

# The Role of Human Resource Management in Employee Attrition amongst New Recruits

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**ABSTRACT:**The Human Resource Department plays a crucial role in the organization. It includes a diversified range of processes like recruitment, selection, training and development, compensation and payroll, employee engagement and so on. The effectiveness of this diversification helps in determining the success or failure of the organization. It helps in building a collective goal and a work culture among employees that strives hard to meet it. It also provides the requisite training and development opportunities to employees which upgrade them with the required skills thereby preparing them to be a player in this competitive market.

One of the most important roles performed by this department is Recruitment and Selection. It is an expensive and a time-consuming process which basically involves hiring right talent among the pool of candidates and appointing them the job responsibilities according to job description and job specifications. In this process, the HR Department deals with millions of potential candidates who are eagerly looking out for employment opportunities. And amidst this stands out the new recruits who are the face of the changing times.

New Recruits or commonly known as Fresher are the “spirit” of any organization. They bring with them an unmatched energy which is a refresher to the monotony. Innovation and Enthusiasm are adjectives that can be used to describe these young talents. They are quick learners and have the innate ability to mold according to the different situations and circumstances that crop up while working in a firm. They expect their organizations to recognize their contribution towards fulfillment of the collective goals and objectives. And when these young talents get the feeling that the organization is not standing as per their expectations, and then an increase in the rate of Employee Attrition is observed. Employee Attrition has been a challenge for every organization and it is the responsibility of the HR department to keep a control on this growing rate by identifying the various causes or reasons for attrition.

Hence the main purpose of this research is to analyze the role of HRM in employee attrition

amongst new recruits. The survey was done amongst the salaried/employed people of different age groups at different levels of employment in order to examine the most probable reasons of Employee Attrition which includes staggered career growth, underutilization of skills and competencies, lack of job satisfaction and so on. The main causes of attrition were identified and suggestions for solving these problems were also provided.

**Keywords:** Human Resource Management, New Recruits, Employee Attrition, HR

### I. INTRODUCTION:

Globalization has led to immense changes in different arenas of business and commerce. Recruitment is not an exception to this change. Today’s market demands a competent workforce in order to survive in this cut throat competitive global market. Various organizations are implementing new methods of recruitment and selection in order to create a pool of qualified employees. The entire process of attracting and deploying the right type of talent at the right place is quite challenging, time consuming and a strenuous job. As a result, organizations are able to achieve their set goals and objectives.

Not only recruitment but also retention of employees is a crucial element for fulfillment of the firm’s objectives. Most of the organizations have an effective and efficient recruitment and selection process but fail to retain such new talents. One of the greatest challenges of all the times which are faced by an organization is Employee Attrition.

Employee Attrition can be termed as the downsizing of the workforce in the organization due to unavoidable circumstances for example; resignation of an employee. Attrition is most commonly found amongst the new recruits and hence termed as “new hire turnover.” About 20% of the new recruits leave within the first 45 days of employment. There are many reasons due to which an employee leaves an organization.

New recruits may leave their job if they find out any discrepancies in their job description.

For example changes in the working hours, benefits and pay rates. Weak Leadership also plays a predominant role in employee attrition when managers lack the ability to take the entire team together and demonstrate poor leadership skills. In organizations, where managers behave like dictators and do not acknowledge the opinions and perspectives of their potential employees are most likely to lose such employees. New recruits expect that their opinions and creativity should be utilized to the fullest.

Lack of proper training to the employees also leads to employee attrition. Training provides the tools to succeed in the organization. It involves describing the ways of working and the various procedures involved in day to day administration of the firm. Deficit career planning which focuses on fulfilling the company's needs and not on career growth of the employee leads to employee attrition. Other factors include a hostile work environment, falling market prices of the company and so on.

Increase in pay scale is another predominant reason for employee attrition. India is the only country in the Asia Pacific region which has the highest projected salary increase. The average projected salary increase in 2020 is 9.1 percent which is almost thrice that of inflation. India has been promising better salary growth vis-a-vis inflation unlike other countries which have been discussing increase in salary for a long period of time in spite of their growth rate to be comparatively lower than their inflation rate. One such country is Egypt where GDP is at 5.9 percent and inflation rate is 13.9 percent. Although India is a country which has been providing a lucrative remuneration yet the voluntary attrition rate in 2019 had been 13.5 percent and involuntary attrition rate had been 3.6 percent.

Survival of an organization becomes difficult if performing employees quit. Here, the HR department plays a massive role in controlling the attrition. It tries its level best to retain the valuable employees who work for the betterment of the organization. It is very important for an organization to know these reasons, which can help them to implement the required changes thereby encouraging the employees to be a part of the organization.

Hence the purpose of this research paper is to understand the role of human resource management on employee attrition among new recruits and suggest various measures to curb this attrition.

## II. LITERATURE REVIEW:

In today's competitive business world, success and failure is highly dependent on the

employees in the organization. These employees bring with them knowledge, skills and abilities which are needed for running a business smoothly and efficiently. The competitive business world need to constantly devise new methods of retaining these skilled employees where the role of human resources management is of crucial importance.

Studies have explained the various causes of employee attrition. (Sarabjeet Kaur, 2016) believes that today's era of globalisation had led to an immense inflow of opportunities for different types of people in the world. This had led to employees moving from one organization to another. Corporates have been facing the problem of attrition all over the globe. A high degree of employee turnover is detrimental and managing the workforce is a challenge for the managers. This study has been focusing on the attrition and retention of employees in the retail industry. Job Satisfaction is considered to be a major source of attrition or retention apart from the other factors which are lucrative incentives and motivational speeches. (James M. J., 2013) described the huge economic impact caused by employee attrition on the Business Process Outsourcing (BPO) organizations located in Karnataka and Kerala. The study addressed the high attrition rate by identifying the factors that led to high employee attrition. By using factor analysis 13 factors were identified that led to high employee attrition and one of the factors that emerged as the most crucial factor that affected high attrition in the above stated sector was employee's salary.

(PriyankoGuchait, 2010) investigated the impact of human resource management practices on intention to leave by the employees and examined its effect for a service based organization in India. The study took a different approach by interpreting from an employee's view point. The results were organizations should focus on employees' perspectives about the HR policies and also provide them a friendly work environment. Also (Dr. Shivani Mishra, 2013) had conducted a study to understand the attrition and retention in various shipping industries of Kutch, Gujarat. The reasons for attrition were various human resource practices and other traits like employee characteristics, environmental factors, employee mobility, etc. which led to a positive or a negative impact on the intention of the employee to be associated with the organization. (Victor Y. Haines III, 2010 ) tested the influence of the thirteen human resource practices on the voluntary turnover rates on the workers of Canadian industries. It was found that employers which provided training were characterized by higher employee turnover and the

internal labor markets and formal dispute resolution procedures are associated with lower turnover. Predictions state that some human resource practices reduce an employee's work desire and some increase their desire to be a part of the organization.

Candidates are selected on the basis of their academic and professional qualifications and are promised to be given a job role where their talent will be fully utilized and they can contribute for the betterment of the organization. But once they have joined, they are assigned roles where the opportunity for showcasing talent is largely absent. This is prevalent during campus interviews where new entrants join the organization for gaining experience but are reduced to working in those job roles where hardly their talents are utilized. This discourages them and they seek for better opportunities. Thereby, leading to employee attrition. (Lobo, 2019) explained employee selection also has an impact on attrition rate. Hiring employees who are not suitable for the job profile in order to curb the growing rate of attrition will hamper the company culture. It can also damage the organization's image since the employee will be a misfit for the job role or title and also showcase desperation for bandwidth. Another common reason is when team leaders expect employees to stay overtime and work in order to handle the economic pressures. This leads to an imbalance in work and personal life. Thereby, providing the employee a reason to leave the organization.

(Morris, 2018) explained the report by Global Talent Monitor. It states that the lack of future career development has been a key reason for employee attrition. The financial crisis of 2008 had led to removal of the middle layers of management which led to fewer opportunities of internal promotion. If employees do not foresee a bright future with the organization, then they are most likely to look for something else. It is the responsibility of the HR department to pay close attention to employee dissatisfaction that is associated with career development to prevent further drop in workforce and attrition. (Brijesh Kishore Goswami, 2012) identified the main factors of employee attrition. Organizational politics, peer support and supervisor's rudeness were the main factors that led to employee attrition. These three were tested and it was concluded that organizational politics and supervisor's rudeness had a direct proportion with employee dissatisfaction. Whereas, the support from peers was inversely proportional with the intention of leaving the organization. Controlling the politics at

the organization is difficult but better peer to peer connect and an emotionally stable management can hold the attrition. Also improved communication at the workplace can lead to happy and satisfied employees. (Dr. NamitaRath, 2019)

Increasing attrition levels across various businesses are a proof of the lack of HR practitioner's ability to devise new retention strategies. The trick in managing attrition lies in having sound HRM practices. Acquiring a skilled workforce is not just enough but also retaining them is a challenge and it requires a lot of efforts. Losing such trained and knowledgeable employees can prove to be detrimental to the company. Hence, organizational planning should take place by due emphasis on employee attrition. People play a prominent role in the organization. They not only fulfill the tasks assigned to them but also have dreams and hopes when they are a part of the firm. It is the responsibility of the organization to create a working environment which will help to accomplish their goals and objectives thereby making them feel to be an essential part of the organization.

#### **Research Gap:**

Employee Attrition is extremely expensive to the organization. Research has been done in order to identify the various causes of employee attrition amongst the employees. These causes include lack of Job Satisfaction, low remuneration and so on. Studies have discussed how human resource management is responsible for employee attrition. It also states the various reasons that leads to employee attrition for example; lack of training and development and lack of future career development. But studies have not ventured into the reasons of employee attrition amongst freshers. These employees would later in future turn out to the leaders of the organization. Also nothing much has been spoken about the role of human resource management in causing employee attrition among new recruits.

#### **Research Objective:**

The main objective of this research paper is to determine the role of Human Resource Management in employee attrition among new recruits and provide solutions to curb this growing employee attrition.

#### **Research Methodology:**

The methodology used for this research paper is primary data collection. The data was collected through a questionnaire and was analyzed by using PSPP Statistical Software. Different

parameters which are age, number of job switches, utilization of competencies, welcoming feedbacks and suggestions, open door policy, grievances solved, and flexibility of HR policies were tabulated and analyzed for deriving the results.

**Data Analysis:**

**1) Age Composition of the Respondents**

The data was collected from age groups less than 21 years, between 22-25, between 26-32 and groups 33years and above. The data obtained showed that the maximum respondents belonged to the age group of 33 and above which accounts for 63.81% of the total data collected.

**Figure 1**

Age					
Value Label	Value	Frequency	Percent	Valid Percent	Cum Percent
	33 and above	67	63.81	63.81	63.81
	Between 22 - 25	13	12.38	12.38	76.19
	Between 26 - 32	25	23.81	23.81	100.00
<i>Total</i>		105	100.0	100.0	

**2) Number of Job Switches done in the service tenure**

The data below shows the total number of job switches done by the respondents in their career. It is observed that 25.71% of the people

have not changed their jobs and are continuing with it. Whereas people who have switched their jobs maximum, have done it for at least three times as it accounts for 19.05% of the total.

**Figure 2**

JobSwitches					
Value Label	Value	Frequency	Percent	Valid Percent	Cum Percent
	1	14	13.33	13.33	13.33
	2	13	12.38	12.38	25.71
	3	20	19.05	19.05	44.76
	4	17	16.19	16.19	60.95
	5	6	5.71	5.71	66.67
	6	6	5.71	5.71	72.38
	7	2	1.90	1.90	74.29
	N/A	27	25.71	25.71	100.00
<i>Total</i>		105	100.0	100.0	

**3) Utilization of competencies and skills as per the job profile**

Amongst the respondents, 16.19% feel that their competencies are not utilized according to their job

type whereas 20% are not sure if their skills and competencies are being utilized to the fullest.

Figure 3

Competencies					
Value Label	Value	Frequency	Percent	Valid Percent	Cum Percent
	Maybe	21	20.00	20.00	20.00
	No	17	16.19	16.19	36.19
	Yes	67	63.81	63.81	100.00
<i>Total</i>		105	100.0	100.0	

4) Welcoming feedbacks and suggestions of the employees by the organization  
 More than 40% of the respondents felt that their organization sometimes welcomed organizational

feedbacks and suggestions and around 4% felt that their organization never welcomed feedbacks and suggestions.

Figure 4

Feedbacks					
Value Label	Value	Frequency	Percent	Valid Percent	Cum Percent
	Frequently	52	49.52	49.52	49.52
	Never	5	4.76	4.76	54.29
	Sometimes	48	45.71	45.71	100.00
<i>Total</i>		105	100.0	100.0	

5) Presence of Open Door Policy for addressing grievances and complaints and Number of grievances addressed under the policy  
 The data given below shows that although 80% of the respondent's organizations follow an

open door policy whereas 20% do not follow. It is observed that 75.24% of respondent's grievances are solved.

Figure 5

OpenDoorPolicy					
Value Label	Value	Frequency	Percent	Valid Percent	Cum Percent
	No	21	20.00	20.00	20.00
	Yes	84	80.00	80.00	100.00
<i>Total</i>		105	100.0	100.0	

  

GrievancesAddressed					
Value Label	Value	Frequency	Percent	Valid Percent	Cum Percent
	No	26	24.76	24.76	24.76
	Yes	79	75.24	75.24	100.00
<i>Total</i>		105	100.0	100.0	



6) Flexibility of the organization with regard to its HR Policies  
 From the table given below, only 21.9% of the respondents are highly satisfied by the flexibility of

the HR policies whereas 35.24% of the people felt partly satisfied by the flexibility in HR policies.

Figure 6

HR Policies					
Value Label	Value	Frequency	Percent	Valid Percent	Cum Percent
Least Satisfying	1.0	4	3.81	3.81	3.81
Less Satisfying	2.0	12	11.43	11.43	15.24
Neutral	3.0	37	35.24	35.24	50.48
Satisfying	4.0	29	27.62	27.62	78.10
Highly Satisfying	5.0	23	21.90	21.90	100.00
<i>Total</i>		105	100.0	100.0	

**III. DISCUSSIONS:**

The sample size of 106 respondents consisted of 56 male and 50 female respondents. They belonged to different organizations with different job roles at different job levels which involved the lower, middle and upper level of management. The study covered people from different age groups which helped in understanding the recurrent causes of employee attrition amongst new recruits. Also the survey conducted paid due emphasis on the role of human resource management in the areas of the flexibility of the HR policies, competencies utilized, job satisfaction and so on which played a leading role in employee attrition.

**IV. CONCLUSION:**

The Human Resource department is one of the most important departments of the organization. It is the crux of any organization. It performs the primary function of recruiting the right candidate and assigning them the appropriate job role which helps in determining the performance and productivity of the firm.

(businessstopia, 2018) stated Human Resource Management to be a modern approach of handling human capital. It mainly focuses on acquisition, development, utilization and maintenance of human capital. It is a development oriented process. It covers all the levels of management and provides support to the employees in terms of employee engagement, development, performance and growth. It also plays a vital role by supervising the quality of work which is assigned to the employees in the organization. Due to these reasons companies prefer human resource management than personnel management.

In spite of these advantages, this department had been indirectly contributing to the increase in the attrition rate amongst new recruits. New recruits bring with them a pool of new ideas and thoughts. They possess disaster management skills and out of box thinking. When this thought process meets the rich experience of the existing employers, a new roadmap can be developed for the organization which can act as a catalyst to venture into new arenas in the economy. They expect the organization to respect and acknowledge their contribution towards the achievement of goals and objectives of the organization. When the reality does not match the expectations, then a disturbance between the relationship of an employer and an employee is observed. This disturbance if not solved amicably, can lead to conflicts and ultimately compel the new recruit to leave the organization and look out for better prospects, thereby leading to an increase in employee attrition.

The study, therefore, highlights the major factors that could cause employee attrition in the organizations which are lack of flexibility in the organization and underutilization of the skills and competencies of the employees. The HR department should take conscious efforts to bring about the required changes in the policies of the organization. These changes should not only be employee centric but also profit driven. A fine balance should be ensured between the two else the companies can face several losses in terms of monetary and human capital. Also the employees should be given roles and responsibilities that would ensure optimum utilization of their skills and abilities. Proper training and development initiatives should be undertaken time to time for fine tuning the skills of the employees and to be in

pace with the changing market trends and requirements.

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### Appendix: Questionnaire

#### Understanding Employee Attrition among new recruits

The objective of this study is to analyze the various factors related to human resource management that lead to employee attrition among new recruits and also suggest the various measures to tackle it. This study is only meant for educational purposes and the data collected would be highly confidential.

\*Attrition can be termed as the process in which employees leave the organization because of unavoidable circumstances.

\*\*This questionnaire is to be filled by employed and salaried people only. School and College students are not permitted to fill this questionnaire.

Name:

Short answer text

Gender \*

- Female
- Male
- Prefer not to say

Age \*

- Less than 21
- Between 22 - 25
- Between 26 - 32
- 33 and above

Role in the organization: \*

Short answer text

Service Tenure: \*

- Less than 1 year
- Between 1 - 3 years
- Between 3 - 5 years
- 5 years and more

Please mention the number of Job switches done in your career. If none, then please type "N/A" \*

Short answer text

Are your competencies and skills fully utilized according to your job profile? \*

- Yes
- No
- Maybe

Does your organization welcomes feedbacks and suggestions from the employees? \*

- Frequently
- Sometimes
- Never

In case of grievances and complaints, does your organization follow an open-door policy? \*

- Yes
- No

Were your grievances addressed? \*

- Yes
- No



Does your immediate reporting authority acknowledge your contribution towards the organization? \*

Yes

No

Rate the flexibility of your organization with regards to its HR policies. \*

Least Satisfying      1      2      3      4      5      Highly satisfying

                      

Rate yourself with regards to your work-life balance. \*

Lowest      1      2      3      4      5      Highest

                      

Rate your overall experience with your organization. \*

Least Satisfying      1      2      3      4      5      Most Satisfying

                      

Rate your willingness to continue working with the same organization? \*

Least Likely      1      2      3      4      5      Most Likely

                      

If you are not willing to continue, then what is the most probable reason for not continuing? \*

Self Development

Better Job Opportunities

Lack of Job Satisfaction

Lack of Job Security

Other...