.S)	38
3	Neutral (N)	48
4	Moderately Dissatisfied (M.D)	04
5	Highly Dissatisfied (H.D)	0
Total		100

Table- 2, Classification of the Respondents based on their DISSATISFACTION FACTOR

S.no	Dissatisfaction Factor	No of Respondents	Percentage
1	Work Pressure (W.P)	18	18
2	Management Decisions (M.D)	12	12
3	Work Environment (W.E)	14	14
4	Pay Structure (P.S)	20	20
5	Others	36	36
Total		100	100

Friedman Test for organizational factors

Null hypothesis: There is no significant difference between various organizational factors in job attrition.



Table 3

	Mean Rank
Environment Problem	1.81
Autocratic management	2.44
Non-motivational	1.75

N	500
Chi Square	148.8
df	2
Asymp.sig	.000

Interpretation

Since significance < 5%, the null hypothesis is rejected. There is significance difference because autocratic management is a main cause of job attrition.

Friedman Test for job related factors

Null hypothesis: There is no significant difference between various job related factors in job attrition.

Table 4

	Mean Rank
Job dissatisfaction	3.52
Work stress	4.84
Target pressure	5.24
Non-adjustability	4.24
No Role clarity	4.28
Monotonous job	5.71

N	500
Chi Square	324.1
df	7
Asymp.sig	.000

Interpretation

Since significance < 5%, the null hypothesis is rejected. There is significance difference because Target pressure, Monotonous job and Work stress are main cause of job attrition

**NALYSIS USING CHI-SQUARE TEST- t2
FREEDOM TO CONVEY PROBLEMS TO TOP-LEVEL**

Vs

CONSIDERATIONS FOR EMPLOYEE CREATIVITY

Null Hypothesis

There is no any significance difference between Freedom to convey problems and Considerations for employee creativity factors.

Table 5, Observed Count

S.no	Freedom to Convey problems		Yes	No	Total
	Employee Creativity				
1	Yes		33	02	35
2	No		06	09	15
Total			39	11	50

Source: Primary Data

Computation Of Chi-Square (t2)

Table No: 5.1

S.No	O	E	(O-E)	(O-E) ²	(O-E) ² /E
1	33	27.3	5.7	32.49	1.19
2	2	7.7	-5.7	-32.49	4.22
3	6	11.7	-5.7	-32.49	2.78
4	9	3.3	5.7	32.49	9.84
TOTAL					18.03

Source: Primary Data



The calculated value is 18.03

Degree of freedom = $(R-1)(C-1) = (2-1)(2-1)$
 $= 1$

Level of significance = 5%

Table value 1 of DGF and 5% level of significance = 3.854

$18.03 > 3.854$ - Calculated Value is greater than Tabulated Value

Hence, Null hypothesis is rejected.

INFERENCE

Thus Chi-Square test infers that there is significance difference regarding Freedom to convey problems and Considerations for employee creativity factors.

FINDINGS

1. Employee and Employer feel autocratic management is main cause for organizational related problems for job attrition.
2. Employee feels Target pressure, Monotonous job and Work stress are main cause of job related problems for job attrition.
3. Employer feels Monotonous job, Target pressure and No Freedom to upgrade are main cause of job related problems for job attrition.
4. Employee feels recognition and job imparity are main cause of HR related problem for job attrition
5. Employer feels recognition and Career hurdle are main cause of HR related problem for job attrition.
6. Employee and Employer feel Gap personal – work is main cause for family related problems for job attrition.

CONCLUSION

In this research work, Researcher have examined the reasons of attrition in insurance sector. Researcher is concerned to show the factors what the employees consider the reasons to ascertain the Quality of Work Life in this process. Researcher have collected primary data from the employees of different insurance companies and examined. All the attributes have highest value with their corresponding factors. From the above discussion, Researcher can conclude that attrition is a common phenomenon in any industry, especially in insurance industry. People are less aware of the facts of insurance as many of the people think it is an expenses rather than investment. Resulting, employees face a great difficulty to sustain the job. If we consider the factors which is related to the quality of work life, in that case Degree of employment conditions are one of the curtail factor for attrition. If we consider degree of equitable reward, then those who work or able to fulfill their target, get handsome money as incentives. Full time employees get salary plus incentives and part time employees get only incentives. It is somehow frustrating for the part time sales personnel for their future benefits, as company does not contribute anything in that part. Trust between the colleagues is not from within as all of them are trying to fulfill their objective. Insurance Company can recruit more part time employee and reduce the target or distribute the target among them, then it will be an excellent opportunity to all part time and full time employee to fulfill their target and the attrition rate will be reduced.

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