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### Employee Attrition in Automobile Dealerships: A Comprehensive Descriptive Study

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#### Abstract:

**Purpose:** The purpose of this study is to identify the most influential factors of employee attrition in automobile dealerships. The study aims to understand the causes of attrition and propose suitable measures to tackle this problem. By conducting a descriptive research design and using a sample size of 285 employees from private automobile dealerships having five units, the study seeks to provide insights into the factors contributing to attrition in this industry.

**Methods:** The study utilizes a questionnaire as the primary data collection tool. The questionnaire is distributed among the selected sample of 285 employees, representing a population size of 400. Statistical analysis techniques such as ANOVA (Analysis of Variance), multiple regression, and correlation are employed to analyze the data.

**Results:** The findings from the ANOVA analysis reveal the relationship between attrition factors and the demographic profile of employees in automobile dealerships. The multiple regression analysis demonstrates that remuneration and engagement activities significantly influence employee satisfaction. Moreover, when considering employee attrition as the dependent variable in the regression analysis, working conditions and employee satisfaction emerge as highly influential factors. The correlation analysis indicates that remuneration and engagement activities contribute to employee satisfaction, which, in turn, affects attrition.

**Conclusion:** It is concluded that meeting employee expectations, collecting feedback, addressing remuneration issues, and providing engaging activities are crucial for effective retention strategies. Creating favorable working conditions and fostering a positive work environment in automobile dealerships reduces attrition rates. These insights guide organizations in retaining employees and improving workforce stability.

#### Keywords:

Automobile Dealerships, Attrition Factors, Employee Satisfaction, Retention Strategies

## **I. Introduction**

The human resource department plays a crucial role in managing employees within an organization, overseeing their entire life cycle from recruitment to termination. This department faces numerous challenges, encompassing recruitment, training, employee engagement, compensation and benefits, employee health and well-being, and promoting diversity, equity, inclusion, and belonging (DEIB). The HR department's ability to address these challenges directly influences employee retention in the organization, making employee attrition a central problem for HR managers to address. Employee attrition refers to the departure of employees from an organization, and it is a persistent challenge faced by businesses across various industries, including the automobile sector. The significance of employees in the success of an organization cannot be overstated. When individual needs are not met, employees may seek opportunities in rival firms, leading to attrition. This exodus of skilled and experienced employees can have severe repercussions in the automobile industry, such as decreased productivity, higher recruitment and training costs, and diminished customer satisfaction. To ensure long-term success, organizations must understand the factors contributing to employee attrition in the automobile sector and develop effective strategies for talent retention. A higher attrition rate can significantly impact the overall performance of the organization, leading to prolonged periods of recruitment and training to fill vacant positions, which in turn incur additional expenses. Retaining employees who are contemplating leaving the organization poses a difficult task for HR managers. However, by predicting the primary reasons contributing to employee departure, organizations can identify feasible solutions to keep employees engaged and satisfied, thereby reducing attrition rates.

By focusing specifically on the automobile sector, the study provides industry-specific insights into the factors that contribute to employee attrition. This knowledge is crucial for organizations operating in the sector, as it allows them to understand the unique challenges they face and tailor their retention strategies accordingly. Employee attrition can result in significant costs for organizations, including recruitment expenses, training costs, and the loss of institutional knowledge. By identifying the factors that drive attrition, the study enables organizations to implement targeted measures to reduce turnover, thereby saving costs associated with employee replacement. Attracting and retaining top talent is crucial for the success and competitiveness of organizations in the automobile sector. The study's findings can help organizations develop effective retention strategies that address the identified attrition factors. By implementing these strategies, organizations can create a supportive work environment, enhance job satisfaction, and provide career development opportunities that will attract and retain skilled employees. Employee attrition can have a detrimental impact on organizational performance, productivity, and customer satisfaction. By understanding the factors that contribute to attrition and taking proactive measures to address them, organizations can create a more stable and engaged workforce. This, in turn, can lead to improved productivity, higher customer satisfaction levels, and overall enhanced organizational performance. In a highly competitive industry like the automobile sector,

organizations must attract and retain top talent to stay ahead of the competition. By conducting research on factors affecting employee attrition, organizations can gain a competitive edge by implementing strategies that create a positive work environment and foster employee loyalty. This, in turn, can help organizations differentiate themselves and attract the best employees in the market. The research study contributes to the existing body of knowledge on employee attrition, specifically within the automobile sector. It adds to the understanding of the underlying causes of attrition and provides insights into the relationship between attrition factors, job satisfaction, and retention strategies. This knowledge can serve as a foundation for future research and inform further studies on talent retention in the sector.

Nevertheless, the research study on factors affecting employee attrition in the automobile sector holds significant importance for organizations operating in the industry. By providing industry-specific insights, enabling cost reduction, supporting talent retention efforts, improving organizational performance, enhancing competitiveness, and expanding knowledge in the field, this research study offers valuable contributions to the field of human resource management and organizational development within the automobile sector.

Research has shown that employee turnover in the automobile industry can have far-reaching implications. A study by Smith and Johnson (2019) found that high attrition rates led to a significant decline in productivity, resulting in financial losses for companies. Additionally, a report by the Society for Human Resource Management (SHRM, 2021) highlighted the importance of addressing employee well-being and DEIB initiatives to reduce attrition rates and foster a more inclusive work environment. Hence, the human resource department holds a pivotal position in managing employees and addressing the challenges associated with employee attrition in the automobile sector. By identifying and understanding the contributing factors to attrition, organizations can develop tailored strategies to retain talent, ensuring long-term success, and minimizing financial and operational implications caused by high turnover rates. Prioritizing employee engagement, well-being, and inclusion initiatives are key components to curbing attrition and creating a thriving work environment.

## **II. Review of Literature**

Dr. Kiran Reddy and Gourav Koundal (2023) discovered that there is no existing system in place to address employee grievances, resulting in the neglect of employee suggestions. This lack of consideration leads employees to quit the organization. In their research, Dr. Neena PC, Dr. Dinesh N, and Dr. Vinayak Anil Bhat (2023) gave a summary of employee retention tactics and how they affect staff turnover. They found that employees, who feel trusted, respected, fairly compensated, and given opportunities to use their skills tend to stay with their organizations for the long term. Dr. Roopa Temkar V and Dr. Shilpi Kulshrestha (2023) conducted an empirical study on attrition and its causes among B-school faculty members in Bangalore. They concluded that innovative retention strategies such as professional opportunities, training, and interaction with senior management and industry experts,

*Dr. Nithya N / Afr.J.Bio.Sc. 6(10) (2024)*

increased responsibilities, and fast-track promotions for high-potential employees can help retain faculty members. Kumar (2022) concluded that employees prefer organizations that offer career development opportunities and competitive compensation packages. Donkor et al. (2022) recommended adopting a transformational leadership style to build trust and minimize turnover intentions in governmental organizations. Kariveda (2022) emphasized the importance of welcoming, trustworthy, and culturally rich management for employee retention. Dr. Shaik Mahaboob Syed (2022) conducted a study on factors influencing employee attrition rates in the IT sector, specifically focusing on women employees' perspectives. They found that positive attitudes towards work, greater affection towards the organization, and work-life balance were significant factors in reducing turnover intentions. Ilakkiya T (2022) suggests that by implementing the provided recommendations, the company can improve its overall performance and enhance employee relationships. Following the suggestions can lead to positive outcomes in the future. Konig CJ, Richter M. & Isak I (2021) Exit interviews serve as a valuable mechanism to minimize complaints from departing employees regarding their previous employer and to foster enduring commitment. AI-Suraihi et al. (2021) emphasized the negative impact of attrition on organizational performance, productivity, sustainability, competitiveness, and profitability. Yucel (2021) found that transformational leaders can motivate employee performance and decrease turnover intentions. Jung et al. (2021) recommended focusing on employee engagement to reduce turnover by addressing perceptions of job insecurity. Tandon et al. (2020) concluded that organizations with a positive culture, good working conditions, and opportunities for career growth experience less attrition and higher employee morale. K.C. Rajashree and R. Subathra (2020) identified the pull and push effects as the fundamental causes of attrition, leading to unnecessary expenditure on nurse turnover. Taye and Getnet (2020) highlighted labor market demand, limited career development opportunities, lack of participation in decision-making, low work culture, and heavy workloads as the main causes of employee attrition. Kaur and Padmanabhan (2019) looked into the workplace factors that contribute to employee discontent and attrition. Priya et al. (2019) focused on the problems faced by BPO employees and employers, aiming to describe the state of affairs and provide an understanding of the challenges. Studying attrition at public and private institutions in the Gambia, Kaneth and Gibba (2018) found that possibilities for professional progression, insufficient compensation packages, and career growth are key contributing reasons. Bhargav and Mehra (2018) reviewed the literature on employee attrition and suggested retention strategies for reducing attrition rates in BPOs. Devi and Umadevi (2018) used mining algorithms to interpret employee attrition rates, with Naïve Bayes performing the best among the analyzed algorithms. The reasons for attrition among IT workers vary, according to Rungta and Rao's (2018) research, depending on criteria like age, gender, education, marital status, qualification, and designation. Dobhal and Nigam (2018) looked at how HR procedures affected employee attrition in Indian defence PSUs. Loganathan and Ashwini (2017) emphasized the importance of reducing attrition to maximize organizational effectiveness, growth, and progress. According to Bhokare, Madhale, and Rajput (2017),

common reasons for hospital attrition include high compensation demands, new job offers, and intentions for further education. Mathimaran and Kumar (2017) found that certain variables influenced employees' decisions to stay or leave an organization. Lavanya (2017) studied employee attrition in the software industry, highlighting its inevitability and the potential for management. Wani and Sarode (2017) discussed the numerous career options available to employees in the hospitality industry, which can contribute to attrition. Sreenivas (2017) emphasized the costs associated with unstable working conditions, such as recruitment, training, overtime, and supervision. Uma Maheshwari and Krishnan (2016) investigated the role of variables on organizational commitment and retention and discovered that organizational commitment affected employee retention. Buragohain (2016) explored the causes of employee turnover in automobile dealerships and suggested measures to control attrition. Srividhya and Venkatesh (2016) studied the factors contributing to attrition levels in companies, highlighting the importance of recognition and appropriate compensation packages. Dr K Malar Mathi and G Malathi (2015) identified differences in opinions between employees and employers regarding HR and job-related issues, suggesting that addressing these differences can reduce attrition rates and improve employee attitudes. Janani (2014) concluded that the IT sector, including top companies, faces attrition due to various factors, with compensation packages being a significant concern. Vidya Sunil Kadam and Thakar (2014) identified dissatisfaction with pay, career, packages, and relationships with superiors as reasons for increased attrition rates. LichiaYiu and Raymond Saner (2014) found that the relationship with immediate supervisors played a significant role in attrition rates. Lavanya Latha (2013) conducted a study on employee attrition in manufacturing industries in the Nellore District, Andhra Pradesh, and identified significant differences based on age, educational qualification, and experience. Kumar Dhal and Nayak (2013) studied the causes of employee turnover in BPO companies in Bhubaneswar and proposed strategies to control attrition. Vibha Gupta (2013) emphasized the importance of balanced work, recognition, growth opportunities, and supportive leadership in reducing attrition rates. Savneet Kaur (2013) concluded that there is no universal attrition management solution and organizations should focus on addressing individual and organizational needs. Suresh P and Akbar Mohideen M (2012) found positive opinions on attrition strategies followed in car companies in Chennai. Prabhjot Kaur Mahal (2012) highlighted the role of HR practices in improving employee commitment and reducing attrition. Sitansu Panda (2010) identified factors such as candidate suitability, adjustment to the work environment, and acceptance by fellow employees as crucial for organizational success.

### **2.1. Research Gap:**

There are many pieces of research on employee attrition. Most of the studies were conducted in the information technology (IT) sector, healthcare industries, say hospitals, and BPOs. Only some studies were based on the institutions, banking, and manufacturing sectors. But very few studies were available in the automobile industry, especially in the automobile dealership, which is countable. Those studies find ways to control attrition in automobile

*Dr. Nithya N / Afr.J.Bio.Sc. 6(10) (2024)*

dealerships. Especially studies still need to be done to identify the factors influencing employee attrition in automobile dealerships. Hence the study fills the research gap by analyzing the factors affecting employee attrition in dealerships.

## **2.2. Research objectives:**

The objectives of the study are as follows,

- To identify the factors that contributes most to employee attrition in automobile dealerships.
- To find the association between the demographic profiles of the respondents in perceiving the employee attrition factors.
- To find the degree of relationship between the factors of employee attrition.
- To identify the most influencing factor of employee attrition and Satisfaction and Morale in employee perspective.

## **III. Materials and Methods**

The research design used in this study is descriptive (Nithya, Kiruthika and Dhanaprakash 2022) , aiming to identify the factors contributing to employee attrition. It utilizes a structured questionnaire as the research instrument to collect primary data. The questionnaire includes both closed-ended questions, which use a 5-point Likert scale to measure the influence of various attrition factors, and open-ended questions to gather suggestions from employees.

The sampling technique employed is Stratified Random Sampling, a type of Probability sampling. This ensures that the sample represents different segments or strata of the population, providing a more accurate representation of the entire population. The survey was conducted using Google Forms, and 285 samples were collected from employees of private automobile dealerships with five units.

For data analysis, several tools were employed. Firstly, reliability analysis, The Cronbach's alpha coefficient, in particular, was utilized to examine the internal homogeneity of the questionnaire items. Descriptive statistics were then utilized to summarize and present the data, providing an overview of the respondents' perceptions and experiences regarding employee attrition.

To further analyze the data, one-way Analysis of Variance (ANOVA) was conducted to determine if there were significant differences in attrition factors across different demographic groups or organizational characteristics. Multiple regression analysis was employed to examine the relationships between the identified attrition factors and employee turnover intentions, providing insights into the factors that have the most significant impact.

Finally, correlation analysis was used to explore the relationships between different attrition factors, allowing for a deeper understanding of the interdependencies among these variables.

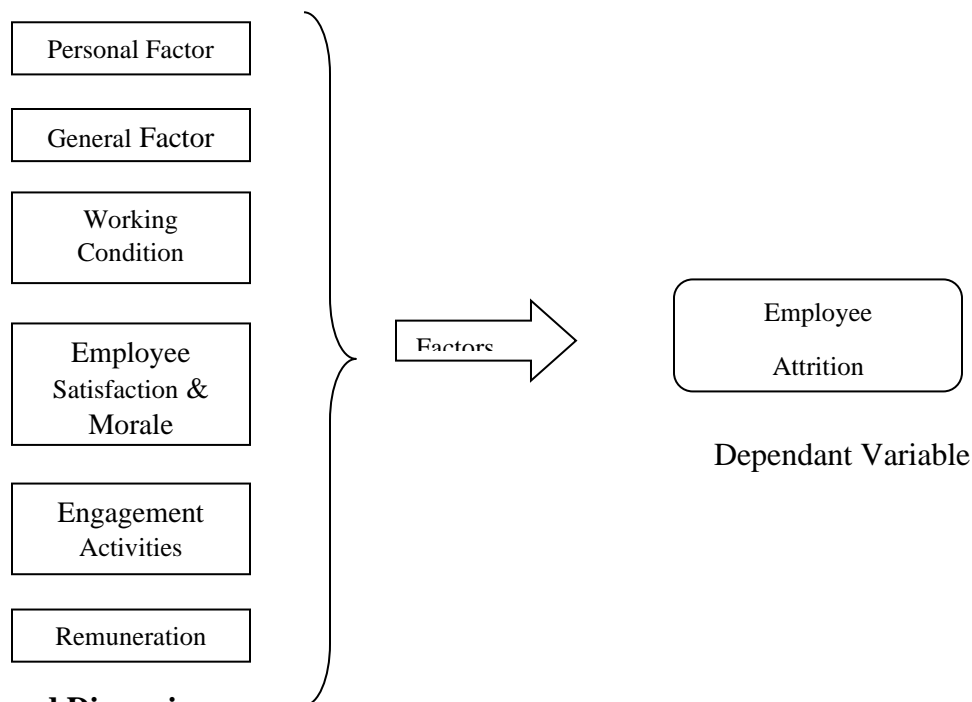
*Dr. Nithya N / Afr.J.Bio.Sc. 6(10) (2024)*

The framework analysis approach was followed to systematically analyze the collected data and draw meaningful conclusions from the findings.

Overall, the study employed a descriptive research design, collected primary data through a structured questionnaire, and utilized various statistical analyses to examine the factors influencing employee attrition.

### 3.1. Conceptual Framework:

This study has built a conceptual framework to assess employee attrition factors.



## IV. Results and Discussions

### 4.1. Reliability analysis:

The analysis shows that the data collected for the study have high consistency in all the elements, as the alpha coefficient is above 0.75. This shows that the factors and dataset obtained for the study are reliable in nature.

**Table.1: Reliability analysis**

Factor	No. of statements	Statements	Reliability
Personal	2	Family reasons	0.813
		Own business	
General Factors	4	Better offers from competitors	0.804
		Unfair treatment	
		Unavailability of leave/permissions in emergencies	
		Disciplinary actions	

Working Conditions	7	Problem with Managers	0.891
		Problem with Supervisors	
		Issues with co-workers	
		Unavailability of tools and facilities	
		Heavy workload	
		Working hours are not flexible.	
		Work environment	
Employee Satisfaction & Morale	3	No opportunities for career growth	0.879
		Work-life balance	
		No Job Security	
Engagement Activities	2	Lack of rewards and recognition	0.799
		No proper accommodation & lunch facility	
Remuneration	3	Unfair pay (Pay not as per performance)	0.786
		Delay in yearly increment	
		Overtime (OT) wages/incentives need to be more adequate.	
Employee Attrition	6	Personal factors are the cause of employee attrition	0.820
		General factors are the cause of employee attrition.	
		Working condition is the cause of employee attrition.	
		Employee satisfaction & morale is the cause of employee attrition.	
		Engagement activities are the cause of employee attrition.	
		Remuneration is the cause of employee attrition.	

#### 4.2. Descriptive Statistics:

Descriptive statistics summarize and describe the data collected through survey questionnaires. Here mean standard deviation, variance, skewness, and kurtosis of all the statements related to attrition factors were computed and analyzed to estimate the influence of attrition factors among employees.



**Table.2: Descriptive statistics**

Factors	Statements	Mean	SD	Variance	Skewness	Kurtosis
Personal	Family reasons	2.27	1.176	1.383	1.025	0.508
	Own business	2.99	1.383	1.912	0.019	-1.222
General Factors	Better offer from competitors	2.07	1.137	1.294	0.939	0.04
	Unfair treatment	3.04	1.503	2.259	-0.072	-1.409
	Unavailability of leave / permissions on emergencies	3.18	1.524	2.323	-0.143	-1.428
	Disciplinary actions	2.79	1.416	2.005	0.175	-1.221
Working Conditions	Problem with Managers	3.23	1.336	1.784	-0.27	-1.055
	Problem with Supervisors	3.15	1.275	1.626	-0.125	-0.999
	Issues with co-workers	3.8	1.186	1.407	-0.869	0.019
	Unavailability of tools and facilities	3.55	1.407	1.981	-0.509	-1.1
	Heavy workload	2.88	1.291	1.666	0.188	-1.043
	Working hours are not flexible	3.42	1.329	1.766	-0.346	-1.123
	Work environment	3.14	1.472	2.168	-0.158	-1.338
Employee Satisfaction & Morale	No opportunities for career growth	3.13	1.47	2.16	-0.26	-1.345
	Work- life balance	2.95	1.295	1.677	-0.078	-1.063
	No Job Security	3.37	1.425	2.029	-0.383	-1.156
Engagement Activities	Lack of rewards and recognition	2.96	1.416	2.005	0.142	-1.255
	No proper accommodation & lunch facility	3.08	1.422	2.021	0.006	-1.312
Remuneration	Unfair pay (Pay not as per performance)	2.36	1.316	1.731	0.746	-0.612
	Delay in yearly increment	2.6	1.464	2.142	0.392	-1.251
	Overtime (OT) wages/incentives are not adequate	2.97	1.442	2.08	-0.03	-1.349
Employee Attrition	Personal factors is the cause of employee attrition	3.42	1.332	1.773	-0.544	-0.818
	General factors is the cause of employee attrition	3.23	1.444	2.085	-0.256	-1.259
	Working condition is the cause of employee attrition	2.8	1.387	1.923	0.178	-1.209
	Employee satisfaction & morale is the cause of employee attrition	2.85	1.413	1.997	0.231	-1.23
	Engagement activities is the cause of employee attrition	2.99	1.398	1.954	-0.098	-1.258
	Remuneration is the cause of employee attrition	3.4	1.417	2.008	-0.412	-1.168

Issues with co-workers and unavailability of tools and facilities have the highest mean of 3.80 and 3.55. This indicates that the relationship among the co-workers could be stronger, and the tools and facilities could be more adequate. It means the basic things affect the mindset of employees towards attrition. Working hours are not flexible, and personal factors cause employee attrition has a mean of 3.42, which indicates that the company provides reasonable working hours, but the completion of work extends the time beyond the fixed work timings. Personal factors such as family reasons and owning a business are also reasons for the exit of employees.

### 4.3. One-way Analysis of Variance:

One-way ANOVA is used to find the association between the demographic profiles of the respondents in perceiving the employee attrition factors. Keeping the employee attrition factors as the dependent variable and demographic profiles of the employees as the independent variable, the hypothesis was tested using a 5% level of significance and the results are tabulated below in Table 3.

#### Proposed Hypothesis:

H1: There is an association in perceiving gender with respect to attrition factors.

H2: There is an association in perceiving age with respect to attrition factors.

H3: There is an association in perceiving qualification with respect to attrition factors.

H4: There is an association in perceiving years of experience with respect to attrition factors.

H5: There is an association in perceiving department with respect to attrition factors.

H6: There is an association in perceiving designation with respect to attrition factors

**Table.3: One-way Analysis of Variance**

F-statistics / Factors	Gender	Age	Qualification	Years of experience	Department	Designation
Personal	0.003	1.999	4.800	3.482	1.888	4.273
General	1.419	3.197	8.797	1.631	11.278	10.685
Working conditions	0.666	7.070	11.206	5.150	12.806	24.799
Employee satisfaction & morale	3.579	1.999	10.852	3.799	11.344	21.877
Engagement activities	6.595	6.121	6.725	0.547	5.712	8.294
Remuneration	5.640	1.772	17.590	8.323	12.177	25.548
Employee attrition	5.579	3.951	7.996	1.841	12.506	15.584

Significant at 0.05 level. Source: Primary data

**Hypothesis Results:****Table.4: Hypothesis results**

<b>F-statistics / Factors</b>	<b>Gender</b>	<b>Age</b>	<b>Qualification</b>	<b>Years of experience</b>	<b>Department</b>	<b>Designation</b>
Personal	Rejected	Rejected	Accepted	Accepted	Rejected	Accepted
General	Rejected	Accepted	Accepted	Rejected	Accepted	Accepted
Working conditions	Rejected	Accepted	Accepted	Accepted	Accepted	Accepted
Employee satisfaction & morale	Rejected	Rejected	Accepted	Accepted	Accepted	Accepted
Engagement activities	Accepted	Accepted	Accepted	Rejected	Accepted	Accepted
Remuneration	Accepted	Rejected	Accepted	Accepted	Accepted	Accepted
Employee attrition	Accepted	Accepted	Accepted	Rejected	Accepted	Accepted

It inferred a significant difference in the qualification and designation with respect to attrition factors. This is because the employees' mindset towards attrition factors differs with respect to qualification and designation. Employees with high qualifications think differently compared to employees with low qualifications. Similarly, employees in the bottom and top-level management may have different perspectives.

The critical criteria for gender were engagement activities, remuneration, and employee attrition. The critical criterion for working conditions, general factors, and engagement activities is age. Older people with high experience may get bored of the same working conditions over a long period. Preferences towards engagement activities, ay weekly events, rewards, and recognition, differ across generations or ages. Also, for personal factors, the department is a criterion, whereas there is a significant difference in experience with respect to personal, working conditions, employee satisfaction, and remuneration. This shows that employees' opinions on these factors differ based on experience.

**4.4. Correlation Analysis:****Table.5: Correlation Analysis**

	Personal	General	Working Conditions	Employee satisfaction & morale	Engagement activities	Remuneration	Employee attrition
Personal	1						
General	.147	1					
Working conditions	.046	.492	1				
Employee satisfaction & morale	.044	.479	.589	1			
Engagement activities	.245	.455	.484	.615	1		
Remuneration	.027	.403	.515	.668	.466	1	
Employee attrition	.191	.478	.581	.622	.552	.537	1

Correlation is Significant at 0.05 levels      correlation is significant at 0.01 levels

The factors were measured for Pearson correlation to understand the degree of relationship among them. The seven attrition factors tested to find whether the fluctuation in one aspect affects the other. From the coefficients given in Table 5, it is clear that there is a significant correlation among all the factors. It inferred that remuneration has a high degree of correlation, implying that remuneration significantly influences employee satisfaction. If satisfied, the employee will be happy, engaged, and stay longer in the organization. As a result, remuneration and engagement activities satisfy employees, which influence employee attrition.

**4.5. Regression Analysis:****(1) Considering employee attrition as dependant variable**

This analysis shows the effect of independent variables (personal, general, working conditions, employee satisfaction, HR process, employee engagement activities and remuneration) on dependent variable employee attrition.

The Multiple Regression Analysis has been administrated for this purpose. The Fitted Regression Model is:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + b_6 X_6 + e$$

*Dr. Nithya N / Afr.J.Bio.Sc. 6(10) (2024)*

Where,

Y - Level of factor 'employee attrition' among the Respondents

X1 - Level of factor 'Personal' of attrition

X2 - Level of factor 'General' of attrition

X3 - Level of factor 'Working conditions' of attrition

X4 - Level of factor 'Employee satisfaction & morale' of attrition

X5 - Level of factor 'Engagement activities' of attrition

X6 - Level of factor 'Remuneration' of attrition

b1, b2, b3, b4, b5, & b6 - Regression coefficient of independent variables

a - intercept and e - Error term

**Table.6: Regression analysis – considering employee attrition as dependent variable**

S. No	Factors	Regression Coefficient
1	Personal	0.114
2	General Factors	0.104
3	Working Conditions	0.239
4	Employee Satisfaction & Morale	0.244
5	Engagement Activities	0.146
6	Remuneration	0.138
	R Square	0.517
	F statistics	49.68

The results indicate that the combined factors of personal, general, working conditions, employee satisfaction, HR process, engagement activities, and remuneration account for 51.7 percent of the variance in employee attrition (R Square). The significance level of less than 0.05 suggests that these factors significantly influence employee attrition. In other words, the results indicate that these factors are meaningful in explaining why employees leave their jobs.

Specifically, working conditions and employee satisfaction were found to have the greatest impact on employee attrition, with coefficients of 0.239 and 0.244, respectively. This means that unfavorable working conditions and lower employee satisfaction are associated with a higher likelihood of employees leaving their positions. Additionally, the personal factor (0.114), general factor (0.104), engagement activities (0.146), and remuneration (0.138) were

*Dr. Nithya N / Afr.J.Bio.Sc. 6(10) (2024)*

also found to have a significant impact on employee attrition, although to a lesser extent than working conditions and employee satisfaction.

## **(2) Considering employee satisfaction and morale as dependent variable**

This analysis shows the effect of independent variables (personal, general, working conditions, employee satisfaction, HR process, employee engagement activities and remuneration) on dependent variable employee satisfaction.

The Multiple Regression Analysis has been administered for this purpose. The Fitted Regression Model is:

$$Y = a + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4 + b_5 x_5 + b_6 x_6 + e$$

Where,

Y - Level of factor 'employee satisfaction' among the Respondents

X1 - Level of factor 'Personal' of attrition

X2 - Level of factor 'General' of attrition

X3 - Level of factor 'Working conditions' of attrition

X4 - Level of factor 'Engagement activities' of attrition

X5 - Level of factor 'Remuneration' of attrition

X6 - Level of factor 'Employee attrition' of attrition

b1, b2, b3, b4, b5, & b6 - Regression coefficient of independent variables

a - intercept and e - Error term

**Table.6: Regression analysis – considering employee satisfaction as dependent variable**

<b>S. No</b>	<b>Factors</b>	<b>Regression Coefficient</b>
1	Personal	-0.086
2	General Factors	0.071
3	Working Conditions	0.141
4	Engagement Activities	0.273
5	Remuneration	0.340
6	Employee Attrition	0.190
	R Square	0.626
	F statistics	77.512

The study indicates that several factors significantly influence employee satisfaction and morale. The survey considers personal factors, general factors, working conditions, HR

*Dr. Nithya N / Afr.J.Bio.Sc. 6(10) (2024)*

process, engagement activities, remuneration, and employee attrition. Collectively, these factors contribute to 62.6% of employee satisfaction (R Square), demonstrating their substantial impact. Statistical analysis confirms the significance of these factors, as the significance level is less than 0.05. This means that the identified factors are indeed influencing employee satisfaction and morale to a significant degree.

Among these factors, remuneration (0.340) and employee engagement (0.273) were found to have a significant impact on employee satisfaction. Additionally, working conditions (0.141) and employee attrition (0.190) contributed to employee satisfaction.

The study reveals that remuneration, employee engagement, and working conditions significantly affect employee satisfaction and attrition. These findings highlight the importance of competitive compensation, fostering a culture of engagement, and providing favourable working conditions to enhance employee satisfaction and reduce attrition rates.

## **V. Findings**

Based on the research results, the following findings have emerged regarding the factors influencing employee attrition in the automobile sector:

The data collected for the study demonstrated high consistency, indicated by an alpha coefficient above 0.75. This indicates that the factors and dataset obtained are reliable in nature. The factors with the highest mean scores were issues with co-workers (mean of 3.80) and unavailability of tools and facilities (mean of 3.55). This suggests that strengthening relationships among co-workers and providing adequate tools and facilities could positively impact employee attrition. Working hours not being flexible and personal factors (such as family reasons and owning a business) were identified as contributors to employee attrition. The mean score for working hours was 3.42, indicating that although reasonable working hours are provided, work completion often extends beyond fixed timings. There was a significant difference in the perception of attrition factors based on employees' qualifications and designations. Employees with higher qualifications and those in top-level management had differing perspectives compared to those with lower qualifications and employees in lower-level positions. The critical criteria for gender were engagement activities, remuneration, and employee attrition. Age was found to be critical for working conditions, general factors, and engagement activities. Different generations or age groups may have varying preferences towards engagement activities and working conditions. Experience played a significant role in personal factors, working conditions, employee satisfaction, and remuneration. Employees' opinions on these factors varied based on their level of experience. Additionally, the department was a criterion for personal factors, indicating that different departments may have varying reasons for employee attrition.

Pearson correlation analysis revealed a significant correlation among all the factors. Remuneration exhibited the highest degree of correlation, indicating its strong influence on employee satisfaction. Higher satisfaction levels lead to increased employee engagement and a reduced likelihood of attrition. The factors of personal, general, working conditions,

employee satisfaction, HR process, engagement activities, and remuneration contributed to 51.7% and 62.6% (R Square) of employee attrition and satisfaction, respectively. Working conditions and employee satisfaction were identified as the factors that greatly influence employee attrition, while remuneration and employee engagement significantly impact employee satisfaction. These findings provide valuable insights into the specific factors influencing employee attrition in the automobile sector. By understanding these factors, organizations can develop targeted strategies to address them and improve employee retention, job satisfaction, and overall organizational performance.

## **VI. Suggestions**

Based on the findings of the research study on factors influencing employee attrition in the automobile sector, the following suggestions can be proposed:

**Strengthen Co-worker Relationships:** Given that issues with co-workers emerged as a significant factor influencing attrition, organizations should focus on fostering a positive work environment that promotes collaboration, teamwork, and open communication. Implementing team-building activities, fostering a culture of mutual respect, and providing platforms for regular interaction among employees can help improve co-worker relationships.

**Enhance Tools and Facilities:** The unavailability of adequate tools and facilities was identified as another key factor contributing to attrition. Organizations should invest in providing employees with the necessary tools, technologies, and resources to perform their jobs effectively. Regularly assess the infrastructure and equipment requirements and ensure they meet the needs of the employees, enabling them to carry out their tasks efficiently.

**Offer Flexible Working Arrangements:** Addressing the issue of inflexible working hours can contribute to reducing attrition rates. Organizations should consider implementing flexible working arrangements, such as flextime or remote work options, where feasible. Providing employees with greater control over their work schedules can help improve work-life balance and job satisfaction, ultimately reducing the likelihood of attrition.

**Focus on Personal Factors:** Recognizing that personal factors, such as family reasons and entrepreneurial aspirations, influence attrition, organizations should adopt a supportive approach. Offer flexible leave policies, family-friendly benefits, and programs that facilitate work-life integration. Additionally, create opportunities for employees to explore their entrepreneurial interests within the organization, such as innovation initiatives or intrapreneurship programs.

**Tailor Retention Strategies by Qualification and Designation:** Given the significant differences in attrition factors based on qualifications and designations, organizations should customize their retention strategies accordingly. Identify the specific needs and expectations of employees based on their qualifications and designations, and develop targeted initiatives



*Dr. Nithya N / Afr.J.Bio.Sc. 6(10) (2024)*

to address their concerns. This could include specialized training programs, career development opportunities, and recognition schemes tailored to different employee segments.

**Consider Generational Preferences:** Since age was found to be critical for factors such as working conditions and engagement activities, organizations should consider generational preferences when designing retention initiatives. Tailor engagement activities, rewards, and recognition programs to align with the preferences and motivations of different age groups. This could involve implementing mentorship programs, wellness initiatives, or flexible benefit plans that cater to the diverse needs of employees across different generations.

**Prioritize Competitive Remuneration and Employee Engagement:** As highlighted by the strong correlation with employee satisfaction and attrition, organizations should prioritize offering competitive remuneration packages and engaging employees through meaningful activities. Conduct regular compensation benchmarking to ensure salaries and benefits are aligned with industry standards. Additionally, create opportunities for employee engagement through regular feedback mechanisms, career development programs, and social events to foster a sense of belonging and job satisfaction.

By implementing these suggestions based on the research findings, organizations in the automobile sector can effectively address the factors influencing employee attrition. Proactive measures focused on improving co-worker relationships, enhancing tools and facilities, offering flexible working arrangements, addressing personal factors, tailoring retention strategies, considering generational preferences, and prioritizing remuneration and engagement activities can lead to higher employee satisfaction, increased retention rates, and improved organizational performance.

## **VII. Conclusion**

Addressing the factors influencing employee attrition in the automobile sector requires a multifaceted approach. By implementing the suggested strategies, organizations can create a supportive and engaging work environment that promotes employee satisfaction, retention, and organizational success. Recognizing the importance of strong co-worker relationships, organizations should prioritize fostering collaboration and open communication among employees. Investing in adequate tools and facilities is crucial to empower employees and enable them to perform their jobs effectively. Flexibility in working arrangements is vital to accommodate the diverse needs of employees and promote work-life balance. By offering flexible options, organizations can enhance job satisfaction and reduce attrition rates. Personal factors, such as family reasons and entrepreneurial aspirations, should be acknowledged and supported. Organizations can provide benefits and programs that align with employees' personal needs and aspirations, fostering a sense of loyalty and commitment. Tailoring retention strategies based on qualifications and designations allows organizations to address the specific concerns and expectations of different employee segments. This approach enables personalized development opportunities and recognition schemes, contributing to higher job satisfaction and retention. Understanding generational preferences

*Dr. Nithya N / Afr.J.Bio.Sc. 6(10) (2024)*

is key to designing effective engagement activities. By offering activities that resonate with different age groups, organizations can foster a positive and inclusive work culture that meets the diverse needs of their workforce. Lastly, competitive remuneration and meaningful engagement activities play a vital role in employee satisfaction and attrition reduction. Organizations should regularly review and adjust compensation packages to ensure they remain competitive. Additionally, providing opportunities for employee growth, feedback, and social interactions creates a sense of belonging and strengthens employee loyalty. In conclusion, by implementing these suggestions, organizations in the automobile sector can address the factors influencing employee attrition and create a work environment that attracts, retains, and motivates talented individuals. This, in turn, will contribute to improved organizational performance, reduced costs associated with turnover, and a more sustainable and successful future for the organization.

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*Dr. Nithya N / Afr.J.Bio.Sc. 6(10) (2024)*

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