



Research Paper

A Study on Employee Attrition And Retention Tools/Mechanism in Kerala Gramin Bank

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

Retaining employees is a critical and ongoing effort. One of the biggest challenges in having managers in the place that understands it is their responsibility to create and sustain an environment that fosters retention. Staff requires reinforcement, direction and recognition to grow and remain satisfied in their positions. Managers must recognize this and understand that establishing such fundamentals demonstrates their objectives to support nature and motivate their employees.

This study is an outcome of the topic called "A study on employee attrition and retention tools/mechanism in Kerala Gramin Bank". The main objectives of this study is to know the reasons, why attrition occurs, to identify the factors which make employees dissatisfied, to know the satisfactory level of employees towards their job and working conditions and to find the areas where banking industries is lagging behind.

Keywords: - Attrition, Retaining employees, Retention, Kerala Gramin Bank, Managers and Organization.

I. INTRODUCTION

A bank is a financial institution that provides banking and other financial services to their customers. A bank is generally understood as an institution which provides fundamental banking services such as accepting deposits and providing loans. There are also nonbanking institutions that provide certain banking services without meeting the legal definition of a bank. Banks are a subset of the financial service industry. A banking system also referred as a system provided by the bank which offers cash management services for customers, reporting the transactions of their accounts and portfolios, throughout the day.

The banking system in India should not only be hassle free but it should be able to meet the new challenges posed by the technology and any other external and internal factors. For the past three decades, India's banking system has several outstanding achievements to its credit. The banks are the main participants of the financial system in India. The banking sector offers several facilities and opportunities to their customers. All the banks safeguard the money and valuables and provide loans, credit and payment services, such as checking accounts, money orders and cashier's cheques. The banks also offer investment and insurance products. As a variety of models for cooperation and integration among finance industries have emerged, some of the traditional distinctions between banks, insurance companies and securities firms have diminished. In spite of these changes, banks continue to maintain and perform their primary role- accepting deposits and lending funds from these deposits. Kerala Gramin Bank or KGB in short, is India's largest Regional Rural Bank with more than, 25,000 crores of business, headquartered at Malappuram in Kerala, India. The bank is jointly owned by central and state government and sponsored by Canara Bank. KGB has the third largest branch network among all the commercial banks operating in Kerala with 600 branches, 4 service branches, 3 ultra small branches, 10

regional offices, more than 270 ATM's and 157 kiosk banking outlet across the state. The credit deposit ratio of the bank is around 100%, which is the highest among all major banks of Kerala.

The bank was formed by amalgamating North Malabar Gramin bank and south Malabar Gramin Bank in 2013. As a fully Government owned undertaking, KGB is in the fore front in meeting its social commitments and also in implementing various government formulated policies and schemes. It is having dominant presence in all the 14 districts of Kerala State and is the only Regional Rural Bank in state. The Bank achieved 20% growth in the last financial year and plans to take the branch network to 1,000 in a couple of years.

Attrition in human resources refers to the gradual loss of employees over time. In general, relatively high attrition is problematic for companies. HR professionals often assume a leadership role in designing company compensation programs; work culture and motivation systems that help the organization retain top employees. Employee Retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Retention is the major problem in most of the private organizations and some of the government organizations. So that employee retention has become a major goal of the organization.

	
Type	Public
Industry	Banking, Financial service
Founded	South Malabar Gramin Bank (1976) North Malabar Gramin Bank(1976) Kerala Gramin Bank (2013)
Headquarters	Malappuram,Kerala,India
Area served	Kerala, India
Key people	Shaji K.V. (Chairman)
Products	Consumer banking , Corperate banking , Finance and Insurance , Mortgage loans, Private banking, Savings, Securities,Asset management, Wealth management
Revenue	□ 11,120 million(US\$170million) (2013)
Profit	□ 400 million(US\$5.9 million) (2013)
Total Assets	□ 122,360 million(US\$1.8billion) (2013)
Owner	Government of India, Government of Kerala , Canara Bank

Attrition effect on Public as well as Private Banks, but the effect of increasing attrition rate is faced mostly by Private Sector Banks instead of Public Sector Banks. The lowest rate of attrition is in KGB and the highest by the ICICI Bank followed by AXIS bank. The attrition rate of employees working in Private Sector Banks are more in the recent time due to increased workload with moderate package of financial benefits. Moreover working timings in the shift basis and non-conduciveness environment forced the employees to search better companies. Thus the need for an authentic basis of design suitable for employee attrition is identified as researchable area and the same has been foundation for the study.

Objectives Of The Study

- To identify the main reasons(both organisational and personal) which resulted in the resignation of the employees
- To identify the present level of attrition rate among employees

- To understand about various retention schemes

II. RESEARCH METHODOLOGY

Research Methodology is used to solve the research problem systematically. It explains the various steps generally adopted by a researcher in studying the research problem along with the logic behind them.

Data collections are two types namely;

- Primary
- Secondary

I used both types for collecting data. Primary data are those collected by the investigator himself for the first time for a specific purpose and thus they are original in character. The main advantage of primary data is that they are truthful and further suit the purpose. The methods I selected are direct personal investigation and questionnaire. Direct personal investigation collects data personally. There we are on the spot for conducting enquiry. We have to meet data from whom data are to be collected.

Questionnaire method means a list of questions called questionnaire. It is prepared and information is collected from various sources. The term questionnaire usually refers to form which an informant is expected to fill himself. It is printed list of questions to be filled by informants. From this I am able to understand that the success of questionnaire method of collecting information's depends largely on the proper drafting of the questionnaire. Drafting of questionnaire requires great deal of skill and experience. I studied to prepare a meaningful questionnaire, thus I followed the essential points of a good questionnaire. Secondary data means the data already collected by someone else for his purpose. We can say that secondary data are usually in the shape of finished products. We can collect it from published or unpublished sources.

Another statistical method is sampling. Sampling may be defined as the process of obtaining information about the entire population by examining only a part of it. In any investigation if data are collected only from a representative part of the universe we say that the data are collected by sampling. This representative part is called sample.

III. DATA ANALYSIS

The data analysis stage of the study deals with the primary data collected by the researcher. The entire study is quantified with the primary figures collected from 50 samples (i.e., 50 employees of KGB bank in Kerala). The following table shows the personal experience of the employees of KGB from their bank services.

Table No. 1 Personal Experience of KGB Employees in their services

Option	No. of employees	Percentage
Excellent	12	24%
Good	28	56%
Bad	9	18%
Very Bad	1	2%
Total	50	100%

The majority of employees in KGB have excellent rating on their personal experience. 80% of the respondents are favouring the bank; however 20% are having some bitter experience. The generalisation of the facts states that the employees are satisfied in the services provided by the bank for their employees. The following table shows various reasons behind employee turnover from the bank. There are many reasons for leaving an organisation by the employees. The reasons are stratified to specific four reasons and the details are given below:-

Table No. 2 The Reasons Behind Employees Leaving The Organization

Option	No. of employees	Percentage
Career related issues	16	32%
Compensation Problems	3	6%
Personal Reasons	24	48%
Other reasons	7	14%
Total	50	100%

As per the study, majority of employees are leaving KGB because of career related issues. Secondly the employees are leaving because of personal issues. But once we check the other reasons, the respondents are comparatively very less. Most of the employees are leaving an organisation due to benefits problems; however in case of KGB respondents are happy with their benefits.

A direct question about the difficulties faced to maintain the personal and work life of employees give the following results.

Table No. 3 Difficulties in maintaining both personal and work life

Option	No. of employees	Percentage
Yes	27	54%
No	23	46%
Total	50	100%

The above analysis states that majority of employees have difficulties in maintaining both personal and work life. The bank follows a good and healthy superior subordinate relationship. The following table shows the substantial evidence for the same.

Table No. 4 Healthy superior subordinate relationship

Option	No. of employees	Percentage
Yes	30	60%
No	20	40%
Total	50	100%

A general question about the satisfaction level of employees in their job in KGB shows very good positive replies.

Table No. 5 Satisfaction level of employees in their job

Option	No. of employees	Percentage
Very satisfied	12	24%
Satisfied	25	50%
Unsatisfied	11	22%
Very unsatisfied	2	4%
Total	50	100%

In Kerala Gramin Bank the majority of employees are satisfied with their job , around 74% of the respondents are satisfied with their present bank and out of that 24% of them are extremely satisfied with the working conditions in the bank. Though some employees are unsatisfied due to some personal as well as professional reason. It is very difficult to get a positive reply from employee's side while asking a question about the overall motivation level from their present working conditions. But here the case is different.

Table No. 6 The level of motivation in KGB

Option	No. Of employees	Percentage
Very high	16	32
High	25	50
Low	8	16
Very low	1	2
Total	50	100%

The table says that majority of employees are well motivated in KGB. 82% of the respondents are motivated with the working conditions in the bank. These replies can be considered as the flourishing working environment in the bank.

Findings

1. People in 31-40 years of age group are showing more tendencies to resign.
2. 56% have more than 10 year's tenure of work.
3. Majority of the employees feel difficulty in maintaining work and personal life.
4. 56% of employees feel good about their personal experience in Kerala Gramin Bank.
5. Major reasons behind attrition in Kerala Bank ltd are personal reasons and career related issues.
6. Majority of the employees feel that Superior subordinate relationship is satisfactory.
7. Incentives/bonus and family benefits are the main benefits that attract employees to stay in the organization.
8. 68% of employees refer a friend to apply a job in the organisation
9. 50% of employees saying the level of motivation of the company is high
10. 74% of employees have the freedom to take independent decision when needed
11. 50% of employees needed to change some other factors in their organisation
12. Employees are more attracted to the incentive bonus

IV. CONCLUSION

Attrition and Retention are opposite phenomenon driven by corporations and other employers. Employee attrition refers to the loss of employees through a number of circumstances, such as resignation and retirement. Retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. It is beneficial for the organizations as well as employee. Attrition rate in Kerala Gramin Bank is comparatively low. Work stress is the major reason of attrition in banking sector. Keeping employees on the success track for a long time in the same organization is more important. Employee retention is also a major goal of the organization. Major reason behind attrition is personal reasons. People are looking for more incentives. So that is the best way to attract employees.

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