

Reasons of Attrition in HCL Info Systems

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Abstract- HCL Infosystems Ltd, a listed subsidiary of HCL, is an India-based hardware and systems integrator. It claims a presence in 170 locations and 300 service centers. Its manufacturing facilities are based in Pondicherry and Uttarakhand and the company is headquartered in Noida. HCL was incorporated on 30 August 1975 with six employees. 30 years later the group has revenues of \$5.5 billion and over 73,420 employees of diverse nationalities. HCL Infosystems alone employs 7000 people presently, with the growth of employees increasing by 400 every year with such a vast number of people working for them, the human resource (HR) division focuses on excellence so that the company experiences a lesser attrition rate. What distinguishes HCL Infosystems from other companies is its ability to retain employees for a long time. More than 300 employees who joined the company as trainees have spent 20 years with it and are today among the top management. As in every industry and every organization, some extent of attrition would be there but along with that an organization also has its attributes because of which employees retain in the organization for long period of time. The main reason of attrition in HCL Info systems is low compensation paid to the employees and the reason why people retained in HCL Info systems is the growth opportunity, appropriate work profile and organization's image.

Keywords: Attrition, HCL Info systems, Reasons, Job Satisfaction

I. INTRODUCTION

In the ideal world, employees would love their jobs, like their co-workers, work hard for their employers, get paid well for their work, have ample chances for advancement, and flexible schedules so they could attend to personal or family needs when necessary and never leave. But then there's the real world and in the real world, employees do

leave, either because they want more money, hate the working conditions, hate their co-workers, want a change, or because their spouse gets a dream job in another state, thus adding to their company attrition rate.

Employee Attrition is a very big problem and is increasing not only in India but outside India too. Why an employee leaves a company is the question asked by most of the employers. Companies even hire Private HR professionals to study the company's work and find out why an employee is dissatisfied.

In simple words **Attrition** can be defined as "A reduction in the number of employees through retirement, resignation or death. The **attrition rate** is "the rate of shrinkage in size or number".

Retention of excellent employees is one of the most important challenges in organizations today. Employees quit for many reasons. Some leave for better paying jobs elsewhere, culture and personality misfit etc. However, there are five important areas that motivate people to leave their jobs:

- Poor match between the person and the job
- Poor fit with the organizational climate and culture
- Poor alignment between pay and performance
- Poor connections between the individual, their co-workers, and the supervisor
- Poor opportunities for growth and advancement

II. SYSTEM MODEL

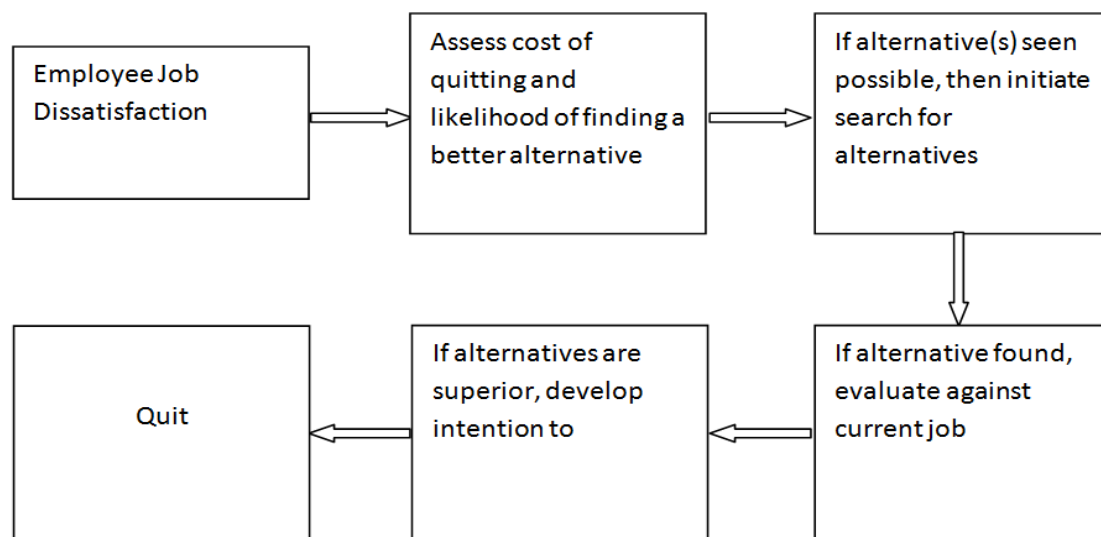


Figure 1.1: **Traditional Model of Employee Attrition**, Adopted from the book by Cynthia D. Fisher, et. Al. P. 756

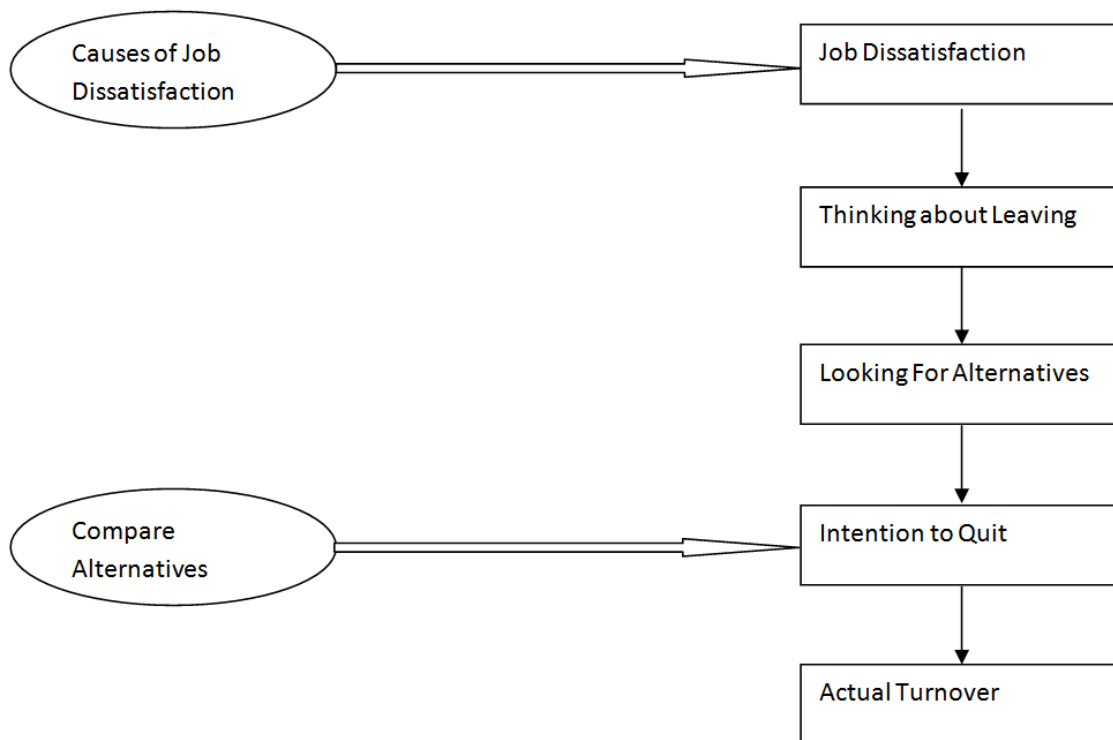


Figure 1.2: **A Model of Employee Attrition**, from Angelo DeNisi and Ricky W. Graffin, Human Resource Management 2nd Edition, Indian Adaptation 2009, p. 267

According to Angelo DeNisi and Ricky W. Graffin (2009:266-68), the basic reasons of employees leaving their job is because they are unhappy with their jobs. In fact, the researchers have not only identified the reasons of employees quitting their jobs but also introduced a model or a process of employee attrition. In 1982, Bill Mobley suggested a model [Figure 1.1] called **The Traditional model of Employee Attrition**. He suggested that the decision to quit a job involves a step by step procedure with the reason of dissatisfaction of employees with the job.

As per them, the simplest logic of employee attrition is that of the job satisfaction increases, employee attrition automatically decreases. Although this is the basic reason why attrition happens in the organisations but there is much more complex process to it. There are numerous reasons of attrition in the organisations.

Previous Work

Since the last decade of 20th century, with the increasing demand of knowledge and professional employees, organisations are experiencing more and more employee attrition. The employers are now highly concerned about the employee turnover rate and the cost involved in recruitment of new employees. As the employees are expected to work efficiently and with utmost dedication, similarly the employers are also expected to consider the physical fitness of the employee, job specifications and his expectations as well. The employment of a candidate in an organisation means that both the employer and the employee agrees

to certain terms and conditions, rules and regulations relating to the job and look forward for the long term and positive relation between the employee and the employer. However, in real scenario, there may be many situations where either the employee or the employer would acknowledge the need of ending the professional relation between the employee and the employer. As far as the employee is concerned, there may be numerous reasons for the same, such as, health issues, family problem, professional reasons like lack of opportunity for growth in the job, poor remuneration, poor facilities, poor quality of work like or favouritism.

Similarly, an employer may also decide to put an end to the relation with the employee for various reasons like business reorganization, organisational restructuring, modernization of the organisation, poor performance of the employee, non co-operation of employee with his superiors or colleagues, negligence of duty, misconduct in the productivity, less productivity, poor health caused by prolonged and incurable disease and so on. In short there may be numerous reasons of ending up the relation of employee and employer without employee's will. This kind of act is mostly involuntary. But either it is voluntary or involuntary; the loss of employment is termed as **Employee Attrition**. As per Michael Armstrong of UK, employee attrition or employee turnover is defined as, "Any permanent departure beyond organisational boundaries" (Wayne F. Cascio: 2006:54)

III. PROPOSED METHODOLOGY

DATA COLLECTION

Both primary and secondary data has been collected for meeting the objectives of the research.

PRIMARY DATA

For the collection of primary data a structured questionnaire was prepared which was administered to the respondents.

SECONDARY DATA

For the purpose of collection of secondary data the sources of information such as internet websites, magazines were used.

RESEARCH DESIGN

Exploratory research design was used for the research.

RESEARCH INSTRUMENT

Questionnaires were used as a research instrument for the research.

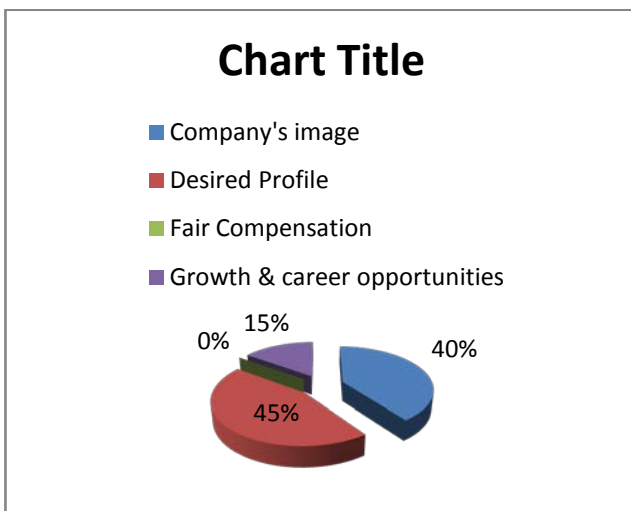
IV. SIMULATION/EXPERIMENTAL RESEARCH

In order to get an idea about the rate of attrition in any organisation and to reduce the rate of attrition, a survey instrument has to be designed so as to find out the causes of attrition. The generation of such a list would be a valuable contribution to research on this subject. An “expert panel” was convened from the participating countries in February of 1995 to discuss the causes of attrition and to organize these causes into a manageable list.

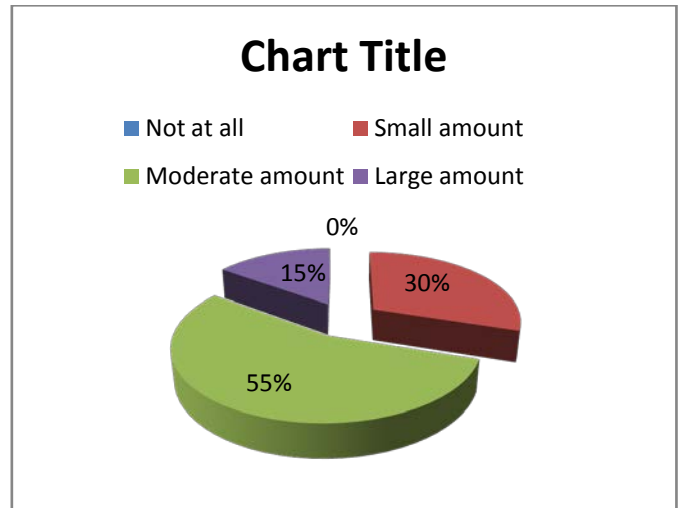
A research has been conducted through questionnaire and primary data is collected. The results of the research is as follows

Analysis of study of Attrition

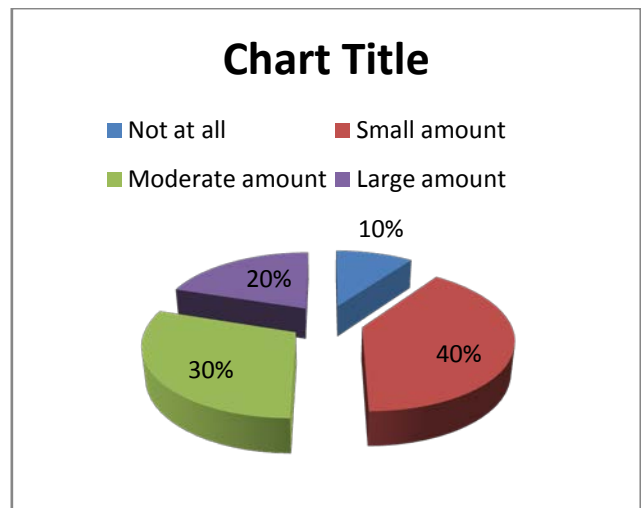
- Reasons of people interested in joining HCL



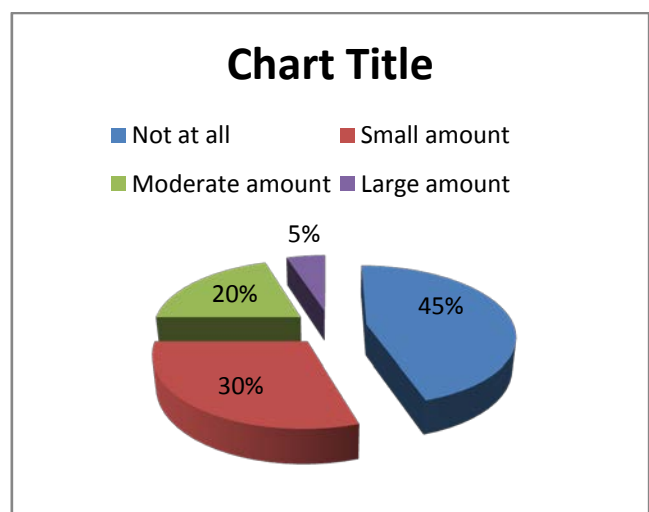
- Employee Satisfaction in terms of job responsibilities



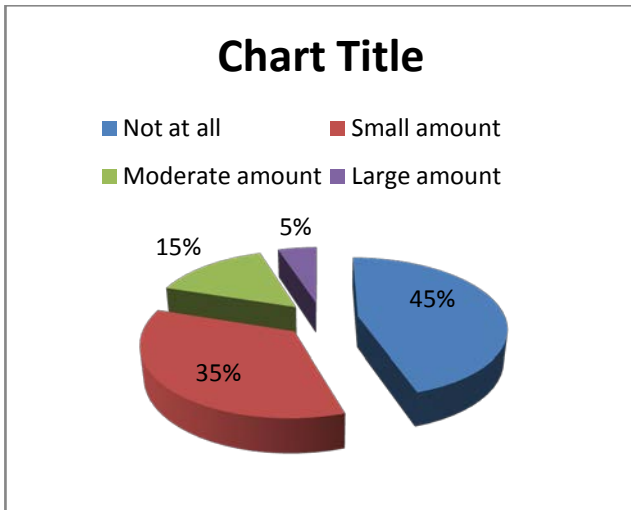
- Training and development opportunities provided to employees for their growth



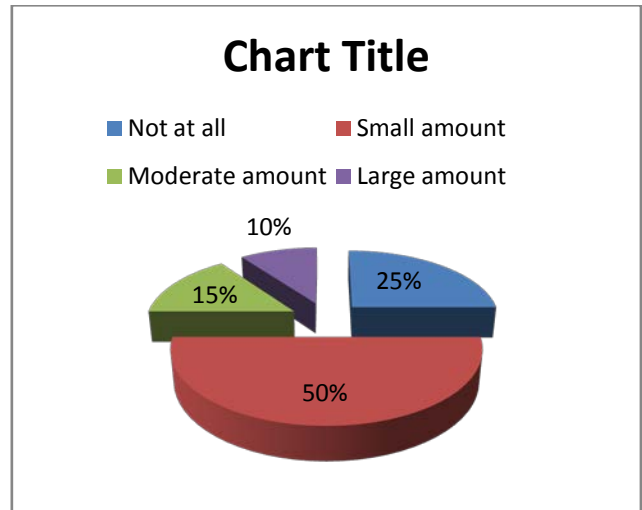
- Do family circumstances lead an employee to leave HCL?



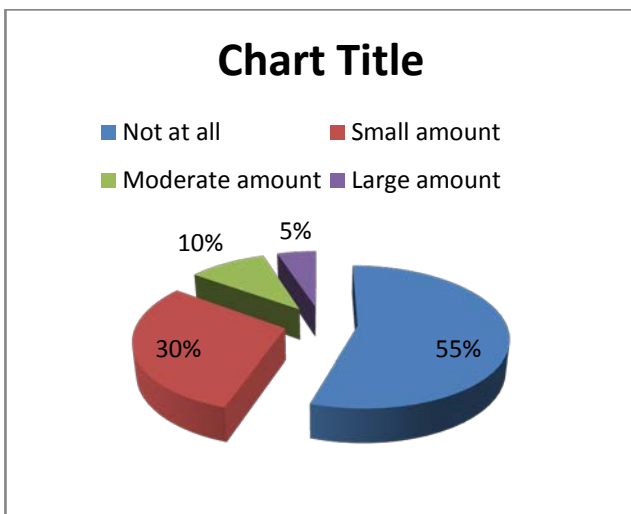
- Leaving HCL to pursue higher education



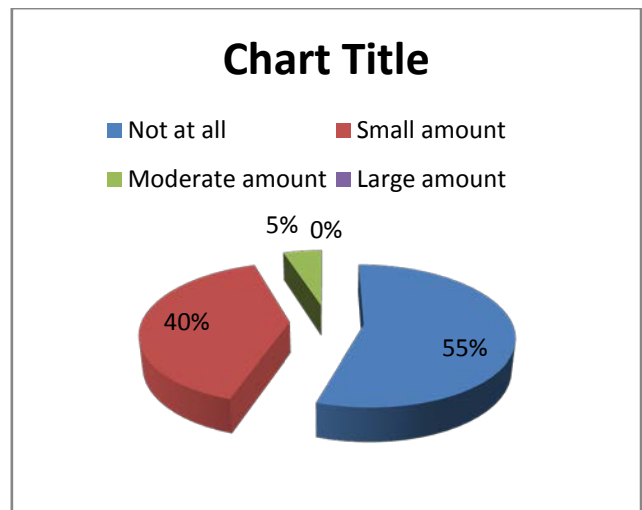
6) Attrition in HCL due to Health problems of employees



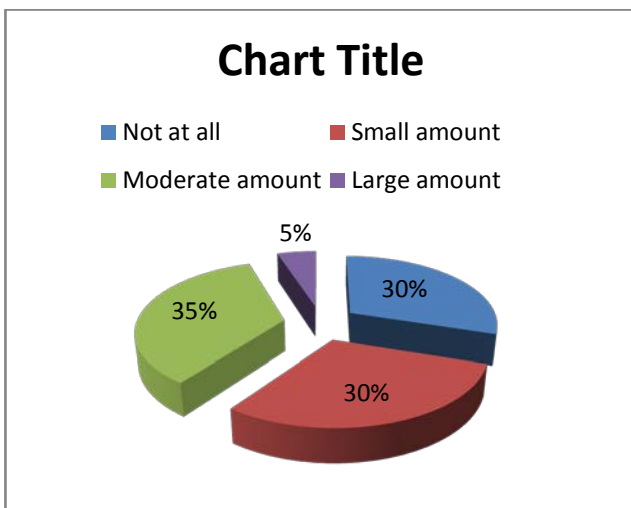
9) Satisfaction of employees with the benefit packages provided by HCL



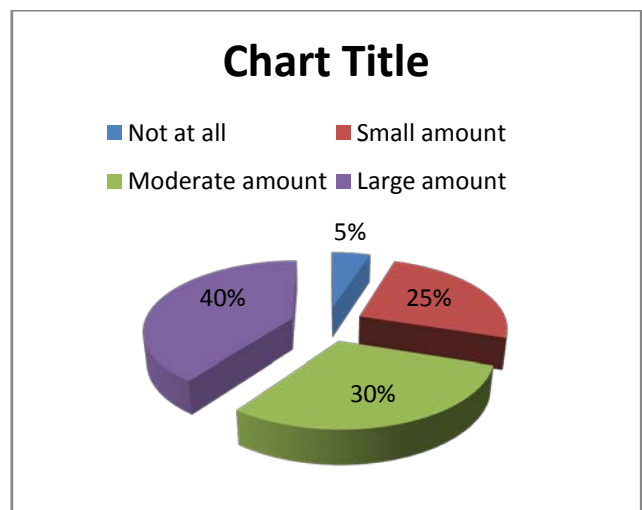
7) Compensation to employees as per their expectations



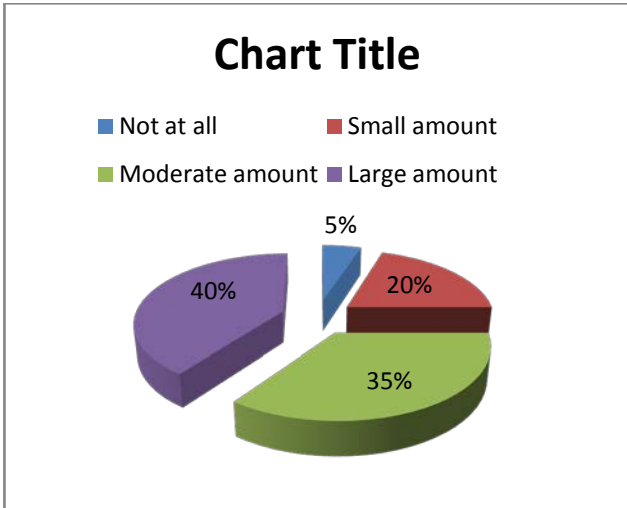
10) Level of co-operation among departments



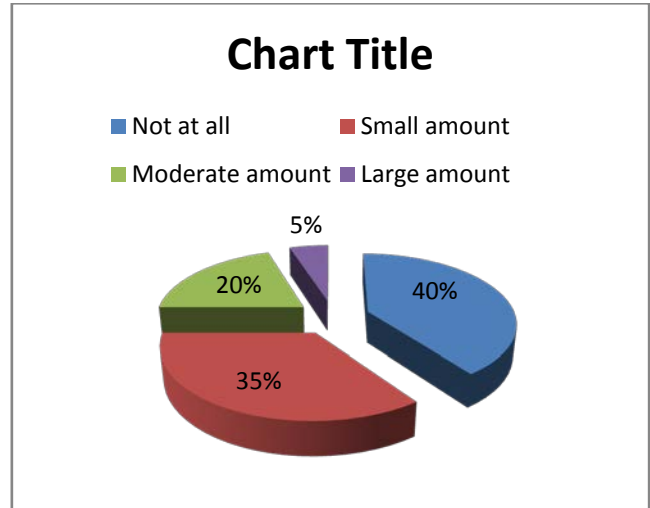
8) Relation of Pay level with job performance and responsibilities



11) Level of equality among each and every employee of the organisation



12) Company following ethical means in their conduct with the customer



V. CONCLUSION

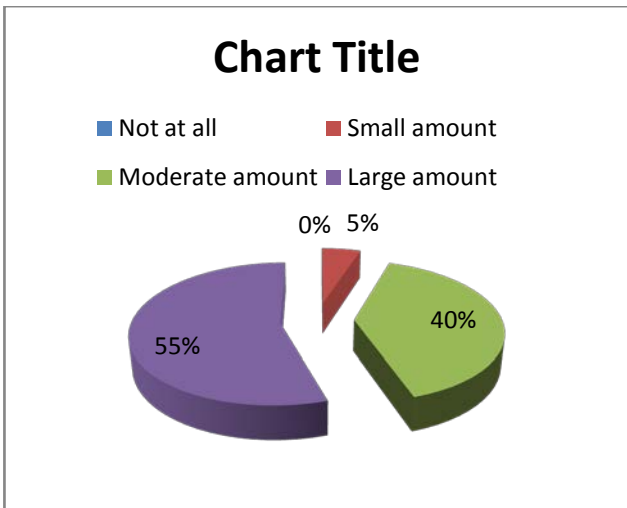
On analysing the research conducted, it is found that

- One of the main reasons of employee attrition in HCL Infosystems is lack of training and development opportunities provided to the employees for their growth.
- Another reason of employee attrition is that they are not satisfied with the benefit packages given to the employees.
- Employee Attrition in HCL is also because employees are not satisfied with the appraisal from the management of the company.
- Also, the employees feel that there is a huge difference between the pay level and the job responsibilities given to the employees, due to which employee attrition has increased in HCL.
- Lack of fair compensation to the employees is also the reason of employee attrition in HCL.
- Some of the employees decide to peruse higher education for their professional growth. Hence this becomes the reason of employee attrition in the company.
- It has been observed that there is no reason of health issue among the employees of HCL due to which they decide to quit the job.

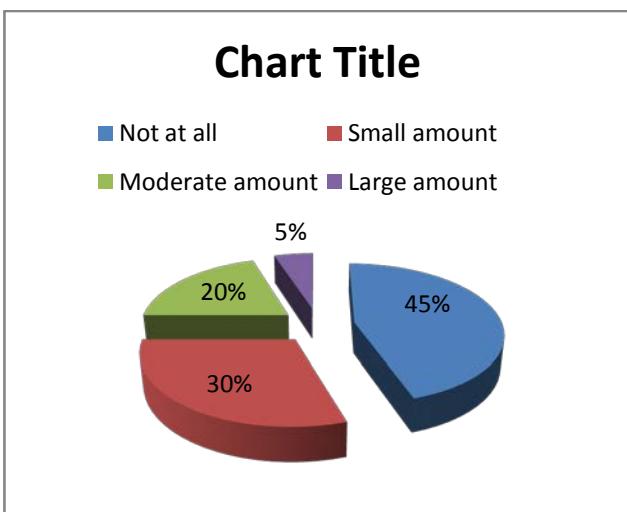
VI. FUTURE SCOPE

The research on the topic “Reasons of attrition in HCL Infosystems” has been conducted so as to analyse the factors due to which employees in HCL decide to end up their career with the organisation and as a result attrition in HCL occurs. With the help of this research, the problem of attrition in organisations would be identified and alternate solution to the problem of attrition can be investigated.

The future scope of the research has been widened with the fact that most of the organisations, be it public or private, are now experiencing the attrition of employees as a major issue. Organisations incur a huge amount of cost in accomplishing the process of recruitment of employees and their training and development. It is not at all beneficial for the organisation to lose those employees due to any reason (either voluntary or involuntary). Hence, there arises the need of research and



13) Meeting the expectations of employees in terms of their appraisal or recognition from the management



14) Before deciding to leave, do employees investigate a transfer within the company?

analysis on the reasons behind the attrition so that it can be reduced and relation between employees and the employers can be made stronger and clear.

This research will also help the employees to fulfil their requirements to attain maximum job satisfaction and work with the organisation for a longer period of time.

Thus the future scope of the research is very wide in terms of benefit to the employees as well as the employers so as to expand the scope of growth of the organisations.

REFERENCES

- [1] William David Taylor, "Too Valuable to lose: Exploring the Causes and Cures of Missionary Attrition", Page 80, 1997
- [2] <https://www.hclinfosystems.in>
- [3] Kunal Gaurav, "Drivers of Employee Satisfaction and Attrition", Page 3, 2006