

Reducing Attrition of Employees in Healthcare Sector

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ABSTRACT

The study is intended to find the factors responsible for the attrition of employees in the healthcare sector. The various information (secondary data) related to this study has been collected by using internet sources. And questionnaire method has also been used to collect the primary data related to this study. The findings of the research have suggested that stress and work-life balance is a most important factor influencing attrition of employees in the healthcare sector. Although it has some limitations too like only the healthcare sector has been considered and some factors have been neglected. With the help of the findings of this study, proper measures can be taken to reduce the problem of attrition, which will ultimately help in Human Resource Management in the healthcare sector.

KEYWORDS: Attrition, Stress, Work-life balance

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INTRODUCTION

Attrition is a process in which the workforce working in an organization decreases. The term turnover of employees possesses the same meaning as both attrition and turnover decrease the number of staff, but attrition is typically voluntary or natural, like resignation or retirement. While turnover includes employees who leave of their own volition, it also refers to employees who are involuntarily discharged or terminated. Losing staff through attrition and turnover is costly.

Between cost associated with separation, loss of productivity, recruitment, interviewing, training, and onboarding, the loss of a single employee is estimated to cost the business 50% of that individual's annual salary. Replacement costs can be lower for entry-level roles while replacement costs are significantly higher for a professional, technical and supervisory position.

India is the fastest-growing economies in the world in terms of GDP and is expected to be the third-largest economy by 2050. With the Indian healthcare industry experiencing phenomenal growth, hospitals are moving towards excellence rather than survival and are gearing up to fulfill the gaps in three key areas of importance, that is, people, process, and technology.

The healthcare sector, especially the hospital industry, is a service-intensive industry that relies heavily on advanced medical technology and the availability of trained healthcare professionals for delivering quality healthcare services. There are several causes of attrition or turnover of

employees in healthcare industries. Better remuneration, ideal working conditions, high stress levels, increased workload, and reduced job satisfaction are some of the significant factors identified causing turnover in healthcare professionals. This has reportedly led to the evacuation of healthcare workers from developing countries to places where their expectations are met. Recruitment and retaining these knowledge professionals are fast becoming a point of concern for all hospitals [1].

According to a study physical activities have a great impact on occupation stress for healthcare workers. This is also a cause of voluntary attrition [2].

Significance - This research paper will be based on the study to be carried out in Indian healthcare industries, to get a better combination of different levels of factors having an impact on employee attrition in the healthcare sector. The efforts will be made to provide a framework to tackle the voluntary attrition of employees.

Problem statement - Among the challenges facing the industry is the high turnover of healthcare professionals leading to a global shortage of nearly 7 million healthcare workers that is expected to increase to nearly 13 million by 2035. The shortage of skilled workers in hospitals has led to sub-optimal levels of patient care, increased patient mortality, increased medical errors, etc.

Objectives:- The objectives of this research work are -

- To study the main causes of employee attrition in the healthcare sector.
- To get a significant level of factors, affecting attrition of employees.
- To contribute to the management of employees in the healthcare sector.

Literature review:-Attrition is an inevitable part of any business. There will come a time when an employee wants to leave a company- for either personal or professional reasons. But when attrition crosses a particular threshold, it becomes a cause for concern. Human resource acquisition and retention are two of the most critical factors for the sustainability of any firm. Regarding service-based businesses such as healthcare, aviation, and hospitality, their importance increases as human resources are in direct contact with customers. Furthermore, a lack of human resource availability and retention can decrease incumbents' ability to penetrate a market, increase customer dissatisfaction, increased existing employee dissatisfaction, and decrease a firm's overall performance [3].

Difference between Turnover and Attrition

These are human resource terms that are often confused. Employee turnover and attrition both occur when an employee leaves the company. Turnover, however, is from several different actions such as discharge, termination, resignation, or abandonment. Attrition occurs when an employee retires or when the employer eliminates the position. The big difference between the two is that when turnover occurs, the company seeks someone to replace the employee. But in the case of attrition, the employer leaves that vacancy unfilled or eliminates that job role.

Types of Attrition

1. Attrition due to retirement
2. Voluntary attrition
3. Involuntary attrition
4. Demographic-specific attrition

Employee Attrition Rate

1. Attrition measures how many people left a company/office/department compared to the average number of people employed in that year. Following are the steps to calculate attrition rate-
2. Count how many employees we started with
3. How many people leave
4. Final headcount at year-end
5. The average number of employees
6. Finally, calculate the number of employees who left as a percentage of the average number of employees. this will give the attrition rate Simply,

Attrition Rate = (number of Attritions/ average number of employees) X 100

Factors affecting Attrition of Employees

The top reasons for attrition of employees are - personal motivation, professional motivation, challenges with the workplace, poor employee-to job fitment, poor training, inaccurate job profiles.

According to a study conducted on the employees of IBM, monthly income, age, etc. are some main factors which have a great impact on employees' attrition and attrition among

senior leader can lead to a significant gap in organizational leadership[4].

In Research, analysis has been carried to find out the most critical factor that affects employee attrition. The opposite of attrition is retention. As employees' attrition very negatively affect companies' growth, every year companies come with different retention scheme for employees so the employee does not leave the company. Those methods include retention bonuses, better training, promotion, and stock option which mature after some definite period. So, finding the essential factor for attrition will help the organization to plan its retention scheme more targeted[5].

Costs of Employee Attrition

Employee attrition affects both high and low performers alike. There are two sides to staff turnover: Positive and Negative. Positive attrition occurs when low-performing workers leave voluntarily or are fired. However, when top-performing employees who are responsible for driving sales and increasing revenue become demotivated and start looking for the exit, it is known as negative attrition. Negative attrition implies a larger, more serious problem within an organization.

The intangible costs of employee attrition would be the cost of training new employees, the recruitment and selection costs, adjustment time, possible product or service quality problems, costs of temporary staff, the cost of lost productivity, the cost of lost knowledge, and the cost of position remaining vacant till a suitable replacement is found. The intangible cost, which may be even more significant than the tangible costs, involves the effect of attrition on organizational culture, employee morale, social capital, or organizational memory. All these costs would significantly take away the profitability and the competitive advantage of the firm[6].

Best practices to reduce the employee attrition rate

There is the apparent downside to attrition - workforce shrinks in size, loss of valuable product/domain knowledge, and risk of the damaging employer brand. That is why companies should:

- Assess for job and culture fitment right at the time of hiring.
- Offer learning and employee development opportunities to accelerate career growth.
- Regularly solicit feedback on employee satisfaction questions.
- Ensure a competitive pay package compared to other companies.
- Conduct detailed interviews after an employee has exited to spot attrition trends.

A study shows that in the future such an organization will be successful if it can adapt its organizational behavior and human resource department system to the realities of the contemporary work environment. This includes playing an active role in assisting and advising the employee on career development decisions, ensuring education and training; providing for adequate time to pursue career development activities; encouraging cross-functional training; engaging in innovative work practices, and providing meaningful feedback for performance improvements[7].

According to a study, employee engagement leads to commitment and psychological attachment and reflect in the form of high retention (low attrition) of employees. the level of engagement in employees can be enhanced by identifying its drivers or influential factors[8]. Reduction of employee attrition is especially important in an organization with large service arms where the unplanned departure of key employees can lead to big losses by way of lost productivity, delayed or missed deadlines, and hiring costs replacements. By proactively identifying top talent at a high risk of voluntarily leaving an organization can take appropriate action in time to affect such employee departures, thereby avoiding financial and knowledge losses[9].

Research Methodology

Primary Data Primary data related to this study has been collected by a structured questionnaire. The questionnaire has been sent to the healthcare personnel via electronic mail i.e., the focus group was healthcare personnel.

Secondary Data Secondary data has been collected through internet sources.

Research Type - Descriptive Research

Sample size – 200 healthcare personnel (proposed).

Several statistical formulas are available for determining sample size. The formula used for the calculation of sample size is

$$n = p (100-p) \frac{z^2}{E^2}$$

where n is the required sample size ; p is the percentage occurrence of a state or condition; E is the percentage maximum error required (margin of error); z is the value corresponding to the level of confidence required.

In management research, the typical levels of confidence used are 95% (0.05: a z value equal to 1.96). A 95% level of confidence implies that 95 out of 100 samples will have the true population value within the margin or error specified[10].

The responses received by respondents is shown below with the help of the chart

➤ **Is employee attrition a recognized HR challenge for your organization?**

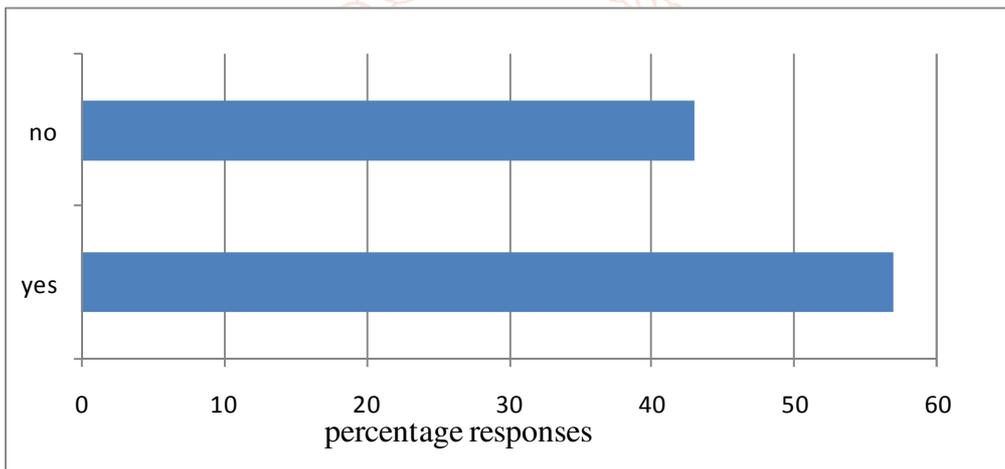


Figure 1

➤ **State the major reason for attrition in your organization.**

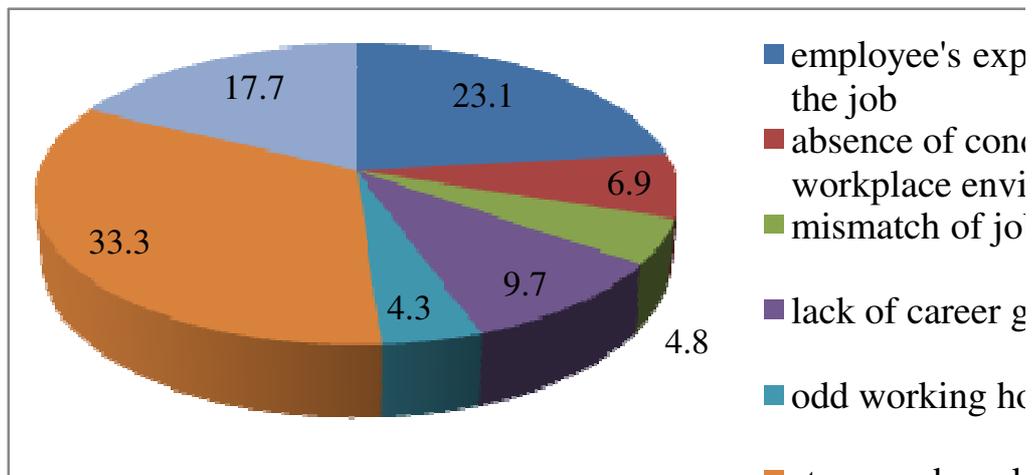


Figure 2: percentage responses

➤ Which level of employees in your organization is most susceptible to attrition?

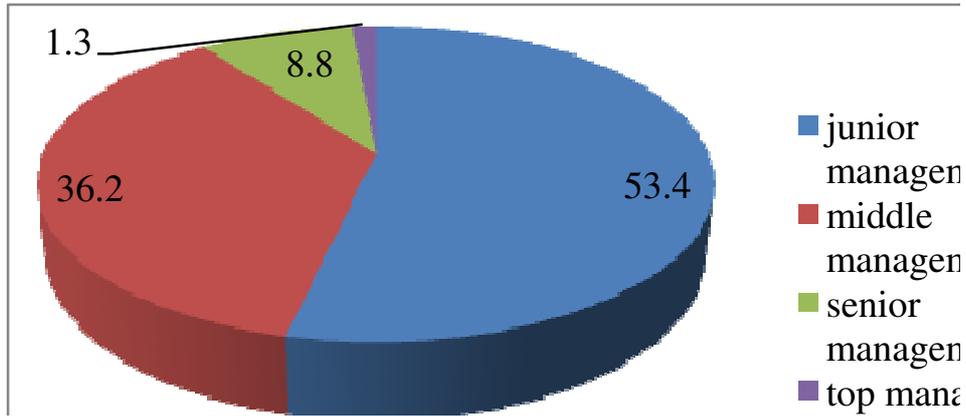


Figure 3: percentage responses

➤ Which of the following would you enlist as the consequences of attrition for your organization?

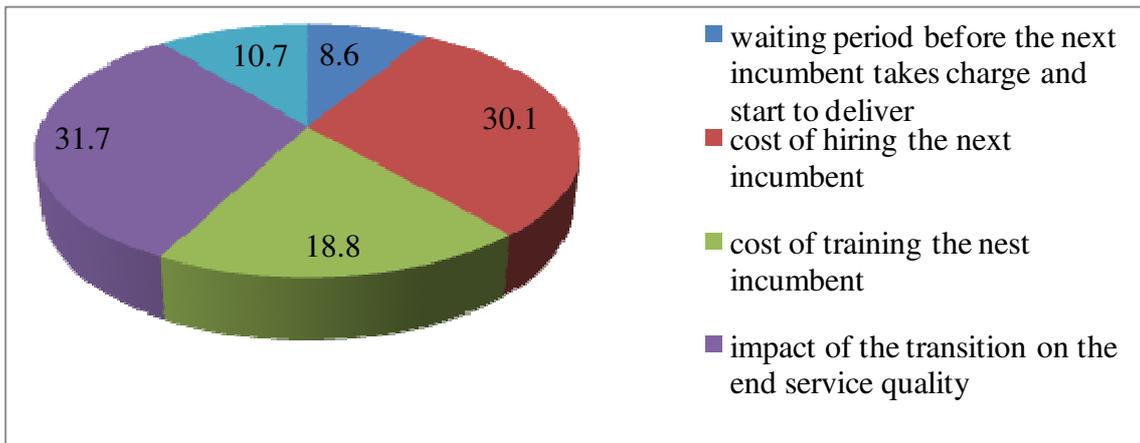


Figure 4: percentage responses

Result:- Findings of this research have suggested that the main reason for attrition of employees of the healthcare sector is work-life balance. They are not able to make a balance between these two. And the problem is increasing rapidly due to COVID- 19 Pandemic. According to the responses received by respondents from the healthcare sector, 33.3 percent(most) respondents are in favor of the contribution of stress and work-life balance in attrition of employees.

Conclusion:- Attrition in the healthcare sector is a matter of concern these days. This study may help in the management of personnel in the healthcare sector as it has identified the work-life balance is the most impactful factor influencing attrition of employees in the healthcare sector. By helping employees to make a proper balance in their personal life and work, the rate of attrition of the employees in the healthcare sector can be reduced.

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