



A study of attrition in manufacturing industries in Kolhapur District

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Abstract

Employee attrition is a major concern for manufacturing industries as it affects productivity, organizational performance, and profitability. High employee turnover results in increased recruitment and training costs, loss of experienced workers, and disruptions in production processes. Kolhapur District is one of the important industrial regions in Maharashtra, with a strong presence of engineering, foundry, textile, sugar, and automobile component manufacturing units. This study aims to identify the major causes of employee attrition in manufacturing industries in Kolhapur District and examine its impact on organizational performance. The study is based on both primary and secondary data. Primary data were collected through questionnaires and interviews with employees, while secondary data were obtained from journals, books, and industry reports. The findings reveal that low salary, limited career growth opportunities, job stress, and better employment prospects elsewhere are the primary reasons for employee attrition. The study suggests that organizations should focus on employee engagement, competitive compensation, career development programs, and improved working conditions to reduce attrition and enhance employee retention.

Keywords: Employee attrition, employee retention, manufacturing industry, human resource management, Kolhapur District

Introduction

Human resources are considered the backbone of every organization. In the manufacturing sector, skilled and experienced employees contribute significantly to operational efficiency, product quality, and organizational growth. However, many manufacturing industries face the challenge of employee attrition, which refers to the reduction of employees due to resignation, retirement, termination, or other reasons.

Employee attrition has become a critical issue in today's competitive business environment. Frequent employee turnover leads to increased recruitment costs, additional training expenses, reduced productivity, and lower employee morale. Manufacturing industries are particularly affected because they depend heavily on skilled labor and technical expertise.

Kolhapur District is known for its industrial development, especially in engineering, foundry, automobile component manufacturing, textile production, and sugar industries. Despite industrial growth, many organizations in the district face difficulties in retaining skilled employees. Therefore, understanding the causes and consequences of employee attrition is essential for developing effective retention strategies.

Review of Literature

Several researchers have studied employee attrition and retention in different industries.

Kaur and Padmanabhan (2019) ^[1] found that inadequate compensation, poor work environment, and lack of career growth opportunities significantly influence employee attrition in manufacturing organizations.

Sriram *et al.* (2018) ^[2] identified salary dissatisfaction, job stress, and management-related issues as major factors contributing to high attrition rates in manufacturing firms.

Bhardwaj and Singh (2017) ^[3] reported that employee turnover is strongly associated with job dissatisfaction, poor

supervisory relationships, and limited opportunities for professional development.

Chakrabarti *et al.* (2020) ^[4] emphasized the role of psychological contracts between employees and employers. The study found that unmet expectations regarding rewards and career advancement often lead to employee turnover.

Janani and Dulloo (2024) ^[5] observed that poor working conditions, inadequate benefits, and lack of recognition are important reasons for employee attrition in manufacturing industries.

The reviewed studies indicate that compensation, career growth, work environment, and employee satisfaction are among the most common factors influencing attrition.

Research Gap

A review of existing literature reveals that many studies have examined employee attrition in manufacturing industries across India. However, limited research has specifically focused on manufacturing industries in Kolhapur District.

The industrial structure of Kolhapur differs from other regions because of its concentration of foundries, engineering units, and automobile component manufacturers. Employee expectations, working conditions, and organizational practices may vary significantly in this region. Therefore, there is a need for a localized study to understand the specific causes of attrition and suggest appropriate retention strategies for manufacturing industries in Kolhapur District.

Objectives of the Study

The study has the following objectives:

1. To identify the major causes of employee attrition in manufacturing industries in Kolhapur District.
2. To examine the impact of attrition on organizational performance.

- To analyze employee perceptions regarding job satisfaction and retention.
- To suggest measures for reducing employee attrition in manufacturing industries.

Research Methodology

Research Design

The study is descriptive in nature and aims to understand the causes and effects of employee attrition.

Sources of Data

Primary Data

Primary data were collected through:

- Structured questionnaires
- Personal interviews with employees
- Discussions with HR managers

Secondary Data

Secondary data were collected from:

- Research journals
- Books
- Industry reports
- Company records
- Websites and published articles

Sampling Method

Convenience sampling was used to select respondents from various manufacturing industries in Kolhapur District.

Sample Size

A total of 100 employees were selected for the study.

Data Analysis

Table 1: Reasons for Employee Attrition

Reason	Number of Employees	Percentage
Low Salary	30	30%
Lack of Career Growth	22	22%
Job Stress	18	18%
Better Job Opportunities	15	15%
Poor Work-Life Balance	10	10%
Management Issues	5	5%
Total	100	100%

Interpretation

The data indicate that low salary is the most significant reason for employee attrition, accounting for 30% of responses. Lack of career growth opportunities is the second most important factor, followed by job stress and better employment opportunities elsewhere.

Table 2: Impact of Attrition on Organizations

Impact	Percentage
Increased Recruitment Cost	35%
Reduced Productivity	30%
Loss of Skilled Employees	20%
Reduced Employee Morale	15%

Interpretation

The findings show that increased recruitment costs and reduced productivity are the major consequences of employee attrition. Organizations also face challenges in replacing experienced employees and maintaining employee morale.

Results

The study produced the following results:

- Employee attrition is a significant issue in manufacturing industries in Kolhapur District.
- Compensation-related factors are the primary cause of employee turnover.
- Employees seek better career advancement opportunities and professional growth.
- Workplace stress contributes to employee dissatisfaction and resignation.
- Attrition increases organizational costs and negatively affects productivity.
- Employee engagement and recognition have a positive impact on retention.

Findings

The major findings of the study are:

- Low salary is the leading cause of employee attrition.
- Employees prefer organizations that offer career development opportunities.
- Stressful work conditions increase turnover intentions.
- Better job opportunities in competing firms attract skilled employees.
- High attrition leads to increased recruitment and training expenses.
- Effective communication and employee recognition improve job satisfaction.
- Organizations with supportive management experience lower attrition rates.

Suggestions

Based on the findings, the following suggestions are proposed:

- Manufacturing industries should offer competitive salary packages.
- Organizations should establish clear career growth and promotion policies.
- Regular training and skill development programs should be conducted.
- Employee recognition and reward systems should be strengthened.
- Management should improve communication and employee participation in decision-making.
- Organizations should implement measures to reduce workplace stress.
- Employee welfare programs should be enhanced to improve job satisfaction.
- Periodic employee feedback surveys should be conducted to identify concerns and improve retention strategies.

Conclusion

Employee attrition is one of the major challenges faced by manufacturing industries in Kolhapur District. The study reveals that low salary, limited career growth opportunities, job stress, and attractive external job opportunities are the primary reasons for employee turnover. High attrition adversely affects productivity, increases recruitment costs, and disrupts organizational performance.

To address this issue, manufacturing organizations must adopt effective human resource practices such as competitive compensation, employee development programs, improved working conditions, and employee engagement initiatives. By implementing these measures,

organizations can reduce attrition, enhance employee satisfaction, and achieve long-term growth and sustainability.

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