



WORK SERVICES CAPE, FACULTY DYNAMICS AND FACULTY ATTRITION INTENTION

V.R. Nalini* Dr. B. Balaji **

*Research Scholar, Dravidian University, Kuppam & Assistant Professor, Sharada Women First Grade College,
K. Byapalli Road, Muthyalpet, Mulbagal, Karnataka.

**Professor, Shree Gurukripa Institute of Finance and Management, Chennai.

Abstract

Attrition intention among employees in an organisation can be triggered at any time and any number of times as well. Education services are no exception. Faculty seem to battle with several issues confronting them but at the end of the day they need to produce results, enhance the brand image of the institution and perform well in administrative tasks too. Faculty serving in university-affiliated institutions offering full time post-graduate management programmes in Bengaluru were surveyed to ascertain the causal relations between work servicescape dynamics, faculty dynamics and attrition intention.

Keywords: Attrition, Colleges, Management, Bengaluru.

1. Introduction

Attrition is a very important concept in human resource management. It indicates the occurrence of organisation's employees exiting the company. Attrition rate is calculated (measured) based on the number of employees leaving service (voluntarily or involuntarily).

Employee turnover can be classified into five types: (i) Internal versus External turnover, (ii) Skilled versus unskilled employee turnover, (iii) Functional and dysfunctional, (iv) Voluntary versus involuntary, and (v) Drag and drive type or "Pull" and "Push" form of turnover.

Internal versus external turnover

Like recruitment, turnover can be classified as 'internal' or 'external'. Internal turnover involves employees leaving their current positions and taking new positions within the same organisation. Both positive (such as increased morale from the change of task and supervisor) and negative (such as project/relational disruption, or the Peter Principle) effects of internal turnover exist, and therefore, it may be equally important to monitor this form of turnover as it is to monitor its external counterpart. Internal turnover might be moderated and controlled by typical HR mechanisms, such as an internal recruitment policy or formal succession planning. On the other hand, external turnover refers to employees leaving the organisation and joining another organisation for better terms of employment or preferring non-employment status (not engaged in any work/job/employment). It is this form of turnover with which the employer is really concerned.

Skilled versus unskilled employee turnover

Unskilled positions often have high turnover, and employees can generally be replaced without the organisation incurring any loss of performance. The ease of replacing these employees provides little incentive to employers to offer generous employment contracts; conversely, contracts may strongly favour the employer and lead to increased turnover as employees seek, and eventually find, more favourable employment. However, high turnover rates of skilled professionals may pose a risk to the business or organization, due to the human capital lost - skills, training, and knowledge lost. Notably, given the natural specialisation of skilled professionals, these employees are likely to be re-employed within the same industry / sector by a competitor. Therefore, turnover of these individuals incurs both replacement costs to the organisation, as well as a competitive disadvantage to the business.

Voluntary versus involuntary turnover

Voluntary turnover is initiated at the choice of the employee; it occurs when an employee leaves by his choice and can be caused by many factors. Causes include lack of challenge, better opportunity elsewhere, pay, supervision, geography and pressure. On the other hand, the involuntary turnover is at the initiative of the employer, meaning the employee has no choice for it is caused by factors such as long term sickness, death, and moving overseas or employer-initiated termination. Voluntary turnover is initiated by the employee himself. On the other hand, the uncontrollable turnover is "involuntary" when it happens due to retirement or superannuation, premature death while in employment, or migration to another geographical region. The voluntary turnover is uncontrollable. But typically, the characteristics of employees who engage in involuntary turnover are no different from job stayers. However, voluntary turnover can be predicted (and in turn, controlled) by analysing the phenomenon.



Functional versus dysfunctional turnover

Turnover, from the organisational perspective, may be functional where the employee's departure produces a benefit for the organisation especially when he is less productive and less committed to the job and the organisation, or it could be dysfunctional where the departing employee is highly productive and committed and the management is very much interested in retaining him/her.

Drag and Drive forms of Employee Turnover:

The employee turnover is also interpreted in terms of causes arising from which side – the employee side or the employer side? When an employee leaves his job/employment in an organisation for his own reasons it is labelled as the Drag or Pull form of Turnover – the reasons for leaving drag the employee out of his job and the organisation. On the other hand, the turnover is labelled as Drive or Push form of Turnover when the employer takes the initiative to ask the employee to quit the job and the organisation. This classification of employee turnover does not make any distinction between the employees – anyone can be affected by the drag or drive factors.

2. Need for the Research

Managing attrition does not mean reducing attrition only. It could also mean bringing down the negative effects of attrition. To do this the organisations should put up appropriate retention and capacity utilisation or talent utilisation tactics. There are various retention strategies used by the organisations today. The objective is to know how effective it is from the employee's perspective and how it is administrated. A high rate of attrition affects the organisation in many ways like it leads to more expense, loss of company knowledge, Interruption of customer service, as well as the company's goodwill get effected. Handling the employee retention issues has got a serious attention at all level of management. The problem of employee retention has hit all category of employee equally. Employee retention one of the major issues faced by any industry / service sector.

3. Review of Literature

Pankaj and Venkat (2014) analysed employee turnover in organised services sector in Delhi and NCR region. Talented employees have been considered as long term assets for the growth of organisations and retaining them has become a challenge for HR managers. Services sector is considerably contributing to the growth of Indian economy and at the same time is struggling with employee attrition problem. It has been found that employees working in organised services sectors that is, IT and ITES, banking, insurance and telecommunication considered the factors like perceived value for job, organisation culture, job security, growth opportunities, working environment, compensation, job targets, role stagnation, work life balance, job stress, learning opportunities, organisation politics and outside attractive pay offers are the reasons of employee turnover. It was concluded that employees also started viewing lack of learning opportunities to develop their multiple skills provided by company and office politics as reason to leave the organisation.

James and Faisal (2013) intended at addressing high employee attrition by identifying the critical factors which causes high attrition. The data has been collected through a structured questionnaire survey. In the study, the attrition factor, employee's salary emerged as the most critical factor affecting high attrition in the BPO companies. It further clarified the need to pay immediate attention on introducing highly competitive salary packages in BPO sector organisations for addressing the high attrition problem. It was revealed that both in Karnataka and Kerala states, absence of good HRM practices is also one of the critical factors causing high attrition. BPO management also has to ensure that their employees are paid enough for the work they do in the organisation in which they are working. It was found that the attrition factor - employee's salary has emerged as the most critical factor affecting high attrition in the BPO sector in the two States.

Chiboiwa et al. (2010) deliberated at achieving the following objectives: identify the causes of employee turnover in the organisation, examine the current retention practices in the organisation, establish the effectiveness of the practices, and attempt a workable retention practice that could reduce the high rate of employee turnover in the organisation. Qualitative research design was employed using structured interviews as well as administering research questionnaire to all category of employees. The result of the research showed that labour turnover is higher amongst non-managerial employees. Similarly, majority of the employees would soon quit the organisation and lastly, the high rate of employee turnover in the organisation is largely attributed to poor reward system administration. The study found that labour turnover is very high amongst non-managerial employees. This was manifested in the tenure analysis which put the average tenure of managerial employees at five years. Results of the interview conducted at the organisation attributed the high turnover rate amongst this category of employees mostly to poor remuneration, poor working conditions and job insecurity.

Kadam and Thakar (2014) conducted to find out the main causes behind the increase in employee attrition in software industries and to find out the ways to control attrition. From results it can be concluded that there are various reasons behind

employee attrition. These reasons are best offer next door, overseas opportunities, boss relation problem, higher package, further overseas studies, shifting of cities due to marriage, family and personal problem, improper time schedule and parent's health requires moving to other cities. Voluntary attrition rate is high between the ages of 24-28 years. After getting the 2-4 years' experience IT professionals got higher opportunity so the growth opportunity is the main reason of the voluntary attrition. A remedial measure was proposed, and if implemented and executed properly, would help organisation to understand their employees' needs with regard to their career, job, and family. This would help in retaining their talented workforce, thereby meeting their expectations and requirements, and thus reducing employee attrition.

Agyeman and Ponniah (2014) attempted to analyse the various employee demographic characteristics and their effects on turnover and retention in MSMEs. The objectives of the study are to examine the major factors that affect employee retention in MSMEs, to examine the relationships between the demographic variables and retention of employees and to identify the negative effects of voluntary turnover of key employees on MSMEs. To examine the hypotheses of the study, regression and chi-square analyses were employed for analysing the study variables. The findings revealed that retention factors are strongly associated to different demographic characteristics. Further, voluntary turnover of key employees has a number of adverse consequences for MSMEs, including, lowered productivity and profitability. It was therefore concluded that increasing job satisfaction, providing good working environment and career development opportunities, increasing recognition and rewards are some of the strategies that can help minimise the turnover rate.

Malarmathi and Malathi (2013) attempted to analyse employer and employee perception of job attrition in IT industry. The major findings from the analysis is that the opinion of employer and employee differ in the following aspects with respect to job attrition. This issues covered non-motivational issue, work stress, non-adjustability and no freedom to upgrade, career hurdle, recognition and job imparity. The findings revealed that the management should consider the causes, in order to reduce employee attrition. Management should implement some new activities and innovative human resources practices in order to solve employee issues, which will be beneficial for the management to reduce attrition and increase employee attitude and to sustain in the organisation. It was concluded that the companies should take several steps which would be helpful to reduce the employee's attrition in the company. Employees will be motivated and there will be a rise in employee attitude towards the organisation.

Pathak (2014) investigated the relationship between job hopping and turnover intentions and explored the mediating effect of employee engagement on recognition parameters. The results showed that job hopping attitude contributed statistically significantly to high turnover intention and low employee engagement. Employee engagement was found to be negatively correlated with turnover intentions. Employee engagement fully mediated the relationship between job hopping attitude and turnover intention. In fact, managers need to be aware that employee perceptions of the organisational and supervisory support impacts their job hopping attitude on turnover intentions, and therefore they need to focus more on the employee engagement programs to increase the commitment level of employees and reduce the turnover intent.

Gamage and Herath (2013) examined the relationship between job related factors and intention to stay among IT Professionals in Sri Lanka, which is a continuous challenge for IT companies in Sri Lanka. Three main job-related factors, namely, career development, job stress and pay satisfaction have been selected under independent variables to evaluate the effect of these factors on IT professionals' intention to stay in the current employment. Job related factors: career development and pay satisfaction were positively and significantly related with intention to stay among IT professionals in Sri Lanka and job stress had an adverse relationship with intention to stay. Reducing job related stress from professionals, introducing satisfied pay scales and good career improvement paths, increase the intention to stay among IT professionals.

Janani (2014) stressed that most of the IT companies, even the top most companies, are facing turnover due to many factors. Employee turnover has been a never-ending problem faced in Indian organisations due to no fair compensation, less opportunity in career growth, dissatisfaction with superiors, and so on. The most important of all reasons is compensation, because plenty of opportunities are there in the market for experienced, well-qualified employees if they switch over to other companies. There were many push, pull and personal factors involved in initiating the thought of turnover among employees. IT companies should be alert and frame some necessary strategies to reduce attrition so that they can reduce the expenditure for recruitment, training and development of employees. It becomes very necessary for human resource managers to understand the factors that prompt employees to quit an organisation.

Yadav (2013) analysed the challenges human resource faces in Information technology industry of India. The focus of HR practitioners should be not only to attract, motivate and retain key knowledge workers by conducting exit interview, but also for HR practitioners to play a proactive role in IT industry. Profitability and sustainability of company in the long run cannot be ensured without focusing on HR Management practices. The focus should be on how to reinvent careers when the loyalty



of the employees is to their brain ware rather than to the organisation. With lifetime employment in one company not on the agenda of most employees, jobs will become short term. Today's high-tech employees desire a continuous up-gradation of skills, and want work to be exciting and entertaining, a trend that requires designing work systems that fulfil such expectations. As employees gain greater expertise and control over their careers, they would reinvest their gain back into their work.

Vibha (2013) focused on recruitment and retention challenges that the IT/BPO industry faces and to examine ways to reduce high turnover rates among first year employees in the leading domestic call centre based in Indore. According to the department of human resources, turnover rates for permanent agents/executives were 15.6% in 2009 and 35% in 2012. Department of human resources which also tracks attrition of temporary employees measured the turnover rate for temporary employees to be 77% in 2012. The monetary cost of such high turnover is enormous. Employees need manageable workloads, support and recognition from their co-workers and management, and opportunities for growth and innovation.

Kumar and Dhamodharan (2013) aimed at developing insight on how employee retention was relevant in present business context. The major dimensions such as, organisational fit, remuneration and recognition, career development, challenging opportunities, leadership, team relationship, organisational policies, communication, working environment, organisational commitment were taken to measure their influence in employee retention. Most of the employees in BPO companies were retained due to the following factors such as challenging assignments, remuneration and recognition, and opportunities to learn new things, infrastructure, potential talent and the prospective roles. If organisation is going to practice these factors, then employee retention is possible. In the long run it will fetch a good result for the organisations.

Yiu and Saner (2014) contributed to the measurement of Indian HR function by reporting the finding of a survey of attrition in Indian companies and by discussing the possible strategies chosen by them to counter costly labour turnover. The causal link assumed by the large number of Indian companies that higher attrition can be contained through the payment of higher compensation packages was analysed. Employee turnover was a symptom pointing to underlying labour market imbalances and inadequate responses by enterprises afflicted by unwanted high employee turnover. High employee turnover is a serious business problem which cannot be simply smothered by salary increases and other costly extrinsic incentives alone. Efforts can also be made in detecting factors that negatively affect employee engagement with the company early on so that social-psychological interventions could be made provided that the existing working conditions were of acceptable level and of appropriate decent standard.

Nappinnai and Premavathy (2013) presented a holistic view of attrition and retention of employees in a competitive scenario. In the global competitive scenario as there is no dearth of opportunities for talented persons in this world, given a chance, employees are prone to move from one organisation to another. Corporate were facing the problem of attrition at the time of economic revival. Organisations spend a lot of effort, time and money on employee's retention because losing a valued employee proves to be costly in the form of lost knowledge, worried co-workers and lost money. Retention is more economic than going for fresh recruitment. Organisations should have an effective retention plan to keep the current employees. It was concluded that the companies have to work proper retention policies and resolving the employees' problems could increase the volume of business.

4. Methodology

4.1 Objective of the Research

To propose a conceptual framework and test the causal relations between work servicescape dynamics, faculty dynamics, and faculty attrition intention.

4.2 Research Design

Causal research design was employed for the research. Causal research design is '*research that focuses on collecting either secondary or primary data and using an unstructured format, or informal procedures to interpret them*' (Malhotra and Birks, 2006).

4.3 Sampling and Data Collection

Faculty serving in University-affiliated colleges offering full-time post-graduate Management programs in Bengaluru, Karnataka were surveyed with the help of a structured questionnaire. Proportionate Stratified Sampling (Malhotra and Birks, 2006) was employed for the study wherein strata comprised two categories: Visvesvaraya Technological University (VTU) and Bangalore University (BU). Among the stratum, faculty were chosen at random. The estimated and actual sample sizes were 369 and 396 respondents respectively.

4.4 Research Framework

The research framework was compiled based on exhaustive review of literature and research gaps. The endogenous variables were Job Dynamics, Service Culture, Learning and Development, Motivation and Empowerment, Dysfunctional Attributes, Functional Attributes, and Faculty attrition intention. The exogenous variables were Work Servicescape Dynamics and Faculty Dynamics. All the mentioned antecedents were measured with help of 4-point scale (Table 1). The rating scale options comprised 1 (Poor), 2 (Satisfactory), 3 (Good), and 4 (Excellent).

Table 1, Research Instrument

Constructs	No. of items	Sample Item
Motivation and Empowerment	7	Incentives and Recognition
Learning and Development	5	Learning opportunities
Service Culture	8	Relationship with peers
Job Dynamics	6	Job enrichment
Functional Attributes	3	Your multi-tasking ability
Dysfunctional Attributes	5	Welfare and Retirement Plans
Faculty attrition intention	1	I plan to resign in the near future
Socio-demographics	7	Monthly Income (INR)

Source: Compiled by Researcher.

5. Analysis and Results

The output of Structural Equation Modelling (SEM) path analysis is summarised in Table 2 and Figure 1.

Table 2, SEM Analysis and Outcomes

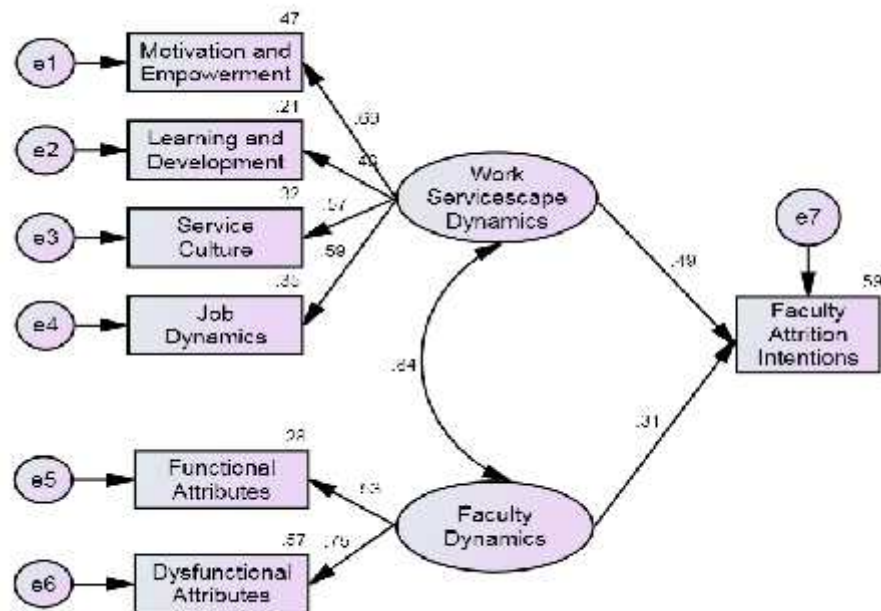
Null Hypothesis	SC	p value	Result
H ₀₁ : Motivation and empowerment have no effect on Work Servicescape Dynamics.	0.689	***	Rejected at 0.1%
H ₀₂ : Learning and development have no effect on Work Servicescape Dynamics.	0.46	***	Rejected at 0.1%
H ₀₃ : Service Culture has no effect on Work Servicescape Dynamics.	0.567	***	Rejected at 0.1%
H ₀₄ : Job dynamics has no effect on Work Servicescape Dynamics.	0.594	***	Rejected at 0.1%
H ₀₅ : Functional attributes have no effect on Faculty Dynamics.	0.526	***	Rejected at 0.1%
H ₀₆ : Dysfunctional attributes have no effect on Faculty Dynamics.	0.752	***	Rejected at 0.1%
H ₀₇ : Work Servicescape Dynamics have no effect on Faculty attrition intention.	0.488	***	Rejected at 0.1%
H ₀₈ : Faculty Dynamics have no effect on Faculty attrition intention.	0.312	0.026*	Rejected at 5%

SC – Standardised Coefficient; p – Significance.

6. Conclusion

Motivation and empowerment, Learning and development, Service Culture, and Job dynamics have a positive effect on Work Servicescape Dynamics. Functional attributes, and Dysfunctional attributes have a positive effect on Faculty Dynamics. Work Servicescape Dynamics, and Faculty Dynamics have a positive effect on Faculty attrition intention.

Figure 1,SEM Path Analysis



7. References

1. Agyeman, C.M. & Ponniah, V.M. (2014). Employee Demographic Characteristics and their Effects on Turnover and Retention in MSMEs. *International Journal of Recent Advances in Organizational Behaviour and Decision Sciences*, Vol. 1 (1), pp. 12-29.
2. Chiboiwa, M.W., Samuel, M.O. & Chipunza, (2010). An Examination of Employee Retention Strategy in a Private Organization in Zimbabwe. *African Journal of Business Management*, Vol. 4 (10), pp. 2103-2109.
3. Gamage, P.N. & Herath, H.M.A.D.K. (2013). Job Related Factors and Intention to Stay of IT Professionals in Sri Lanka. *International Journal of Social Science & Interdisciplinary Research*, Vol. 2 (7), pp. 136-145.
4. James, M.J. & Faisal, U. (2013). Empirical Study on Addressing High Employee Attrition in BPO Industry Focusing on Employee Salary and other Factors in Karnataka and Kerala States of India. *Research Journal of Management Sciences*, Vol. 2 (9), pp. 7-11.
5. Janani, S. (2014). Employee Turnover: Present Scenario of Indian IT Industry. *Indian Journal of Applied Research*, Vol. 4 (3), pp. 234-236.
6. Kadam, V.S. & Thakar, H.M. (2014). A Study of Attrition in IT Industries in Pune. *International Journal of Advanced Research*, Vol. 1 (3), pp. 650-656.
7. Kumar, S.P & Dhamodharan (2013). An Empirical Study on Talent Retention Strategy by BPO's in India. *Interdisciplinary Journal of Contemporary Research in Business*, Vol. 5 (4), pp. 207-219.
8. Malarmathi, K. & Malathi, G. (2013). Employer and Employee Perception on Job Attrition in IT Industry: A Gap Analysis. *IJEMR*, Vol. 3 (3), pp. 1-21.
9. Malhotra, Naresh and Birks, David (2006). *Marketing Research: An Applied Approach*. Prentice Hall
10. Nappinnai, M.V. & Premavathy, N. (2013). Employee Attrition and Retention in a Global Competitive Scenario. *International Journal of Research in Business Management*, Vol. 1 (6), pp. 11-14.
11. Pankaj, S. & Venkat, S. (2014). Employee Turnover in Organized Services Sector in Delhi & NCR. *International Journal of Engineering and Management Sciences*, Vol. 5 (2), pp. 90-101.
12. Pathak, D. (2014). Job Hopping and Turnover Intentions: An Empirical Study. *International Journal of Research in IT & Management*, Vol. 4 (7), pp. 25-40.
13. Vibha, G. (2013). An Analysis of Attrition: Retention Strategy for IT / BPO Industry. *International Journal of Advance Research in Computer Science and Management Studies*, Vol. 1 (7), pp. 434-442.
14. Yadav, R. (2013). Human Resource Challenges for the Information Technology Industry in India. *African Journal of Business Management*, Vol. 7 (20), pp. 1950-1955.
15. Yiu, L. & Saner, R. (2014). Talent Attrition and Retention: Strategic Challenges for Indian Industries in the Next Decade. *Elite Research Journal of Accounting and Business Management*, Vol. 2 (1), pp. 1-9.