

**UNDERSTANDING FACTORS AFFECTING ATTRITION
AND RETENTION AMONG SHIPPING COMPANY
EMPLOYEES IN KUTCH: A DELPHI APPROACH**

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Abstract

Various literatures have focused on the factors influencing attrition & retention among employees. But no literature exists on study of these factors among shipping company employees in Kutch. This paper is a part of a larger study conducted to study the attrition & retention in shipping industries of Kutch, Gujarat.

Delphi Approach is considered to be very useful while exploring the new areas where very little or no literature is available. An expert panel consisting of 25 practitioners and the through three iterations the final conclusions regarding the possible influencer of decision on employee's intention to stay or leave an organization were identified. Human Architect model influencers were also identified along with the employee type level in the organizations. These findings would be further used to conduct employee survey in an effective way.

Key words: Factors of Employee Attrition And Retention, Shipping Companies in Kutch, Delphi approach

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Attrition and Retention

From the ear of 1950s the literature in Human Resource Management (HRM) in which a social worker's role has immensely been identified, had witnessed a large amount of literature in the field of Strategic HRM with special reference to voluntary employee attrition and retention. Multivariate models which discuss the association of wide range of factors which influence the decision of employee to stay or leave an organization have been developed by researchers, an empirically testing of these models have been pursued by other researchers.

Most research has addressed only specific problems related to its environmental analysis like challenges, growth and opportunities (Rachid, 2005), the problem of attrition (Huselid and Mark, 1995), the HRM systems (Subhash et al. 2007), and issues of job stress, job satisfaction, individual performance etc. Research done in the area of employee motivation and satisfaction has discussed domains like education (Sharma and Jyoti, 2008), private public employment, financial institutes, banking (Shikha, 2010), ITES industry (Hoonakke et al. 2004), oil industry, government ministries, labour market (Brown et al. 2007), shipping (Ya-Fu Chang, 2007; Progoulaki and Theotokas, 2009) to name a few but not much inclusive and structured work has been done in the domain of shipping sector.

Literature review has also shown how various researchers have identified a plethora of reasons behind the escalating problem of attrition and how many of them have even suggested recommendations to combat it (Ramani and Raghunandan, 2008; Misra, 2007; Prakash and Chowdhary, 2004). Many researchers have also worked on various domains like the HRM systems and practices (Budhwar et al. 2006), job satisfaction (Sharma, 2006; E-sat survey 2005, Mishra & Mishra 2013), organization factors for turnover (Porter and Steers, 1973, Mishra & Mishra 2013) and burnout prevention.

However, no systematic and comprehensive work has been found that collaborate all the facets to combat the most smouldering problem of the present times. Also no relevant publications are available regarding the employee attrition and retention factors among the shipping company employees and hence the need existed to have an in-depth understanding about the issues of the same in regards to the shipping companies in the Kutch district of the Gujarat state which has an accelerating the growth in the EXIM trade due to existence of Kandla Port and AdaniMundra Port. Hence a need was felt to explore the factors regarding an employee of shipping company to stay or leave the organization.

Indian Shipping Industry

Shipping is a global industry and is considered as the backbone of world's trade. A countries economic growth is visualized through its EXIM policy. Trade volumes in entire South Asia and South East Asia have grown at a higher rate than the global average due to the growth in Asian

economies, principally China and India. This growth trend is expected to continue over the medium term with a consequent increase in international trade from India and China. This would, in turn, translate into additional demand pressures on the Indian shipping and ports sector. Shipping industry is an essential sector which boosts India's economic growth by a large extent and India has envisaged that by 2020 the Port's capacity cargo handling capacity would be of 3200 M.T. for handling about 2500 M.T. of cargo (This would necessitate an investment of about Rs 3 lakhs crores). The total volume of traffic handled by all the Indian Ports during 2009-10 was 849.9 million tonnes. Non-major ports account for around one-third of the total seaborne trade. The growth in cargo handled at Major and Non-major Ports in 2009-10 was 5.8% and 35.4% respectively as compared to 2.2% and 3.3% achieved in 2008-09.

HRM in Shipping Companies

India's maritime sector is witnessing promising growth, which is reflected in the increase in the demand for infrastructure and services across the entire value chain comprising shipping, ports, ship-building/repair, and logistics. While this growth has thrown up bottlenecks in infrastructure and service provisioning across the sector, it has also opened up opportunities in each segment.

Attrition rates are high among various sectors in India and the varieties of reasons influence them which lead to a need to design appropriate retention strategies (Lichia and Raymond, 2011). Preliminary pilot study had revealed attrition in the shipping companies is high and employees have a tendency of job hopping is on rise. About 35% of the employees had changed jobs for more than 5 – 6 times, whereas more than 40% of the employees has changed jobs for more than 3 – 4 times.

To study the issue which has not been extensively researched in among the shipping companies in an effort to know and understand the views of expert practitioners the researcher had decided to administer the Delphi Technique.

Delphi Technique

The Delphi technique was established by Dalkey and Helmer (1963) at the Rand Corporation in the 1950s. It is an extensively used and recognized method for realizing conjunction of judgements, regarding real-world knowledge, which is solicited from experts within certain topic areas. During the early years, in 1950s, it was used in military to gain consensus within a group of military experts on an extremely sensitive issue. Later on the corporates during the 1960s used these techniques for forecasting the industrial issues including human resources.

Delphi is a multiple iteration survey technique used in structural intuitive research. It enables anonymous, systematic refinement of expert opinion. The aim Delphi is to arrive at a shared or consensual opinion (Helmer, 1967).

Linestone and Turoff (1975) provides a basic definition of the Delphi technique: “Delphi may be characterized as a method for structuring a group communication process so that the process is effective in allowing a group of individuals, as a whole, to deal with a complex problem” (p.3).

Delphi technique is designed as a group communication process that aims at conducting detailed examinations and discussions of a specific issue for the purpose of goal setting, policy investigation, or predicting the occurrence of future events (Ulschak, 1983; Turoff&Hiltz, 1996; Ludwig, 1997). Common surveys try to identify “what is,” whereas the Delphi technique attempts to address “what could/should be” (Miller, 2006).

In the literature, Delphi has been applied in various fields such as program planning, needs assessment, policy determination, and resource utilization. Delbecq, Van de Ven, and Gustafson (1975) specifically indicate that the Delphi technique can be used for achieving the following objectives:

- 1. To determine or develop a range of possible program alternatives;*
- 2. To explore or expose underlying assumptions or information leading to different judgments;*
- 3. To seek out information which may generate a consensus on the part of the respondent group.*
- 4. To correlate informed judgments on a topic spanning a wide range of disciplines, and;*
- 5. To educate the respondent group as to the diverse and interrelated aspects of the topic (p. 11).*

The technique offers a number of benefits including the use of an expert board, controlled anonymous reaction, with less pressure on panel members to conform than in a committee. It also helps in methodical refinement, through development of consensus. Delphi technique is easy, inexpensive access to a large number of experts who may be geographically distant and in fact the researchers can ‘build bridges’ (Pill 1971) between participants where none was seemed before.

Linestone and Turoff (1975) argued that Delphi has application in many such as gathering current and historical data not accurately known or available, evaluating possible budget allocations, exploring urban and regional planning options, planning university campus and curriculum development, putting together an educational model, delineating the pros and cons associated with potential policy options, distinguishing and clarifying real and perceived human motivations, exploring priorities of personal values, social goals, etc.

This research technique allows educators, amongst others, to communicate and effectively develop trends, needs, or other factors relative to a particular area of education.

The original intent of Delphi was as a forecasting technique, designed to predict the likelihood of future events. Additional names have been given to this process. Dailey (1988) described it as an exploratory Delphi. Van Dijk (1990) called it a conventional Delphi. According to Dalkey (1972) the Delphi is a procedure that is a rapid and efficient way to cream the tops of the heads of a group of knowledgeable people. He further stated that a well-designed and properly managed Delphi could be a highly motivating environment for respondents.

A policy Delphi is one which seeks to generate the strongest possible opposing viewpoints on a policy issue from an expert panel. Rather than consensus, the emphasis is on identifying differing opinions and divergent responses through a process of debate carried out through the rounds of Delphi (Needham, 1990).

The policy Delphi is given other names also, such as focus Delphi and decision Delphi. A normative Delphi (also called a consensus Delphi), focuses on establishing what is desirable in the form of goals and priorities. It does not focus on speculating about what is probable within a given time frame in the future; instead it is an attempt to "... structure a set of properties which could be integrated into a normative future--properties based on the criterion of desirability rather than likelihood ..." (Sutherland, 1975, p.466).

Most Delphi studies in educational settings are normative and are perceived as particularly useful. Rieger (1986) reported 83% of the dissertations completed during the 1981-1984 period which used the Delphi technique were of the normative type. He went on to state, "... it seems reasonable to claim that Delphi is continuing to be a much used tool in the search for answers to normative questions, especially in education areas, but also in other fields".(p.198)

Application of the technique

There is also little agreement in the literature about the size of the expert panel (Keeney, et al, 2001). According to Okoli and Pawlowski (2004), the literature recommends 10-18 on a Delphi panel and some studies have indeed used panels that fall within this range. When we considered the size of the final panel it was necessary to allow for a degree of attrition through the process. Since most studies indicated minimum panel size of 10-15 was needed, the need was felt that it was necessary to conduct the Delphi with at least 25 experts. The 30 experts with a more than 10 years of experience in shipping companies and currently occupying the key position but not below the head of department level were approached to participate as the panel members, of which 5 rejected to participate due to their non-availability during the study time. Descriptive details of the experts are as in table 1.

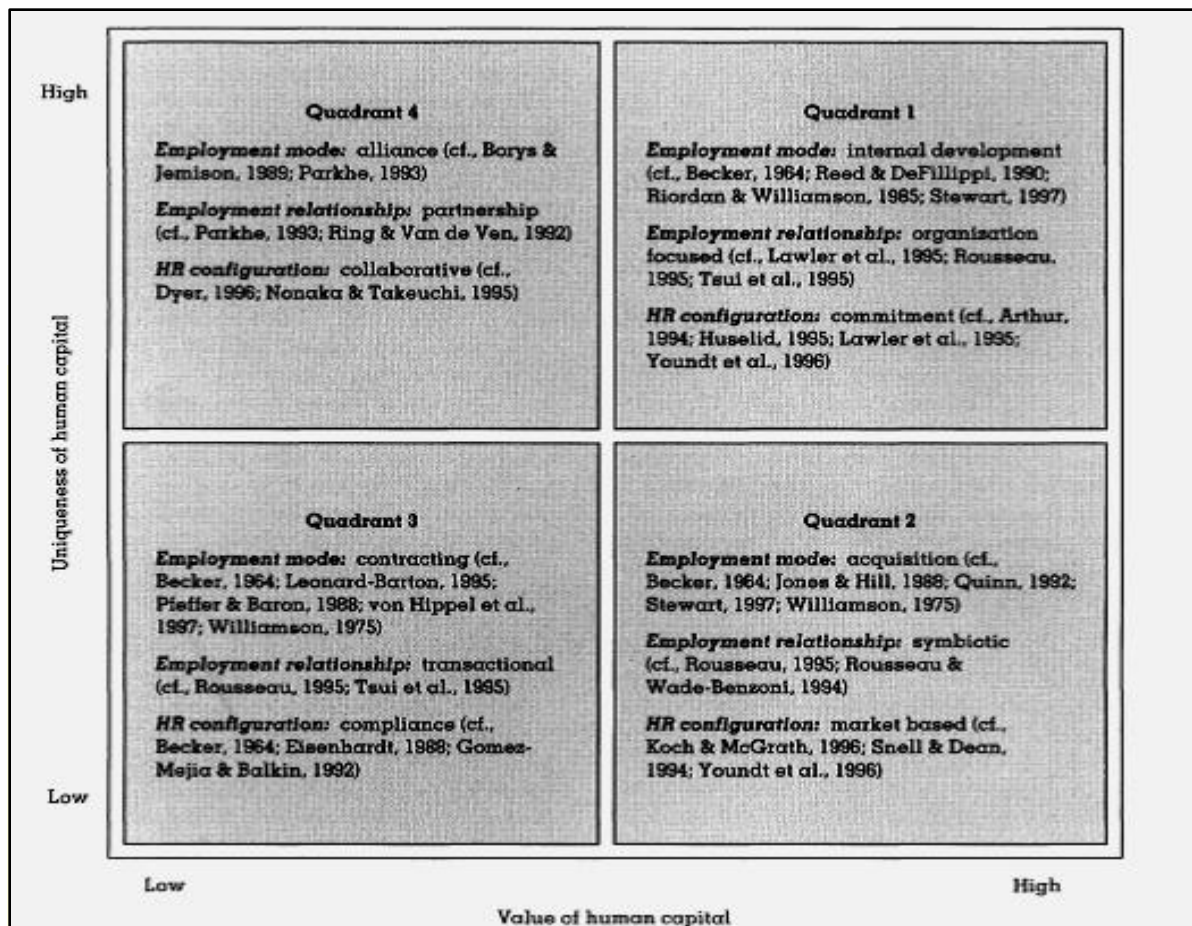
Age	
30 – 39	14
40 – 49	10
50 – 59	1
Hierarchy Level	
Department Head	6
Brach Head	10
Regional Head	7
Owner	1
Qualification	
Graduate	8
PG	14
Professionals	3

In some Delphi studies (e.g. (McGuire & Cseh, 2006) round one is a ‘brainstorming’ stage, where panel members respond to open-ended questions, while in other studies (e.g. Rossouw, Hacker & de Vries 2011) participants are asked to respond to specific propositions contained in a structured questionnaire. The first method was employed in the study. In Round 1 respondents had been asked open – ended questions regarding various factors influencing the attrition and retention in their organization and shipping companies as a whole.

The expert comments from the first round were summarised and an exhaustive list of the factors suggested by the experts was prepared.

In this round, consensus begins forming and the actual outcomes can be presented among the participants’ responses (Jacobs, 1996). In the second round the experts were provided with the list in alphabetical order and were requested to rank the most important factors in each identified dimensions.

In the third and final round the experts were presented the analysed data and were asked for the confirming their views on the factors affecting attrition and retention of employees. They were also requested to give their views on employment level on the Human Resource Architect Model.



Source: Leapak and Snell (1999)

Findings and Discussion

The first round of Delphi concentrated on getting first-hand information about the factors identified by the expert practitioners on the factors relating to attrition and retention of shipping companies of Kutch. While reviewing these factors with the review of literature available it was identified that a new factor as job security was introduced. The study is being conducted in the time when world economy is facing recession. All countries including India are witnessing a downfall on the GDP and also there is a reduction in the import & export ratio. This was an important contribution and other factors identified through the review of literature were also reflected by the experts in various observations. Including but not limiting the following:

- Characteristics of the job in shipping companies
- Compensation and benefits provided by the company
- Culture of the organization
- Employee Engagement practices of the organization
- Job Satisfaction felt by the employees

- Leadership of the Organization.
- Location of the job
- Organizational Justice perceived by the employees
- Performance Management System adopted by the organization
- Policies of organization
- Stability of the job
- Support given by the organization to the employee
- Training and Development opportunities provided by the organization

During the second iteration of the Delphi the expert panel was required to rank the importance of all the factors identified in the first iteration and in the review of literature. The results of ranking was as in table 2.

Table 2: Factors Rank Delphi Iteration 2

Areas	Factors	Total Score	Rank
Organizational	Leadership Style of the Management	59	1
	Job Design & Characteristics	63	2
	Organization Policies (Mergers & Acquisition, Restructuring, Diversification, etc.)	81	3
	Organization Support (Supervisor & Colleague)	82	4
	Organizational Culture	109	5
	Organizational Justice	131	6
Human Resource	Job Security	52	1
	Rewards & Recognition	80	2
	Compensation & Benefits	81	3
	Promotion & Performance Management	101	4
	Person Organization fit & Recruitment	114	5
	Employee Engagement	134	6
	Training & Development	135	7
Environmental	Availability of Opportunities	38	1
	Employer Brand Image	52	2
	Industries Economic Condition	74	3
	Industry Outlook (image)	95	4
	Family Support	122	5
	Regional Features as it is the West most part of the Country	144	6
Demographics	Commitment to a Career in Shipping Industry	43	1

and Employee Characteristics	Age	65	2
	Household Income	101	3
	Gender	112	4
	Location Constrain	155	5
	Physical & Mental Health	163	6
	No. of Dependents	167	7
	Tenure	176	8
	Marital Status	183	9
	Spouse's Career	209	10
HR Architecture Factors	Organisational Structure (eg. international, local franchisee).	35	1
	Competitiveness of the Industry.	64	2
	Strategic Focus of the Organisation (eg. Project, Growth and Maintenance).	103	3
	Number of Levels in the Organisational Hierarchy.	107	4
	Size of the Organisation (large, medium, and small).	119	5
	Predominant Occupational Group (eg. Sales, operations etc.)	129	6
	Types of Worker included in the Organisation (eg. managerial, technical, commercial).	143	7

The analysis of the above table also shows that according to the experts the Leadership style among the Organizational area, Job Security among the Human Resource area, Availability of the job opportunities in the shipping companies among the environmental context are predominantly exhibiting thrust role in the employees intention to stay or leave and organization. With respect to the HR architecture model's influencer, according to the experts is the type of organizational structure viz, whether the organization is international, local franchisee etc. These findings were presented to the expert panel in the third iteration. As previously observed very small level of disagreement was seen only among a few participants (Dalkey&Rourke, 1972; Jacobs, 1996).

Remarks of some experts:

Expert no 3. "it seems that the these rankings look very true for employees of what we see mostly. These trends are seen in many of the discussion I have with a huge number of employees of the shipping companies.

Expert no 9. "these finding seems to clearly represent my views on the issues related to employees intention to stay with the company."

Expert no 11. “the views I presented in the round 2 were some what different. But these rating seem more appropriate and correct. I am sure this study will be helpful to all of us.”

Expert no. 22. “the findings presented from the round two are very good. I see that ranks presented are very true in today’s scenario.”

Expert no 25. “I wonder how so many people in the industry have similar view as mine. This is really interesting. I am sure this study will be helpful to the industry in long run.”

The experts found the rankings presented to them as very true. They were also interested to know how the researcher had arrived at these rankings. This is very obvious that they are surprised as to how the result of a systematic research would be useful to this industry as there have been almost no exposure to this kind of the research and could look into how these researches could be helpful to the industry. It is interesting to note that during the third round of the iteration of the Delphi the experts did not differ from the findings of round two.

Different level of employees would influence the different needs, which would influence the decision of an employee to stay or leave the organization. Hence if the organizations would like to retain the core employees in these circumstances, they will have to administer the strategies which would satisfy the needs of the employees and hence retain the talent. 12 factors which may be used as a simple tool to focus management attention on what could be done to improve retention (Rothwell, 2007)

Conclusions

There are a wide variety of the factors which influence the intentions of employee to stay or leave in a shipping company. In other words the organization commitment or the turns over intentions of the employees of shipping companies of Kutch are influenced by numerous factors. The level of importance of these factors is important to understand from the perspective of employer. This tells about the employers understanding of the issues related to attrition and retention in shipping companies, which would be influencing their current retention strategies. Thus there exists the scope to know retention strategies adopted by the shipping companies, in order to address attrition issues which may need to be further analysed to check their effectiveness.

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19