

Employers' Perspective About Early Attrition in Pharmaceutical Companies of Andhra Pradesh and Telangana

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ABSTRACT

In the pharmaceutical sector, managing skilled manpower has always been a challenge. Recently, however, addressing early attrition has emerged as a key concern. This research aims to uncover the perceptions of employers (specifically recruiters) regarding early attrition among new hires in the pharmaceutical industry across Telangana and Andhra Pradesh. The study zeroes in on discerning the actual reasons behind entry-level attrition in various pharmaceutical companies, particularly in Telangana. A structured interview questionnaire was employed, targeting approximately 150 HR heads from diverse pharmaceutical firms in both states. With early attrition becoming a ubiquitous issue, fostering employee retention has increasingly become a critical aspect of HR's role in ensuring business continuity. This study endeavours to ascertain whether there is common or differing reasons for early attrition among HR professionals in the pharmaceutical industry within these two states.

Key Words: Attrition, Pharmaceutical, Employers Perspective, Voluntary and involuntary attrition, Andhra Pradesh & Telangana.

I INTRODUCTION

Employee turnover intention is a key factor in organizational dynamics. It involves understanding and measuring the reasons behind employees' decisions to leave, enabling the development of strategic plans to address these issues. Turnover intentions are broadly categorized into two types.

- (a) **Voluntary Turnover Intention:** This occurs when employees choose to leave their job for reasons such as finding superior employment opportunities, dissatisfaction with their current role, personal health concerns, or family relocation, among others.
- (b) **Involuntary Turnover Intention:** This type of turnover happens when an employee's departure is not self-initiated but due to external factors like substandard performance, misconduct, or in unfortunate cases, the employee's demise.

Recognizing and differentiating between these two forms of turnover intention is crucial for effective organizational management and decision-making.

This research primarily concentrates on voluntary turnover intentions, warranting a more in-depth exploration of this area. For organizations to develop and implement successful retention strategies, it is essential that both senior and line management comprehend the underlying factors prompting employees to voluntarily seek alternative employment opportunities. A broader examination reveals that the heightened attrition rates may partly stem from the emergence of new companies, which has escalated the demand for jobs recently. This surge in demand, coupled with a relative scarcity of qualified professionals in the pharmaceutical sector, has resulted in a significant gap between demand and supply in the job market. While numerous studies have investigated these

two critical areas to understand the drivers of high attrition, there is a noticeable dearth of research exploring employers' perspectives on the causes of early employee turnover. This research gap has been the impetus for initiating the current study.

II REVIEW OF LITERATURE

As Mentioned above there are various studies that have been carried forwarded regarding the various reasons for the early attrition.

According to the various findings from "Marcus Buckingham" and "Curt Coffman", "If employees don't get along with their managers, don't like them or don't respect them, they will leave a company despite a high salary or great benefits. A good manager, no matter the salary, will inspire loyalty." Kim and Stoner, 2008 stressed that workers expect to leave on account of variables identified with individual (e.g., statistic components or identity), work (e.g., nature, substance or outline of employment) or association (e.g., pay, director or associate). Social help and occupation self-governance may have an immediate negative effect on the representative turnover goal. Terence et al., 2001 stated that there are various reasons why an employee leaves the organization voluntarily. Some may be personal and some may be influenced by organizational factors. Personal reasons such as family situation, career growth and attractive job offers etc. Organization factors includes lack of promotional opportunities, unfair treatment among employees and mismatch between personal values and organizational values etc., Overall turnover is a great problem for both organization and individual. Deepa and Stella, 2012, in their exploratory investigation featured various components which add to worker turnover. Socioeconomics, Organization's execution, Organization's

culture (as far as its reward framework, authority, shared objectives and so on.), Employees individual attributes (like want to learn, change in close to home life, new occupation offer and so on.), Job qualities, Unrealistic desires are the elements that are seen to upgrade worker turnover. Adhikari, 2009 distinguished the components influencing worker wearing down. The paper recognized four elements. Business related issues have the best effect on whittling down. The other three being manager related issue, aptitude of workers and the pay. Pay appeared to have minimal impact on steady loss. Ms. Deepti Sinha and co 2013, a study on employee retention in pharmaceutical study conducted in Dehradun city states that a proactive approach with lot of employee related benefits is very critical to the organization to retain the talented employees. Saleem and Affandi, 2014 investigated the effect which Human Resources hones have on the worker steady loss. Reasonableness of remunerations and development openings were viewed as the key components impacting the employees' choice to leave an association. According to Mr. S.V. Jayapal Reddy et. al. 2023 study, out of the 11 factors career for change stood out to be the top most reason while compelling family reasons took the second position. While the other factors like inadequate salary, workplace distance, health impact, lack of recognition, pursuing higher studies and issues with the reporting manager followed.

III PROBLEM STATEMENT

This study seeks to explore and understand the perspectives of employers regarding early employee attrition within pharmaceutical companies.

IV OBJECTIVES OF THE STUDY

The objective of the study are

- (a) To identify the diverse reasons perceived by employers for early attrition in their organizations.
- (b) To examine the commonalities in employers' perspectives on this issue.
- (c) To analyse the differences in thought patterns among various employers regarding early attrition.
- (d) To uncover any new, previously unexplored reasons contributing to early attrition.

V METHODOLOGY

This study employs a structured questionnaire to address the problem statement and achieve its objectives. The questionnaire comprises 11 closed-ended questions and one open-ended question. For the closed-ended questions, a 5-point rating scale is utilized, represented in percentage intervals: less than 10%, 10-30%, 30-50%, 50-70%, and above 70%. These intervals are generally set at 20% increments, with adjustments made for the first and last

categories to reflect their distinct significance. The questionnaire was distributed online through a link shared with employers within the research scope. From over 150 employers contacted, 89 responses were initially received. After a thorough review, it was determined that 78 responses were relevant to the study's focus. Further analysis revealed participation from 47 unique companies, including 5 from Andhra Pradesh and 42 from Telangana State.

VI SCOPE OF THE STUDY

The scope of this research is confined to key employers from pharmaceutical industry, specifically Human Resources leaders of companies with a turnover exceeding Rs. 500 crore, located in the Andhra Pradesh and Telangana States.

VII DATA ANALYSIS AND INTERPRETATION

- (a) **Comparison between the two states:** The below table represents average scores of two states against each of the reason.

Table 1 - Computer between AP & TS

Reasons	AP	TS
Work Load	2.6	1.8
Colleagues	1.5	1.5
HR Polices	2.6	1.9
Manager	2.9	2.9
Culture	2.8	2.8
Employee Engagement	2.4	2.0
Health & Wellness	2.2	2.1
Compensation	3.6	2.8
Learning Opportunities	2.5	2.3
Career Opportunities	4.2	2.8
Job Satisfaction	3.0	2.7

The provided data table offers insights into the average scores attributed to various reasons for early attrition across employers in Andhra Pradesh and Telangana. In Andhra Pradesh, career opportunities emerged as a predominant factor, with an average score of 4.2 from five companies. This suggests that employers believe over 70% of early attrition is driven by employees seeking better career opportunities. Following this, compensation is identified as the next significant reason, with an average score of 3.6, indicating employers' perception that over 50% of early attrition is due to improved compensation offers elsewhere. In contrast, in Telangana, the primary reason identified is the influence of reporting managers, with an average score of 2.9 across 42 companies. This implies that, according to

employer opinions, around 50% of early attrition is influenced by issues related to reporting managers. Additionally, organizational culture and career opportunities jointly hold the second position, each with an average score of 2.8.

From the table we can understand that career opportunities have scored 4.2 on average from the five companies. This means that the employer opines that more than 70% of the early attrition is happening due to better career opportunities. The next reason is compensation with 3.6 average. Which means that the employers feel that more

than 50% of the early attrition is happening due to better compensation. On the contrary in Telangana, Reporting manager stands with average of 2.9 from 42 companies. Which means as per the opinion of the employers, close to 50% of early attrition is happening due to Reporting managers. While culture and career opportunities stand in the second position with the average score of 2.8.

(b) Company wise Analysis: Below table represents the company wise data of both Andhra Pradesh 5 companies and Telangana 42 companies with the reasons for attrition based on the employer.

Table 2 – Company wise Analysis

TS Companies	Work Load	Colleagues	HR Policies	Manager	Culture	Employee Engagement	Health & Wellness	Compensation	Learning Opportunities	Career Opportunities	Job Satisfaction
C1	2.3	1.8	2.3	3.5	3.5	1.8	2.0	3.0	2.3	2.5	2.3
C2	1.5	2.5	1.5	2.0	3.0	2.0	2.0	3.0	2.0	2.5	3.0
C3	2.2	1.2	1.5	2.2	2.2	1.7	1.7	2.8	2.0	2.3	2.5
C4	1.0	1.0	1.0	1.5	2.0	1.5	1.5	3.0	2.0	3.0	2.0
C5	1.3	1.5	2.3	4.3	3.5	3.3	3.3	3.3	3.8	2.5	3.5
C6	2.3	1.7	1.8	2.2	2.8	1.8	1.8	3.0	2.8	3.2	3.2
C7	1.0	1.5	1.5	3.5	2.5	1.5	2.0	3.5	3.5	4.0	2.5
C8	2.0	2.5	3.0	4.0	4.0	2.0	2.0	3.5	3.0	3.0	3.5
C9	1.5	1.2	1.0	2.7	2.2	1.8	1.2	2.0	2.0	2.0	2.2
C10	1.0	1.0	1.0	2.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
C11	2.0	1.0	2.0	2.0	2.0	1.0	1.0	2.0	2.0	2.0	2.0
C12	2.0	1.0	1.0	3.0	3.0	4.0	3.0	5.0	3.0	3.0	5.0
C13	2.0	1.0	1.0	2.0	1.0	1.0	2.0	1.0	1.0	2.0	1.0
C14	3.0	2.0	5.0	4.0	5.0	1.0	5.0	5.0	3.0	5.0	5.0
C15	1.0	1.0	2.0	1.0	2.0	2.0	2.0	1.0	1.0	2.0	2.0
C16	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
C17	3.0	1.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	3.0	2.0
C18	2.0	2.0	2.0	3.0	3.0	2.0	1.0	3.0	2.0	2.0	2.0
C19	4.0	4.0	3.0	5.0	5.0	5.0	5.0	5.0	3.0	5.0	3.0
C20	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
C21	1.0	1.0	3.0	4.0	5.0	5.0	4.0	5.0	5.0	5.0	4.0
C22	3.0	2.0	4.0	3.0	4.0	3.0	2.0	4.0	3.0	4.0	4.0
C23	2.0	1.0	4.0	2.0	2.0	1.0	1.0	2.0	3.0	3.0	3.0
C24	2.0	1.0	1.0	2.0	2.0	1.0	1.0	2.0	1.0	2.0	2.0
C25	2.0	1.0	1.0	3.0	3.0	2.0	2.0	3.0	2.0	2.0	3.0
C26	2.0	1.0	1.0	1.0	2.0	2.0	3.0	1.0	3.0	3.0	2.0
C27	2.0	1.0	2.0	4.0	2.0	1.0	2.0	3.0	1.0	3.0	3.0
C28	1.0	1.0	1.0	3.0	2.0	1.0	1.0	3.0	1.0	2.0	2.0
C29	1.0	1.0	3.0	2.0	3.0	1.0	2.0	3.0	2.0	2.0	2.0
C30	3.0	2.0	3.0	3.0	3.0	1.0	2.0	3.0	1.0	2.0	2.0
C31	3.0	1.0	2.0	5.0	4.0	1.0	2.0	3.0	2.0	3.0	4.0
C32	3.0	4.0	3.0	5.0	5.0	5.0	5.0	4.0	4.0	3.0	4.0
C33	1.0	1.0	2.0	3.0	2.0	3.0	2.0	2.0	3.0	3.0	3.0
C34	1.0	1.0	1.0	1.0	2.0	1.0	2.0	4.0	2.0	4.0	2.0
C35	3.0	3.0	1.0	4.0	2.0	2.0	1.0	3.0	2.0	2.0	2.0
C36	1.0	1.0	1.0	4.0	2.0	1.0	1.0	2.0	1.0	2.0	1.0
C37	1.0	1.0	3.0	4.0	4.0	2.0	2.0	2.0	3.0	3.0	2.0
C38	1.0	1.0	2.0	2.0	2.0	1.0	1.0	3.0	2.0	2.0	3.0
C39	1.0	1.0	1.0	3.0	3.0	3.0	2.0	3.0	3.0	3.0	3.0
C40	3.0	3.0	3.0	5.0	5.0	5.0	3.0	4.0	4.0	5.0	5.0
C41	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
C42	1.0	1.0	1.0	2.0	2.0	2.0	1.0	2.0	2.0	2.0	2.0
TS- Average	1.8	1.5	1.9	2.9	2.8	2.0	2.1	2.8	2.3	2.8	2.7

(c) Analysis of State-Wise Average Scores:

The provided data table offers insights into the average scores attributed to various reasons for early attrition across employers in Andhra Pradesh and Telangana. In Andhra Pradesh, career opportunities emerged as a predominant factor, with an average score of 4.2 from five companies. This suggests that employers believe over 70% of early attrition is driven by employees seeking better career opportunities. Following this, compensation is identified as the next significant reason, with an average score of 3.6, indicating employers' perception that over 50% of early attrition is due to improved compensation offers elsewhere. In contrast, in Telangana, the primary reason identified is the influence of reporting managers, with an average score of 2.9 across 42 companies. This implies that, according to employer opinions, around 50% of early attrition is influenced by issues related to reporting managers. Additionally, organizational culture and career opportunities jointly hold the second position, each with an average score of 2.8.

(d) Analysis of Employer Perspectives on Early Attrition:

The data table provides insight into various employers' perceptions of the causes of early attrition within their organizations. The figures represent consolidated data from HR departments across different locations or manufacturing units, resulting in an analysis of 42 unique companies. The aggregated data reveals that the primary factor for employee departure, as perceived by employers, is related to managerial issues. Specifically, four out of 42 companies report over 70% of attrition being manager-related, and eight companies attribute more than 50% of attrition to this reason.

The second most cited reason for early attrition encompasses the '3 Cs' - Culture, Compensation, and Career Opportunities, each scoring an average of 2.8 out of

5. Interestingly, while colleagues rank as the least cited reason for early attrition, managerial influence stands out as the most significant factor. This highlights a contrast between the impact of peer relationships and managerial dynamics in the workplace.

Additionally, three companies (C19, C32, and C40) have average scores exceeding 4, indicating a high rate of early attrition potentially reflective of the organizational culture. This warrants immediate attention and suggests a need for reassessment of the workplace environment in these companies. Conversely, one company (C20) has an average score of 1, suggesting minimal early attrition issues.

Overall, the data indicates that early attrition in these companies is attributed primarily to reporting managers, organizational culture, compensation, and career opportunities. Notably, only one of these factors is monetary, suggesting that non-monetary aspects also play a crucial role in employee retention. This underscores the importance of a holistic approach to understanding and addressing the reasons behind early attrition in organizations.

Over all, as per the above table there is above average early attrition is happening and the employers opine that the reason for this attrition is majorly reporting managers, culture of the organization, compensation and career opportunities. Out of all these four factors for early attrition, only one is related to monetary while the others are not related to monetary. This is also an indication it is not only monetary which matters for working in an organization but the other factors.

(e) AP Companies: The below table is related to the companies which are from Andhra Pradesh. Since there are very few companies compared to Telangana the number of respondents also is very less.

Table 3 – AP Companies

TS Companies	Work Load	Colleagues	HR Policies	Manager	Culture	Employee Engagement	Health & Wellness	Compensation	Learning Opportunities	Career Opportunities	Job Satisfaction
C1	5.0	2.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	5.0	5.0
C2	2.0	1.5	2.0	1.5	2.0	2.0	1.0	2.0	2.5	3.0	3.0
C3	2.0	2.0	3.0	4.0	4.0	4.0	3.0	5.0	4.0	5.0	4.0
C4	1.0	1.0	2.0	2.0	2.0	1.0	2.0	2.0	2.0	3.0	2.0
C5	3.0	1.0	1.0	2.0	2.0	1.0	1.0	5.0	1.0	5.0	1.0
AP- Avg	2.6	1.5	2.6	2.9	2.8	2.4	2.2	3.6	2.5	4.2	3.0

The data table reveals that employers in Andhra Pradesh predominantly attribute early attrition to enhanced career opportunities, as evidenced by an average score of 4.2 out of 5 from five responding companies. This suggests that over 70% of attrition in these companies is driven by employees seeking more favourable career prospects. Following career opportunities, compensation emerges as the next significant factor, with an average score of 3.6. Job satisfaction ranks third, with a score of 3. This indicates that, according to the employers in Andhra Pradesh, early attrition primarily occurs as employees depart in search of better career prospects, improved pay, and greater job satisfaction.

VIII FINDINGS

- (a) In Telangana, employers attribute early attrition primarily to issues related to Reporting Managers.
- (b) Employers in Andhra Pradesh believe that early attrition is predominantly due to the pursuit of Better Career Opportunities.
- (c) A comparative analysis of employer opinions from Telangana and Andhra Pradesh indicates that in Andhra Pradesh, employee turnover is driven by the search for improved career prospects, better pay, and greater job satisfaction. In contrast, in Telangana, the turnover is largely influenced by factors related to reporting managers and organizational culture.
- (d) Further insights gathered from employer comments highlight additional reasons for attrition, such as aspirations to work abroad and a preference for a five-day workweek within an appreciative working culture.

IX SUGGESTIONS

- (a) This survey reaffirms the adage that employees often leave managers, not organizations. The influx of a new generation into the workforce, characterized by diverse expectations and a desire for sophisticated work cultures, necessitates a shift in managerial approaches to effectively engage and motivate employees.
- (b) It's evident that financial remuneration alone does not suffice in retaining staff. Organizations must, therefore, prioritize fostering a positive and fulfilling workplace environment.
- (c) Furthermore, with the younger generation showing a preference for employment in metropolitan areas, companies located in smaller cities need to concentrate on cultivating an appealing work culture, coupled with long-term benefits. Such initiatives are crucial for these organizations to successfully retain their workforce.

X CONCLUSION

The study has provided valuable insights into the phenomenon of early attrition in the pharmaceutical industry, particularly in the states of Telangana and Andhra Pradesh. It has highlighted that the reasons for early attrition vary significantly between these two regions. In Telangana, the primary factor contributing to early attrition is related to the dynamics with reporting managers and organizational culture. In contrast, in Andhra Pradesh, the driving forces are better career opportunities, enhanced compensation, and job satisfaction.

This divergence in attrition factors underscores the complexity of employee retention and the need for tailored strategies that address specific regional and organizational contexts. The study has also reinforced the notion that monetary compensation is not the sole determinant of employee retention. Factors such as managerial style, workplace culture, and career development opportunities play a crucial role in influencing an employee's decision to stay with or leave an organization.

Moreover, the research findings suggest that as the workforce evolves, with a new generation of employees entering the industry, there is an increasing need for organizations to adapt. This adaptation involves not only re-evaluating compensation and benefits but also focusing on developing managerial practices and work cultures that align with the diverse expectations and values of the contemporary workforce.

In conclusion, the study offers a roadmap for pharmaceutical companies in Telangana and Andhra Pradesh to understand and effectively address the challenges of early attrition. It calls for a holistic approach to human resource management, one that balances traditional incentives with the evolving needs and aspirations of the modern workforce, thereby enhancing both employee satisfaction and organizational stability.

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