

# Impact of Human Resource Development Practices on Employee Retention In Amara Raja Batteries Limited (Arbl), Tirupati: A Statistical Analysis

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**Abstract:** In manufacturing industrial sector skilled employees are essential especially in battery manufacturing industry skilled and technical labor are important for the production and for new product development according to the needs of the society. In this context keeping employees for a long time organization should not only focus on retention strategies include focus on Suitable HRD practices to support retention strategies, the purpose of this study is to study the impact of HRD practices on employee retention. These study outlines which HRD practices strongly retain employees. For this purpose the study conducted on 300 operational levels employees of ARBL. From this study it has evident that there has a strong relation between the HRD practices and retention factors and further identified that compensation, training and development, employee relations and health and other allied benefits were strongly influence to retain employees.

**Keywords:** HRD, Employee Retention.

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Date of Submission: 01-12-2017

Date of acceptance: 14-12-2017

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## I. Introduction

Battery manufacturing is one of the best growing sectors in auto component industry. Skilled and technical employees are needed to play essential role for the growth and development of the industry. Irrespective of small medium and big organizations showing interest on battery products because of the need of the product to maintain supply chain management in their respective areas, in such industry retaining employees becoming very difficult. HR manger of the industry has been playing various strategies to control attrition in their departments of the organization. Employee attrition causes high financial burden such as advertisements, recruiting, providing training and more over adjusting with organization culture will take time consuming and expenditure to expend. In this regard it is required to focus on what factors influence retention and the impact HRD practices on retention in the select organization.

## II. Importance of the study

Skilled and knowledge employees are the back bone of any sector irrespective of the industry. Retaining employees means not giving chance to rivals to develop. In this circumstance it is needed to eye on HRD practices and retention of employees in battery manufacturing industry.

## III. Review of literature

Mashal<sup>1</sup>(2015) made a study on Pakistan international airlines for the purpose of estimating the impact of firm commitment on employee attrition. In his study he opinioned that training and development opportunities, learning opportunities, providing freedom in job, employee engagement and employee job satisfaction strongly significant with organizational commitment. Further he opinioned after executing regression method that there had no association between employee attrition and employee commitment .further he concluded in his studies that which the organization having high committed employees there the employee attrition would be less.

N. Bharathi<sup>2</sup> (June-2015) made a study on attrition issues and retention strategies in IT and ITEs. With the objectives to find Factors impacting voluntary, involuntary and behavioral intentions, and impact of both voluntary and involuntary on behavioral intentions. Regarding these objectives she observed that the select environmental factors, organization culture and strategy job specific factors, Training and development factors personal factor were at satisfactory level in the organization. She observed that voluntary attrition was high in IT

and ITES industries compared to involuntary attrition and further she found that the behavioral intention of employee probably continue in the job. Further she found that Attrition strongly impact on organization culture, commitment, employee productivity and retention, she concluded in her study that organizations should focus on employee retention practices. Anilkumar <sup>3</sup>(2011) conducted a study on talent retention in BPO industry. He felt that to retain talent there was the only one magic mantra is controlling attrition and to reduce financial burden of the organization. For this purpose he conducted research on freshers of BPO employee's .in his research he found that lack of proper relations, poor training, and lack of competitive compensation and insecurity of job fresher's leaved the job. He concluded in his study that If management properly plan shift for women and to gents they would free from stress otherwise it would creates a sense of attrition intention. Further he suggested that promotion opportunity, recreation facilities, and compensation with benefits reduce attrition.

**Goswami & Jha** <sup>4</sup>(2012) made study on problems of attrition and retention strategies to control attrition in BPO industry. In his study he found that organizations spending huge amounts on recruitment and selection of employees. Such financial burdens negatively impact on organization performance. He found that majority of the employees were leaved the organization only for the purpose of over work load, lack of good working conditions in the organization. He suggested that management should provide flexible work culture in the organization. Further he concluded in his study that good friendly work environment builds employee engagement with organization **Shaheeb Abdul Azeez** <sup>5</sup>(2017) made study to identify what kind of HRM practices influence retention of employees regarding that statement he conducted HRM practices survey with 7 items and all these items were correlated with each other in earlier studies which were observed by him. in executing the regression of the these item related various studies he had found that all the these items such as employee pay, recognition to them, leadership style, individual career development, training opportunities were directly correlated with job satisfaction and further he found that job satisfaction variables were also concrete with employee retention. He concluded in his study that not losing an employee is an important criterion of the management for the better development of the organization. For his research he completely depends on secondary data of various researches.

#### **IV. Objectives of the study**

1. To study the socio economic profile of the Employees
2. To examine select HRD practices in Amara raja Batteries limited
3. To Measure factors influence employee retention and the impact of HRD practices on employee retention in Amara raja batteries Limited
4. To offer suggestion for practices to retain Employees

#### **V. Methodology of the study**

This study is descriptive in nature. Both primary and secondary sources were used to gather data. The survey was conducted on 300 operating level employees. To gather data convenient sampling techniques was used. The study was confined in Industrial battery division and automotive battery divisions of ARBL. Percentage method, weighted average methods, correlation and multiple regression techniques were used the calculate data.

#### **VI. Limitations of the study**

This study is limited industrial battery division and automotive battery division of ARBL. The sample size used for the study is only 300 employees at operational level only this may not represent entire ARBL Organization. Most of the employees were hesitate to give genuine information.

#### **VII. Results and Discussions**

##### **4.1 Demographic Profile of the Employees**

##### **4.1 Objective one finding**

**Table 1: Employees Age in ARBL**

Age of Employee	Below 20yrs	Between 20-30Yrs	Between 30-40Yrs	Above 40Yrs	Total
No. of Employees	9	191	88	12	300
%	3	63.67	23.99	4	100

Source: Data collected from field survey

Table No1 shows that the 63.67% of the employee are in the age group of 20-30 years. 23.99% the employees are belongs to the age group of 30-40 years. 4 percentages of employees below 20 years of age and 3% of the employees are above 40 It can be seen that two-third of the employees belong to the age group 20-30 years, and they are in the beginning of their employment career.

**Table 2: Sex of the Employees in the ARBL**

Sex	Male	Female	Total
No. of Employees	216	84	300
%	72	28	100

Source: Data collected from field survey

The data on sex of the Employees in the select organizations is shown in table-2. Majority of the Employees are male (72 %) and 28 % are women. Women are apparently one-third in the Industry.

**Table 3: Educational qualifications of Employees in ARBL**

Education Qualification	Diploma	UG	PG	Total
No. of Employees	238	42	20	300
%	79.33	14	6.67	100

Source: Data collected from field survey

Table No 3 shows the data on education qualification of the Employees. It can be seen that the majority of the Employees are Diploma holders (79.33 %) and the rest of them are graduates. It can be concluded that ARBL requires skill to attend the work with Diploma qualification, which is the reason for having the employees with diploma and highest qualification.

**Table- 4: Background of the Employees in the ARBL**

Background	Rural	Urban	Total
No. of Employees	203	97	300
%	67.67	27.5	100

Source: Data collected from field survey

Table No 4 shows that majority of the Employees are in the rural category (67.67 %) and the rest (32.33%) from the Urban background in ARBL.

**Table -5: Marital Status of the Employees in the ARBL**

Marital Status	Married	Unmarried	Total
No. of Employees	93	207	300
%	31	69	100

Source: Data collected from field survey

Table No 5 shows that majority of the Employees (69%) are unmarried and the rest (31%) are married it looks like the present days employees are more job cognizant and the environment creates a sense of accountability and practicality for both the genders by giving them a clear vision on marriage and social life.

**Table -6: Nature of Job of the Employees in ARBL**

Nature of Job	Technical	Non-technical	Managerial	Others	Total
No. of Employees	220	40	30	10	300
%	73.33	13.33	10	3.33	100

Source: Data collected from field survey

Table No 6 shows majority of the Employees (73.33%) under Technical category followed by 13.33% Non-technical category, 10 % Managerial category and 3.33 % under others category.

**Table -7: Work experience of the Employees in the ARBL**

Work Experience	Less than 5yrs	Between 5-10 yrs	Between 10-20 yrs	Between 20-30 yrs	Above 30yrs	Total
No. of Employees	190	86	18	6	0	300
%	63.33	28.67	6	2	0	100

Source: Data collected from field survey

Table No 7 shows majority of the Employees 63.33% with less than 5 years experience, 28.67% with 5-10 years' work experience, 6 % in 10-20 years category and 2 % in 20-30 years category. There is no one working for longer than 30 years.

**Table -8: Monthly Income of the Employees in ARBL**

Monthly Income	Less than 20 (Rs.000's)	20-30 (Rs.000's)	30-40 (Rs.000's)	>40 (Rs.000's)	Total
No. of	158	52	54	36	300

Employees					
%	52.67	17.33	18	12	100

Source: Data collected from field survey

Table No 8 shows that 52.67 % of the total Employees said their monthly income is below 20000 rupees. 18 % are in the monthly income bracket of Rs.30, 000 – 40,000, 17.33% in the range of Rs.20000 – 30000, and 12% are earning above Rs.40, 000. It is interesting to note that more than half of the Employees (52.67%) income is below 20 000 rupees.

### VIII. Objective Two Finding

**Table no- 9** Inter item consistency cronbach’s alpha analysis

Variables	Cronbach alpha	No items tested
employee relations	<b>0.897</b>	7
recruitment and selection	<b>0.758</b>	5
Training and development	<b>0.877</b>	7
performance appraisal	<b>0.856</b>	5
compensation& benefits	<b>0.825</b>	6
safety and welfare	<b>0.889</b>	7
health and other allied benefits	<b>0.875</b>	5
<b>Total</b>	0.853857143	<b>42 items</b>

It can be said from the table 9 that there internal consistency of the all the items are significant and the overall cronbach’s alpha is 0.8538 it can be said as significant.

**Table -10** HRD Practices in Amara raja batteries limited

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
employee relations	300	1.00	5.00	3.5814	1.30289
recruitment and selection	300	1.00	5.00	3.4333	1.34595
Training and development	300	1.00	5.00	3.6233	1.26231
performance appraisal	300	1.00	5.00	3.5633	1.34363
compensation& benefits	300	1.00	5.00	3.5667	1.27185
safety and welfare	300	1.00	5.00	3.6300	1.28788
health and other allied benefits	300	1.00	5.00	3.3433	1.43725
Valid N (list wise)	300				

Table –No-10 shows the opinion of the employees towards HRD practices in ARBL. The survey was conducted on 300 employees and the overall response on HRD practices are 64.06 % with the mean of 3.56 it can be termed as HRD practices are good in Amara raja batteries limited(ARBL).

**Table No-11** Descriptive statistics of factors influencing retain employees in ARBL

items	N	Minimum	Maximum	Mean
Opportunity for development	300	1	5	3.49
Appreciation and recognition	300	1	5	3.71
Employee loyalty	300	1	5	3.84
Work environment	300	1	5	3.80
Constitutionalism in the Work Organization	300	1	5	3.81
Organizational culture and support	300	1	5	3.69
Job security and employee relationship strategies	300	1	5	4.01
Valid N (list wise)	300			Avg mean 3.76

Table No-11 shows the opinion of the employees towards employee retention strategies practicing in ARBL. The survey was conducted on 300 employees and the overall response on factors influencing employee retention strategies was 69.09 % with the avg mean of 3.76 it can be said that the stated variables influence retention strategies. Among these variables job security and employee relationship strongly influence retention so the management should implement job security and employee relationship maintenance practices in the organization. Further loyalty towards the organization is second highest influencing factor of retaining employees regarding that management concentrate on these loyalty development practices. From the study it is observed that opportunity for development recorded low mean value this means employee attrition has not only influence by one factor and by many of the practices. Hence; management should concentrate administrative practices to make the employee job satisfaction.

**Table No-12** Correlation matrix (two tailed test)

		recruitme nt and selection	training and developmen t	performa nce appraisal	compensati on& benefits	safety and welfare	employ ee relatio ns	health and other allied benefits	Employ ee retentio n
recruitme nt and selection	Pearson Correlation	1	.716**	.663**	.727**	.670**	.725**	.666**	.773**
	Sig. (2- tailed)		.000	.000	.000	.000	.000	.000	.000
	N	300	300	300	300	300	300	300	300
training and develop ment	Pearson Correlation	.716**	1	.792**	.860**	.801**	.827**	.754**	.896**
	Sig. (2- tailed)	.000		.000	.000	.000	.000	.000	.000
	N	300	300	300	300	300	300	300	300
perform ance apprais al	Pearson Correlation	.663**	.792**	1	.813**	.722**	.755**	.700**	.829**
	Sig. (2- tailed)	.000	.000		.000	.000	.000	.000	.000
	N	300	300	300	300	300	300	300	300
compens ation& benefits	Pearson Correlation	.727**	.860**	.813**	1	.806**	.825**	.784**	.908**
	Sig. (2- tailed)	.000	.000	.000		.000	.000	.000	.000
	N	300	300	300	300	300	300	300	300
safety and welfare	Pearson Correlation	.670**	.801**	.722**	.806**	1	.770**	.736**	.850**
	Sig. (2- tailed)	.000	.000	.000	.000		.000	.000	.000
	N	300	300	300	300	300	300	300	300
employ ee relatio ns	Pearson Correlation	.725**	.827**	.755**	.825**	.770**	1	.745**	.884**
	Sig. (2- tailed)	.000	.000	.000	.000	.000		.000	.000
	N	300	300	300	300	300	301	300	300
health and other allied benefits	Pearson Correlation	.666**	.754**	.700**	.784**	.736**	.745**	1	.824**
	Sig. (2- tailed)	.000	.000	.000	.000	.000	.000		.000
	N	300	300	300	300	300	300	300	300
Employ ee retentio n	Pearson Correlation	.773**	.896**	.829**	.908**	.850**	.884**	.824**	1
	Sig. (2- tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	300	300	300	300	300	300	300	300

From the table 12 of Pearson correlation matrix it can be said that all the items were correlated significantly with each other. Employee retention strategies are highly significant with compensation. Among these variables recruitment and selection variable less significantly correlated with retention.

**IX. Objective Three Findings**

**9.1 Beta coefficient**

Table no-12 (a) Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.961 <sup>a</sup>	.923	.921	.34731

a. Predictors: (Constant), health and other allied benefits, recruitment and selection, performance appraisal, safety and welfare, employee relations, training and development, compensation& benefits

Table no-12 (b) Beta Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.250	.067		3.758	.000
	recruitment and selection	.079	.023	.086	3.440	.001
	Training and development	.155	.036	.158	4.241	.000
	performance appraisal	.095	.027	.103	3.530	.000
	compensation& benefits	.155	.041	.160	3.799	.000
	safety and welfare	.109	.030	.113	3.677	.000

employee relations	.174	.032	.182	5.429	.000
health and other allied benefits	.220	.039	.250	5.638	.000
a. Dependent Variable: employee retention					

According to the table 12(a) the R value 0.961 which indicating that there was a strong relation between works related attitude and job employee retention.

All the results derived from multiple regressions in the table12 (b) co-efficient justify the massive importance of HRD practices on employee retention. Further in this table it was seen that health and other allied benefits (t-value 5.638), employee relations (t-value 5.429) and training and development (t-value4.025) were most important predictors of the retaining employees.

## X. Conclusion

Retaining employees for a maximum period is very critical for the company's further growth. Administrative practices were most important for reducing employees withdrawn from the origination because these practices directly impact on employee's behavior. The study was focused mainly to find out the impact of HRD practices on employee retention. It can be concluded from the study that hrd practices significantly impact on employee attrition. In order to retain employees in the batteries Ltd the managers will have to concentrate on HRD practices which have a significant impact on employee retention..

## XI. Suggestions

1. Training should provide to all levels of employees so that senior and juniors will learn to cope with the changes.
2. Proper communications is required in the organization to all level of employees about new policies and procedures.
3. Top management must carefully guide the HRD department to implement desired practices.
4. Organization facilitates healthy climate and culture in the organization.
5. Emotional stability should take into considerations while selecting employees.
6. Employer should provide opportunity to participate and to learn seriously in the organization.
7. Employee appreciation and conducting exit interviews are very important to understand the problems in the organization

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IOSR Journal of Business and Management (IOSR-JBM) is UGC approved Journal with Sl. No. 4481, Journal no. 46879.

K.SreenivasMahesh"Impact of Human Resource Development Practices on Employee Retention In Amara Raja Batteries Limited (Arbl), Tirupati: A Statistical Analysis." IOSR Journal of Business and Management (IOSR-JBM) 19.12 (2017): 29-34.