A PROJECT REPORT ON

AN OVERVIEW OF HR PROCESSES & ATTRITION ANALYSIS

AT

Clariant

CLARIANT CHEMICALS INDIA LTD.
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1. EXECUTIVE SUMMARY

“PEOPLE” is the most important and valuable resource every organization has in the form of its employees. Dynamic people can make dynamic organizations. Effective employees can contribute to the effectiveness of the organization. Competent and motivated people can make things happen and enable an organization to achieve its goals.

Organizations have now started realizing that the systematic attention to human resources is the only way to increase organizational efficiency in terms of productivity, quality, profits and better customer orientation.

HR can help deliver organizational excellence by focusing on learning, quality, teamwork, and through various employee friendly strategies.

Today with a lot of MNC’s coming in India, the amount of competition has increased to such an extent that organizations have further aggrieved their stress on proper man management. Along with being competitive, the MNC’s have brought in a systematic approach to HR with the help of technology utilization.

My project has been accomplished in one of such MNC’s – CLARIANT CHEMICALS (better known as CCIL). This is one of the best companies in manufacturing of speciality chemicals headquartered in Muttenz near Basel - Switzerland

This project has been accomplished in two parts:

➤ The first priority was to understand the working of an HR department and hence the first part of the project report is about the HR Processes, Policies and Systems at CLARIANT CHEMICALS INDIA LTD. (CCIL). The various processes like recruitment & selection, induction, training & development, compensation & benefit etc. are explained as understood by me.

➤ The second half of the project report is focused on analyzing the trends in attrition at CCIL. The report consists of a healthy mixture of qualitative as well as quantitative analysis of attrition at CCIL. After
understanding which, measures for retaining the employees have been suggested.

Note: This project is confined only to the management cadre.

1.1 OBJECTIVE OF THE PROJECT

My objective of doing this project was:

- For PART I
  - To understand the functions, working, various policies and processes of HR Dept at Clariant Chemicals India Ltd.
  - To understand the difference in working of HR in manufacturing industry as compared to other industries.

- For PART II
  - To understand the reasons for attrition at CCIL.
  - To try finding solutions to the problems leading to attrition and giving my suggestions to improve the same.

1.2 METHODOLOGY

- For Part I of the project:
  - Got a clear idea about HR concepts through books and articles
  - Understood the general working of the HR dept. by lending a helping hand to the HR department
  - Learnt about each process by discussions with the respective executives in charge and working on the system for a day

- For PART II of the project:
  - Understood the theoretical aspects of Attrition through various documents and articles
  - Analyzed the MIS reports of the resignees
  - Made a comparative study of attrition in 2006, 2007 & 2008 (half yearly) through graphical representation of MIS reports
  - Analyzed the exit interview forms in depth to understand the reasons for resignations
2. COMPANY PROFILE

Clariant Chemicals (India) Ltd. is a subsidiary of Clariant International. CCIL is a global leader in the field of specialty chemicals and has come into existence from the 1st of April 2006. Clariant’s presence in India through its affiliates goes back more than 5 decades. Its journey began in 1947; with the foundation of Sandoz Products Ltd. the acquisition of Hoechst specialty chemicals business in 1997 brought Colour-Chem Ltd and its subsidiaries Vanavil Dyes & Chemicals Ltd. and Kundalika Investments Ltd. into its fold. Thereafter the acquisition of BTP plc in 2000 led to integration of a fourth company.

All were well-respected specialty chemical companies, that have played invaluable role in the development of textiles, leather, paints, plastics, printing inks, paper, packaging and agrochemicals industries in India.

In 2006, the affiliates of Clariant in India were merged to form Clariant Chemicals (India) Limited.
CLARIANT CHEMICALS (INDIA) LTD

2.1 VISION, MISSION AND VALUES

➢ Clariant Vision

“Clariant aims to be the leading service-driven company and the preferred partner in the specialty chemicals industry.”

➢ Clariant Mission Statement

“Clariant’s commitment to service contributes to the success of our customers. We combine leading-edge technology and innovations with superior applications and customer service skills.”

➢ Clariant Values

• Customer Focus:

Clariant concentrates their efforts on the individual requirements of their customers and helps them strengthen their competitive position and performance. They offer a range of products, services and technical applications based on their customer’s needs. They deliver top quality of products, services and technical applications based on their customers’ needs.

• Personal Engagement:

They achieve results through individual commitment, continual skills development and entrepreneurial behavior. Bring in sense of commitment to their work and set them apart through active involvement.
Entrepreneurial behavior is encouraged and rewarded. They Inspire and motivate employees at all levels to realize their company vision.

- **Team Orientation:**

  Clariant relies on the strength of teamwork to achieve synergies and realize their full potential. Teams work in here with clear objectives to solve a particular issue & create value for the company. Clariant people foster open dialog continuously among their employees with a belief that people who communicate continuously and openly builds in trust and mutual respect.

- **Innovation:**

  Clariant utilize their extensive know-how and experience throughout the company to continuously bring new services, applications and products to the market. They utilize the experience and knowledge of market to identify trends and anticipate their customers’ needs.

- **Shareholder Commitment:**

  Clariant strives for enduring value creation for the benefit of their shareholders. They inform the investors regularly and accurately about their Co’s business development and outlook allowing them to understand the value of their investments. They also build in trust through open and continuous dialogs with shareholder, investors and analysts.

- **Integrity:**

  Clariant are a trustworthy, loyal and respectful partner in all their internal and external relationships. They build strong long lasting partnership with their customers, employees shareholders and members and communities. They are an equal opportunity employer and hire regardless of sex, race or religion.

- **Sustainability:**

  Clariant contributes towards sustainable development by finding the best balance between environmental, social and economic needs. The safety of their world wide activities and protection of people and environment are among Clariant’s most important objectives. For this purpose they have set protection goals that are valid throughout the group.
CCIL’s concern for Sustainability

CCIL has an extremely efficient environmental, safety and health management systems which is integrated into all operations and regarded as part of the value chain. As a part of the global family, CCIL conforms strictly to Clariant’s Environmental Safety and Health Policy which goes beyond the requirements under local laws and ordinances.

CCIL has five sites in India at Kolshet (Mumbai), Balkum (Mumbai), Roha, Cuddalore and Kanchipuram. Apart from these it has offices in various cities.

2.2 PRODUCT PORTFOLIO

Clariant works behind the scenes to enhance the quality of life everywhere.

One does not see Clariant’s name or brand mark on any super market shelf. Clariant’s specialty chemicals are silently at work in the most unexpected places, often forming an ingredient of everyday use products. Their products are involved when clothing is made, walls are plastered, roads built, food packaged, money printed, leather processed, crops protected and drugs produced. In a nutshell, their products add value to a very comprehensive range of products that enhance the quality of life everywhere.

Clariant Chemicals (I) Ltd. has four main divisions. These include:

- Textile, Leather & Paper Chemicals (TLP)
- Pigments & Additives (P&A)
- Functional Chemicals
- Masterbatches

Textile, Leather & Paper Chemicals (TLP)
CCIL’s TLP is the division which is one of India’s leading suppliers of specialty chemicals and dyes for the textile, leather and paper industries. The Textile business provides complete solutions from fibre to fabric, through a wide range of chemicals for pre-treatment, dyeing and finishing and also dyes for various substrates and applications.

The Paper Business has a strong presence in optical brightening agents (OBAs) and also offers dyes, surface chemicals and process chemicals used in the making of different type of papers for various applications.

**Pigments & Additives (P&A)**

Clariant Chemicals (India) Limited is India’s leading manufacturer and supplier of pigments and their preparations. They pioneered the manufacture of pigments in India. The division develops and produces pigments for paints, plastics, inks, cosmetics, detergents and special applications like viscose, latex etc. The product range includes high-performance pigments to meet the exacting demands of the automotive, coil coating industries.

Printing pigments are supplied to the printing ink industry and, increasingly, for non impact printing, ink jet and laser printing. The core business also includes additives to improve heat resistance as well as light and weather resistance of plastics and paints. The division’s portfolio also includes solvent soluble dyes and high-quality waxes for various applications.

**Functional Chemicals**

The Functional Chemicals Division is the newest division in Clariant Chemicals (India) Limited. Currently, its activity consists mainly of supplying products from Clariant associate companies - both through indents and through stock and sale - for the Indian Detergents, Crop Protection, Personal Care, Performance Chemicals and Metalworking & Oilfields markets.

CCIL is India’s leading manufacturer and supplier of intermediaries for agro chemicals, pharmaceuticals, pigments and dyes. Their core technologies involve diketene, catalytic hydrogenation and transacetylation for producing various intermediaries for agro chemicals, colorants and pharmaceuticals.

**Masterbatches**
Clariant Chemicals (India) Limited (then Sandoz) started its Masterbatches business in the nineties with Masterbatches for Plastics and Fibbers. As Sandoz, they were the first company in India to bring the concept of Masterbatches to India. The division supplies coloured concentrates, additives and special mixtures of these components.
3.1 HUMAN RESOURCES AT CCIL:

CCIL follows a centralized system for HR in India. All the activities are started and co-ordinated through their corporate HR office at Balkum (Thane).

At CCIL, HR is considered as one of the most important resource for the organization.

CCIL has two main types of employees:

1) Contractual Employees
2) Permanent Employees – Employees on Clariant payroll
CCIL has a total of 2000-2500 employees of which 1195 are permanent staff while others are on contract basis.

Of the 1195 permanent employees at CCIL, 600 are the managerial staff while 186 supervisors and 409 workers consist of the remaining.

The scope being too vast, I have restricted my findings to the permanent managerial staff.

**Band Structure for management staff in CCIL:**

The band structure decides the kind and the scope of functions of a particular individual.

**3.2 ORGANOGRAMME/ORGANIZATION STRUCTURE**

Organization structure is a way in which an organization divides its manpower into distinct and co-ordinated tasks. It illustrates relationships between different units and line of authority among supervisors and subordinates. In short it is a skeleton of the organization.
Organogramme is based on the objectives and culture of an organization. It is the most scientific way of arranging the units. It depends on the size of the business, demand for the product manufactured by the company, skills set required. Thus it may change from business to business.

The organizational structure followed in CCIL is a Divisional Structure. Here in each Division/Function is further classified on the basis of different positions. There are around 57 positions for each function. A job description for each position is framed to bring in more clarity to each position. The CCIL Intranet gives access to these organogramme through OrgPublisher. It accommodates all the management positions of CCIL in the chart. Thus it gives a comprehensive view to the entire structure.

The following points depict the importance of Organization Structure:
- Helps in Succession Planning
- Identification of candidates for promotion
- Grooming of potential candidates to help them with career growth and development
- Analysing Training and Development needs and imparting the same.

The Organogramme can be better understood with the following diagram:
3.3 HR PROCESSES AND SYSTEMS IN CCIL
3.3.1 Recruitment & Selection Process

CCIL aims in keeping its Employment policy non-discriminative. The policy is framed in a way that it ensures consistency and equal opportunity. Utmost care is taken to check any kind of discrimination based on caste, religion, colour, age, sex, national origin etc. does not happen.

With such a policy in place, CCIL aims at:-

1) Merit based Selection of candidates.
2) Select and appoint the most suitable candidate.
3) To ensure that all candidates are assessed objectively and fairly.
4) To appoint the Right candidate for the Right job.

The recruitment process starts with the arising of a vacancy in the organization. A vacancy can arise in the following ways:

- Transfer
- Resignation
- Termination
- Death
- New Position created (due to expansion of business)

After a vacancy is created, a justification for the same is made by the HR in co-ordination with the Business/Function Head. This includes the reason for the vacancy, job description, scope of work, business value, and core requirements of the new candidates for the job and some other parameters.

Then the HR raises an Online Hiring Request which is called as IPR – International Personnel Request. This request then goes for approval to the Bus/Fun Heads of the International Management. Without this kind of approval, no employee can be appointed.

This kind of system helps in keeping the International Management updated with the happenings in other countries.

CCIL does recruitment through both Internal and External sources. Following is the process of recruitment:
1. **Internal Recruitment:**

There is a policy of INTERNAL JOB POSTINGS. Herein, the management posts certain vacancies through e-mail to all senior managers and request them to communicate the same to their reportees. Also, vacancy gets displayed at sites/branch office’s notice boards.

All management employees with a minimum experience of two years in their current positions can apply to the postings. A subordinate applying for any position has to inform his manager or superior in his current division about the same.

After this, the HR shortlists the candidates and informs them about via e-mail. At the same time, HR sends the shortlisted candidates CVs to the concerned Division/Function Heads, who in turn shortlists them for interviews. After this, a normal recruitment process is followed wherein interviews are conducted with the HR and the concerned Division/Function Heads. After the selection has been done, the employees’ current Division/Function Heads are informed about the salary / position negotiated with the candidate. For better understanding, the below mentioned flow chart can be referred:
**INTERNAL RECRUITMENT PROCESS**

1. **Manpower requirement** prepared in consultation with Business/Function Head
2. HR raises hiring request through online system
3. HR posts vacancies
4. Interested Employees apply
5. HR shortlists CVs and sends to Div/Fun Heads
6. Divisional Heads shortlists the candidates
7. External sources are used
8. Interviews conducted
9. Accepted
10. Rejected
11. Permission of current Div/Fun Heads
12. Transfer orders given
This system provides the existing employees an opportunity to apply for higher posts as well as for vacancies in other departments thus allow them a take up more challenging job profile / responsibilities in other/same department. This thus becomes a kind of motivation factor for the employees.

2. Employee Referrals Program

CCIL has an employee referral program where the current employees can send in referrals to the HR department, for a vacancy in the company. Such referrals can be made by the employees even when a vacancy is not there. The information would be kept in the HR Database.

This kind of a program is aimed at making the recruiting process more cost effective and building better teamwork.

Here too care is taken that referrals do not come from the HR department itself. Apart from this, employees in the Leadership band and the division and functional heads are not allowed to send in referrals.

All the referred people have to undergo a standardized selection process. No exemption is allowed from this. Only after the candidates are short listed and clear the rounds of interview with the HR and the divisional heads, will they be selected.

The final round of interview is with the HR manager who negotiates the salary and confirms the selection.

3. External Recruitment

External recruitment is aimed to attract available talent outside and filling up vacancies through external sources.

At CCIL, external recruitment is done in mainly two ways:

- Advertised on the Clariant website
- Internal Database
- Through consultants
- Print Media
After the requisitions are approved, the vacancies are notified on the official web sites of Clariant. These can be checked by the people interested and the resumes are forwarded through mails or through posts. HR department after receiving the resumes screens the CV’s and then shortlists the candidates. After which they schedule interviews of the candidates. CCIL has a centralized process for recruitment and selection. All activities are co-ordinated from the Corporate HR at Mumbai (Balkum).

As soon as the candidates are selected, they are supposed to fill a check in form providing all their details. HR maintains individual files for all the employees working all over India which includes their application forms, the interview assessment sheets, their documents and all correspondence. This serves as evidence.

CCIL also take the help of various recruitment consultants who are given details about the job profiles. These consultants then find out suitable candidates and then they co-ordinate the interviews and the check in formalities.
Manpower requirement received from Div/Bus Head

HR raises hiring request through online system

Requisition rejected

Requisition approved

Search Agency
Employee Referral
Job Portals

External recruitment

Applications screened by HR & then by the concerned Division

Screened CV’s Short-Listed

HR schedules interviews & informs panelist & candidates

Salary fitment done by HR & concerned Division / Function Head & communicated to the candidate

Interview Rounds with Bus/Div Head & HR

Panel ratings, recommendations,
4. **Unsolicited Resumes:** CCIL receives resumes from jobseekers in dozens daily which also acts as a potential source of recruitment.

5. **Placement Consultants:** Consultants are another option for the company to get good candidates.

6. **Contractual Employees:** CCIL also have around 109 contractual employees who are under the contract of Team Lease. These employees work for CCIL but are under the payroll of Team Lease. They are thus known as associates. All the salary disbursements details are taken care of by them. HR executive from CCIL co-ordinates with them in case of discrepancy.

➢ **Reference Checks**

As the name suggests, it is the process of screening / verifying a person's background information prior to employing him in your organisation.

AT CCIL, all the candidates who have been selected for the final round of interview are supposed to provide the HR dept. two professional references. Hiring an undeserving candidate can unnecessarily increase costs, harm the organizations’ harmony and put confidential information into jeopardy and thus, **according to the policy guidelines, reference checks are made compulsory.** This ensures that before the candidate joins in, his conduct and
his professional capabilities are checked. This would assist the selection process.

➢ **Pre-employment Medical Examination**

All the selected candidates are required to undergo a medical examination prior to joining the organization. An appointment is scheduled with the identified doctor by the HR. Then the medical report is directly forwarded to the HR department. The cost of the medical examination will be borne by the company.

➢ **Travel Reimbursements**

All the outstation candidates who are invited for the selection process with prior approval from HR head will be reimbursed return fare and associated miscellaneous expenses.

➢ **Joining Process**

Upon joining, the employee is required to fill in a “Check In form” and provide relevant information. He is also required to submit various documents to support this information. Employees need to fill in this form on the date of joining itself.

The appointment letter is issued upon joining which clearly specifies the conditions of employment. The original copy is retained by the employee and one signed copy is handed over to HR for personal file and pay roll.

On receiving the appointment letter, the HR makes sure that the candidate is completely aware about his job profile and his reporting line. If not he is given a clear idea of the same.

The HR dept. maintains personnel file for all the employees. These files consist of all the documents relating to the employees starting from his resume till his check in form. All the other documents given by him to the HR during the course of his employment are also maintained along with all the communication through mails. These can be used by the organization for any further references.

On joining the organization, the employee is given a 6 digit unique number which is called the employee no. This becomes his identity in the organizations
database. An e-mail ID is created for all the management employees by the IT department which can be used by the employee.

> **Induction and Orientation**

The main objective of induction and orientation is to ensure full utilization of the inherent skills of the new entrants and provide them with comprehensive foundation needed for efficient performance in their job.

The HR person will receive the new employee on the first day of joining and introduce him/her to the department head after completion of all formalities and paperwork. The 2 days induction program is held once every 3 months and it is mandatory for all the new joinees to attend it. The Induction Schedule comprises of the respective Business/Function with respect to the following:

--Organization Structure of the Div / Function

--Overview of Business / Function

--Salient features / Characteristics of each Business / Function

--Overview of Products & Sales growth (for Businesses)

--Successful Business initiatives during recent past / Major Challenges ahead

--Issues (if any)

The input in the program is provided through classroom presentation, discussions and sharing of experiences which will be followed by visit to various departments.

> **Probation**

An employee joining CCIL is on a probation period of six months. Herein he is expected to understand his work profile, scope of work, his duties and responsibilities. Also he has to be able to adjust himself with the work culture at CCIL and the people around. He is given targets and goals are set for him. At the end of the probation period, his superior evaluates him based on various competencies and skills required for the particular job and also other competencies that management personnel should possess. These are also based on the Clariant Management Competency Model as mentioned below.
Each of the competencies is defined in the Appraisal form for the ease of understanding of the appraiser.

Previously the Probation Appraisal period used to differ based on the band structure. There would be a quarterly review, a midyear review and finally a final review at the end of the year. This had caused excessive paper work with almost no increase in productivity thus with the recent revival of many other systems and policies, probation appraisal period for all the new joinees is changed to 6 months. Now the reviewer has to appraise the performance of the employee only at the end of 6 month after which, he has to give a suggestion as to either:

- Confirm the employee
- Extend his probation period
- Reject the employee

Along with the above he is supposed to rate the employee based on the competencies as below:

- Outstanding
- Exceeds Expectations
- Achieves expectations
- Improvement needed
- Below expectations

### 3.3.2 Performance Management System (PMS)

Performance management is the process encompassing all activities related to improving employee performance, productivity and effectiveness. It includes goal setting, pay for performance, career management and corrective action. The PMS followed in CCIL was as follows:

**ELEMENTS IN PMS:**

1. **Performance objectives:**
a. Herein the Key Result Areas (KRAs) have to be set by each executive every year. The objective can be either quantitative or qualitative.

b. Training & Development Needs are identified at the beginning of the year under 3 categories:
   o Job/Technical Skills
   o Behavioral Skills
   o Others

c. Competencies applicable are identified by the Appraiser while approving performance objectives.

2. Mid Year Review:

The appraisee reviews whether he has accomplished his performance objectives. He uploads relevant supporting against each KRAs and puts his comments in ‘Self Appraisal’

Appraiser then reviews the Self Appraisal comments put by the appraisee and gives his feedback on the same. Also one-to-one Appraisal meeting is organized wherein Appraiser discusses and gives feedback to the appraisee.

Finally the Reviewer examines the Appraiser’s comments and feedback and gives his suggestions.

3. Final Review

Final Review is also done in the lines of Mid-year Review. The plan followed remains the same. Herein the appraisee reviews accomplishment of Performance Objectives and records the achievement against set target. He also reviews whether Training & Development Plan has been complied with.

The appraiser also reviews the status of the Training & Development Plan, Competency Evaluation and gives rating. Similarly the Reviewer also reviews the progress of the plans and gives his feedback.

However recently CCIL has introduced a Performance Dialogue Instrument (PDI) which primarily is meant to achieve the following:
BUSINESS SKILLS
Understanding and conducting business - striving for profitable and sustained growth

- Establish a culture of high performance, absolute accountability and entrepreneurship
- Aligning individual objectives and individual acting to organisational objectives

The PDI intends to support active communication between manager and subordinate. It’s about the dialogue. It gives list of competency Areas which is common to all around the globe. The main difference between the PDI and the earlier model is that this one is based on SAP system. The PDI has various sections like Group Performance Indicators, Business Performance, Competencies and Professional growth.

It follows the following Competency Model:
The process then followed is:

**Setting Individual Objectives:**

These objectives are set through a dialogue between each manager and their subordinates at the beginning of the year. The manager clearly defines his expectations and realistic goals. He then records the commitment of his subordinates and also identifies their competencies and behavioral patterns. Finally he considers areas of professional growth and appropriate action.

**Interim Review:**

In this stage the manager provides feedback on performance and development. The subordinates get an opportunity to review his progress and to adjust objectives. Also the manager suggests corrective measures to overcome the problems.
Final Appraisal:

-Herein the manager evaluates the achievement levels:
  - For each business objective
  - For the behavioral effectiveness items
  - And professional growth targets
-He then establishes joint understanding of how performance is perceived, both what is accomplished and how it is done.

Role of Coaching:

CCIL gives a lot of importance to the role of coaching. It is –
  - An on-going guidance to help people do their work more effectively
  - A planned approach to provide feedback and encouragement
  - Consists of periodic feedback sessions that directly relates to performance
3.3.3 Compensation and Benefits:

CCIL believes that compensation is an employer’s human capital investment strategy that considers all aspects of rewards in creating a competitive compensation package for the workforce, thereby improving business outcomes.

The compensation structure:

1. Fixed components includes:
   • Basic
   • Cash Allowance
   • Retirals

2. Variable components are:
   • Local Bonus Plan
   • Sales Incentive Scheme
   • Top Performer Bonus

3. Perquisites & Benefits

Details of Fixed Compensation

**Basic:** This component of the compensation directly impacts the statutory deductions and HRA only.

**Cash Allowances**
1. House rent Allowance (HRA)
2. Conveyance Allowance
3. Medical Assistance
4. Reimbursement of Mediclaim Premium.
5. Special Allowance

**Retirals**
1. Provident Fund
2. Superannuation
3. Gratuity
Perquisites and Benefits include Housing Loans and higher education loan for employee’s children. There is band wise eligibility for the cumulative benefit of these schemes. Employees in the Functional Band and above are entitled for a company maintained car which has to be used as a work tool. Similarly telephone connection for official purposes is provided to certain employees irrespective of their bands.

Gross Pay: Basic +Cash Allowance

Net Pay: Gross Pay – Relevant Deductions

Cost To Company (CTC): It refers to all the expenses that the company bears for it’s the employees. Generally all increments are made on CTC.

Process Flow

CCIL has a centralised system for payroll management. It uses SAP as the software to maintain its database and process the payments. This database contains all the relevant information about the employee. Also his payment details are entered into the system the moment he joins the company.

There are 3 major processes in Payroll Management:

1. Master Maintenance:

   This process starts with the new employee joining the organization. The check in form, appointment letter along with the salary working is submitted to the payroll section which in turn updates the database. Herein the following details about the employees are updated:
   
   o Personal details - DOB, details of dependents
   o Salary with the breakup of different components
   o Reporting line, Cost Centre, location

   Similarly when an employee resigns his HOD informs the HR. On completion of his check out formalities his swipe card is taken back and his employee code is deactivated in the SAP master files

2. Attendance Recording and Payroll:

   Every employee is given a swipe card on his joining the company. This card has to be swiped everyday on entry and exit from the company
premises. These details are maintained by the time office which is there at every site. The entry and exit time gets automatically recorded in VBSTAR. This software gives complete information to the time office about leave, over time, half days taken and the outdoor activity. The over time are verified with the respective HOD while leaves are verified with leave cards which is approved by their HOD’s.

Leave without pay (LWP), OT etc. are manually entered in the required format which forms an input for the payroll processing done with the help of SAP.

3. Payroll Processing And Disbursement Process:

The payroll is processed based on the data input from Time Office containing LWP and other details. The SAP system processes the payroll and disbursement file is generated. There are two modes of salary payments:

- Direct bank transfers-Wherein payment details are uploaded in banker’s website. Confirmation of the same is obtained from the bank.
- Direct Cheques-Wherein cheques are issued directly in the employee’s name.

In most cases, direct bank transfers takes place.

4. Variable Inputs Processing:

Apart from the regular fixed data there can be certain variable inputs like canteen dues, credit society dues etc which are maintained by the Time Office for respective employee in a specific format. Then this data is uploaded into the SAP system which deducts the same from the salary of the respective employees.
3.3.4 Training and Development

Training and development is perhaps one of the fastest growing fields in any company. The significance and value of training has been recognised by the corporate world to a great extent. Training is an act of increasing the knowledge and skills of an employee which they need to perform their jobs.

Need for Training and Development in an Organization:

- Contributes towards organizational objectives.
- Acquiring the requisite knowledge, skill and attitude
- To achieve individual growth
- Need for cross functional managers
- Prepare employees for higher level jobs

CCIL too recognises the importance of training for its employees and has a very systematic approach towards it.

The first step toward training and development is TNI – Training Need Identification.

The need for training is identified in the following manner:

- **Probation Appraisal Forms:** The appraiser appraises the performance of the employee and gives the recommendations as to the kind of training required by the individual. Thus the training need identified.
• **Through PMS:** In the system, the individuals are supposed to identify training areas for themselves along with their superiors doing the same. This is utilized by the HR.

• **Departmental Needs:** If a new system is started in a particular department, the employees of that dept. are required to be trained for using the same.

• **Transfer:** If an individual is transferred from one dept. to other, he needs to be trained.

• **Promotion:** If an employee is promoted, he may require training in the skills to handle the new position. Also a gap arises in his current position and to fill this gap, training may be required.

• **Succession planning:** Training has to be imparted to groom a person to occupy a new position identified for him.

After identifying the training needs of the employees, HR forms a summary of the same and compiles the data in a tabular form showing the number of people requiring training in a on a particular topic (division wise & band wise). After this, the HR personnel designs a training calendar for the entire year. This calendar has a schedule of various internal and outbound training programmes to be conducted for the employees throughout the year. This is made considering the training needs identified.

The HR circulates this calendar to the various Bus/Div Heads who in turn inform their subordinates. Then nominations for various Training programs are received by the HR from the various Bus/Div Heads. A month prior to the training program, reminders are sent and confirmations are received from the candidates and their heads.

CCIL has a set of trainers who are invited for conducting various workshops and training sessions. Along with this, the HR keeps on scanning various other trainers from outside and evaluates them and if required invites them for conducting training programmes.

Getting feedback about the training program conducted is emphasized at CCIL. The candidates are given a feedback form wherein they evaluate the various aspects of the session according to its usefulness in their professional life.
summary of this is made and kept for further reference and is also sent across to the trainer which could be useful to him for improving the training sessions in future.
The leaves granted to the employees will be of four kinds:

<table>
<thead>
<tr>
<th>Type of Leave</th>
<th>Number of Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casual Leave (CL)</td>
<td>7 days per year</td>
</tr>
<tr>
<td>Sick leave (SL)</td>
<td>10 days per year</td>
</tr>
<tr>
<td>Privilege Leave (PL)</td>
<td>30 days per year</td>
</tr>
<tr>
<td>Maternity Leave (ML)</td>
<td>84 days per occasion</td>
</tr>
</tbody>
</table>

**Casual Leave** is granted for urgent, unforeseen personal reasons. CL is not encashable and cannot be accumulated. Unavailed CL gets lapsed at the end of the year.
**Sick Leave** is allowed if the executive is sick and unable to report on duty. SL can be accumulated up to 50 days but cannot be encashed. Medical certificate is compulsory.

**Privilege Leave** is weekly offs and paid holidays which fall during the period. It refers to planned holidays which are applied to the management at least 15 days before the date of commencement of leave. An executive can accumulate PL up to 120 days. PL in excess of 120 days will be encashable automatically after the end of the calendar year. Apart from this at the time of final settlement, the limit for PL is 135 days.

**Maternity Leave** is allowed to female executives for 84 days which includes weekly offs and paid holidays. ML will be allowed only twice during the service tenure.

- **Leave management system (LMS):**

  The complete process of leave management is done through an automated LMS i.e. Leave Management System. This system is being used in CCIL since the beginning of 2007. The system is fed with the database of all the employees. This is accessible by all the management employees through the intranet.

  When an employee wants a leave, he can apply for leaves online on the system. The leave application gets notified to the immediate superior who is supposed to approve the same. Once approved, the approval is reflected on the system and applicant gets a notification of it.

  The Human Resource Dept. does the work of an administrator. First and foremost, after the check in formalities, the HR dept. creates the account of the new joinee in the leave management system. Here details like his employee number, date of joining, band structure, senior, approver I, approver II and cost centre are entered.

  Also details regarding how many CL’s, PL’s and SL’s are available throughout the year are entered. In case an employee joins in between the current financial year, the leaves are granted to him on pro rata basis.

  After this the HR keeps a track record of the LMS in a day. In case a leave is applied for and the approver fails to respond for a certain number of days, the leave can be approved by the HR dept.
The LMS has come as a helping hand to the HR dept. which gives them ready information regarding leaves. This is useful at the time of final settlement for making payments.

This automated system has reduced the paper work done at CCIL and is an example of automation of HR processes.

However it is not advisable to completely rely on the system and thus the HR dept. conducts monthly audit on a random basis to check the accuracy. Also once in a year, inputs are taken from the IT Dept. to cross check the leaves of all the employees.

### 3.3.6 Separation and Exit Management

The employees may be separated from the organization due to the following reasons:

- Resignation
- Retirement
- Death
- Termination by Organization
**Resignation:**
An employee who is not willing to continue his service in the organization, can give his resignation letter to his Division / Function head and the same will be forwarded to the HR after comments from the division head.
Every employee is required to adhere to a notice period mentioned in the appointment letter. However under certain circumstances, the HR after discussions with the Division head can relieve him earlier.

After the receipt of the resignation, the HR would discuss this with the division head and then convey the acceptance of the same to the employee. It is the responsibility of the employee to get clearance from the various departments on the check out form and submit it to the HR for the final settlement.

**Check out form** consists of four parts:

- **Part A** of check out form has to be filled by the division head of the employee. It has a list of all the company materials which an employee has to return (if applicable). The division head has to sign against each saying that the same have been returned.
- **Part B** has to be signed in a similar manner by the finance department stating that any amount pertaining to advances, canteen dues, engineering store dues or any other dues have been cleared by the employee.
- **Part C** has to be signed by the administrative office confirming whether the employee has surrendered the company flat, furniture/equipments, telephone and car to the company.
- **Part D** has to be filled by the payroll and the HR department wherein his loan dues, notice pay is adjusted against the final settlement amount.

Only after all these have been cleared, the employee is relieved. After this he is given the relieving letter and the experience certificate.

Filling of the check out form is a process that remains the same for all employees including employees who have resigned, retiring employees, as well as for those who have been terminated from the organization.

The employee, who has resigned, is asked to either withdraw or get his/her PF and SA transferred to his/her new company.
Exit Interviews:

CCIL has a policy to conduct an Exit interview for the employees. These are conducted for employees who have resigned from their posts and have decided to leave the organization. Once an employee resigns, he has to contact the HR dept for his check out formalities. During this time he has one-on-one dialogue with the HR manager who tries to understand the reason for his resignation. He also needs to fill in an exit interview form.

The Exit interview form has a list of reasons for which an employee may leave an organization. The employee is asked to rank the reasons for leaving from the mentioned list according to their order of significance form 1 to 5. (1 being the most significant and 5 being the least).

He is asked to mention some positives and negatives of working with Clariant and give his suggestions to make it a better place to work. Generally at the time of resignation people are reluctant to disclose the actual reasons. So the HR plays a major role to convince them and find out the actual reasons which have forced the employees to quit the organization. This in turn will help HR to take corrective steps to retain their valuable employees in case the attrition rate is too high. This form concludes with the comments of the HR manager or the VP-HR.

These interviews help the HR to have a healthy dialogue with the resignees and thus work on the suggestions given by them. It also enhances the image of the company.
ANALYSIS OF
ATTRITION TRENDS

4.1 WHAT IS ATTRITION?

Attrition has been a major concern for most of the companies in the current competitive scenario.
The word Attrition means, a reduction in the number of employees through resignation or separation at the employees will. Retirement, VRS and employee leaving due to end of contract are not considered as attrition.

Attrition rate is the rate of shrinkage in size or number. It is the mathematical representation of the attrition in a particular organization or an institution.

Attrition leads to dual loss to an organization:

- Firstly, company loses on a talent and thus costs incurred on them are a waste.
- Secondly it employees a new employee and thus needs to incur costs on them.

Thus the following costs:

**A. Recruitment cost**

The cost to the business when hiring new employees includes the following six factors plus 10 percent for incidentals such as background screening:

- Time spent on sourcing replacement
- Time spent on recruitment and selection
- Travel expenses, if any
- Re-location costs, if any
- Training/ramp-up time
- Background/reference screening
- Recruitment cost for the new recruit to replace the employee leaving

**B. Training and development cost**

To estimate the training and development costs, the expenses incurred on training of the employee who is leaving should be taken as well as that to be incurred to train the new employee is also to be considered.

To estimate the cost of training and developing new employees, cost of new hires must be taken into consideration. This will mean direct and indirect costs, and can be largely classified under the following heads:
• Training materials
• Technology
• Trainers’ Time

C. **Administration cost**

They include:

• Set up communication systems
• Add employees to the HR system
• Set up the new hire’s workspace
• Set up ID-cards, access cards, etc.

Thus it can be clearly evident from the above that losing an employee causes an organization a large amount of expenses. An organization thus tries to retain its work force.
4.2 ATTRITION AT CCIL:

CCIL belongs to the manufacturing sector and thus attrition is a major concern. As very well known, salary has always been a major issue in the manufacturing sector. But apart from the salary issues there are many reasons why people resign. Some of these are lack of co-operation from superiors or subordinates, organization culture, family reasons etc.

In order to understand the reasons for attrition at CCIL a classification of the data is done and represented in the form of various tables and charts.

The following data shows the number of people who resigned (management cadre). For easy understanding of the trend, a comparison of half yearly data for 2006, 2007 and 2008 has been made.

MANAGERIAL STAFF RESIGNATIONS
(HALF YEARLY)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO. OF EMPLOYEES</td>
<td>37</td>
<td>31</td>
<td>43</td>
</tr>
</tbody>
</table>
There was a subsequent reduction in the number of resignees in the first half of 2007 as compared to that in 2006 for the same period. But comparing the data for 2008 to both the years, it can be noted that this year has the highest number of resignees. The trend line in the above graph shows an increasing trend based on simple average.

**CALCULATING THE ATTRITION RATE:**

“What cannot be measured cannot be improved” is an old management aphorism. So if we want to improve attrition, we need to bring it to measurable terms.

Attrition in any particular organization can be quantified by finding out the attrition rate for that organization. After this, an analysis can be done as to where is the maximum attrition happening and then finding out reasons for the same to form a retention strategy.

There is no standard formula to calculate the attrition rate of a company. This is because of certain factors as:

- The employee base changes each month.
- Many firms may not include attrition of fresher’s who leave because of higher studies or within three months of joining.
- In some cases, attrition of poor performers may also not be treated as attrition.
Yet, as a generalised formula the following can be used:

$$\text{Attrition} = \left(\frac{\text{No. of employees who left in the year}}{\text{Average employees in the year}}\right) \times 100$$

- **Attrition Rate 2008 (Half Year):**
  $$\frac{43}{601} \times 100 = 7.15 \text{ approx 7\%}$$

The above percentage is based on the data for the first half of 2008. In order to compare it to that of the previous years, it is important to have the data at par. Thus, finding out the rate of attrition for 2006 and 2007 based on half yearly data.

- **Attrition Rate 2006:**
  - (Half Year) $$\frac{37}{632} \times 100 = 5.85 \text{ approx 6\%}$$
  - (Annual) $$\frac{86}{632} \times 100 = 14\%$$

- **Attrition Rate 2007:**
  - (Half Year) $$\frac{31}{596} \times 100 = 5.20 \text{ approx 5\%}$$
  - (Annual) $$\frac{57}{596} \times 100 = 9\%$$

The trend in attrition rate also shows an increase in the same in the current year.

In order to understand the problem clearly, I have attempted to make various comparisons classifying the number of resignees band wise, month wise and division wise.

### 4.2.1 MANAGERIAL STAFF RESIGNATIONS
(BAND WISE CLASSIFICATIONS)
(JAN – JUNE)

<table>
<thead>
<tr>
<th>Year</th>
<th>Leadership</th>
<th>Strategic</th>
<th>Functional</th>
<th>Tactical</th>
<th>Professional</th>
<th>Operational</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>7</td>
<td>11</td>
<td>16</td>
<td>37</td>
</tr>
<tr>
<td>2007</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>18</td>
<td>31</td>
</tr>
<tr>
<td>2008</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>8</td>
<td>10</td>
<td>20</td>
<td>43</td>
</tr>
</tbody>
</table>
As in 2006 and 2007, even in 2008 the maximum resignations were received from Operational Band.

In order to understand the reasons for these resignations, a detailed analysis of the exit interview forms was done. During Exit Interviews, the employees are assured by the HR manager that the reason for their leaving will be kept confidential. The HR Manager conducting the exit interview keeps important notes of the information provided and records the same in the exit interview form along with proper justifications. The information recorded acts as a reliable source for the study.

It is generally found that at the lower level and initial years of the career, salary remains low. If the persons are not kept motivated, they prefer to leave the organisation at formative years of their career for better prospects in terms of salary and role.
At CCIL, the same trend has been observed. At the operational level, which includes executives with less experience and young at age, employees have resigned mostly due to absence in challenging roles (which have been offered by their new companies) as well as salary dissatisfaction. As we go up the hierarchy level i.e. Professional and Tactical band, the reasons for employee resignation took a shift from the hygiene factors to the motivation factors. Salary growth became the secondary reason for these resignations while other factors like change in role, lack of co-operation from superiors, inadequate recognition, training needs, no personal growth strategies, no feeling of belongingness etc. became a primary reason. Some of the resignees have even blamed the work culture where people work as individuals and not as teams.

### 4.2.2 MANAGERIAL STAFF RESIGNATIONS (MONTH WISE CLASSIFICATION)

<table>
<thead>
<tr>
<th>MONTH</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>JANUARY</td>
<td>5</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>FEBRUARY</td>
<td>6</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>MARCH</td>
<td>2</td>
<td><strong>11</strong></td>
<td>7</td>
</tr>
<tr>
<td>APRIL</td>
<td>6</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>MAY</td>
<td>7</td>
<td>4</td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>
The above graph shows the trends in number of resignations per month in the year 2006 and 2007. It is observed that the trend line is highly fluctuating.

This could be because of the fact that 2006 was a pre merger period and people were not sure about their future in the company after the merger. While 2007 being post merger period, there were problems like non satisfaction by the given role, no co-ordination etc.

Comparatively, the number of resignations in 2008 is distributed almost evenly in the first 6 months. But it can also be seen that the resignations during May and June are higher than the remaining four months in 2008.

As per the discussion with the HR manager, employees tend to leave the organisation after a salary revision period. She informed that employees wait for their final appraisals/increment/promotion/upgradation of profile, after which they take a decision to continue or quit. In 2008, the salary revision took place in April and hence the increasing trend as many employees decided to take an exit from the organization.

### 4.2.3 MANAGERIAL STAFF RESIGNATIONS (DIVISION WISE CLASSIFICATIONS)
The above graph compares the attrition in the first half of 2006, 2007 and 2008 in each division. It can be observed from the same that, in division TLP, the
attrition has been maximum. It had dipped down during 2007, but again increased during 2008. In Div. Finance too, there has been an increase in 2008 after a decrease in the previous year. While in the PRS division, the attrition has increased by an alarming rate after a reduction in 2007. HR has been a division where, there is no attrition in the first half of any of the three years.

The maximum number of resignations during Jan-June 2008, are from TLP division, In order to understand the reasons for the same, an analysis of the exit interview forms of the executives who have resigned during this period is made.

Considering the priority given to the reasons for leaving in the exit interview forms, it can be concluded that executives have left the organization mainly because of a better role/compensation offered. But by making a summary of suggestions made by the executives being interviewed, it could be understood that people were not satisfied with the kind of environment prevalent in the division.
Most of the executives have indirectly mentioned about the presence of partial behaviour of the Seniors in the division. Employees have expressed the lack of team spirit and lack of leadership qualities at senior level.

Few executives expressed that there is lack of appreciation for good work done. All these along with the existence of low salary structure compared to market trends, have become the reasons for employees to leave the organization.

PRS (Product Safety) division had the second largest number of resignations during the first six months of 2008. Here it is observed that an attractive job offer and better salary became the main primary reason for attrition. Higher education is also one of the reasons. (4 out of 8 employees considered this reason as important).

4.3 REASONS FOR ATTRITION

Form the exit interview forms and the comments of the HR Manager the overall reasons for attrition can be summarised as follows:
Better prospects outside CCIL in terms of salary and responsibilities,
Lack of Team spirit,
No career growth,
No role clarity,
Attrition due to competition,
Lack of support from Superiors.

Below is a representation of the reasons of attrition at CCIL in the form of a chart:
4.4 RETAINING THE EMPLOYEES

Employees today are different. They are not the ones who don’t have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. In prominent Indian metros, there is no dearth of opportunities for the best in the business, or even for the second or the third best.

Importance of retaining employees remains the same irrespective of the size of the organization, its nature of business or the country of operation. The only difference lies in realizing the fact that frequent employee attrition means there is something, which needs immediate attention and cure.

Employee Retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. It involves being sensitive to people’s needs and demonstrating the various strategies in the five families detailed in Roger Herman’s classic book on employee retention, Keeping Good People.

- Compensation: It is said that money isn’t a motivator, but it is an effective de-motivator. The employees always have high expectations regarding their compensation packages. So an attractive compensation package plays a critical role in retaining the employees.

- Growth: No one joins an organization to just do the same work till the end of his career. If an employee does not see growth in his own organization, there are high chances that he might opt for leaving the organization. So such strategies must be framed where an employee can see his bright future in the company.
- Relationship: The management is sometimes not able to provide an employee a supportive work culture and environment in terms of personal or professional relationships. The organization culture should be such that encourages healthy relationship between all the employees.

- Support: Sometimes not getting the right kind of support and cooperation also leads an employee to be frustrated and provokes him to leave the organization. This should be taken care of by providing healthy work relationships.

- Environmental: An organization needs to have an environment where individuals learn and get support from colleagues and seniors along with the healthy mixture of authority and responsibility.

Based on the above five points, a retention strategy can be framed after understanding the reasons for attrition in a particular organization.

4.5 RETENTION MEASURES

At CCIL, after analysing the reasons of attrition, it could be concluded that there are problems related to compensation, growth, work environment as well as relationships.

In order to reduce the amount of attrition, the HR as well as all the business/division heads need to join hands and come together and take actions.

The following measures can be taken:

- **Designing a competitive compensation package:**

Most of the executives at CCIL are not satisfied with the salary that they are being paid. Thus there is a need of a systematic comparison of the compensation paid at CCIL with the market trends. An analysis should be done keeping in mind the kind and scope of work and the salary packages offered at CCIL and other companies in the same industry. For this purpose, external help can be taken. There are many agencies which carry out such research work for organizations. CCIL can hire one such agency for this work.

Thus it would be possible for CCIL to provide a very competitive pay package which would restrict the attrition to some extent.
Ø **Learning Environment:**

The seniors in all the divisions should try to create an environment of learning in their division/department. Knowledge gained should be shared with the others. E.g. If an individual from the HR department has gone for a training program on Interpersonal Skills, he should be encouraged to share the contents of the program with his colleagues through a presentation on the same. The same kind of environment should be created in the whole organization.

Ø **Career Graphs for employees:**

Many of the employees in their exit interviews form have mentioned that they do not see any personal growth in the organization. Thus it is recommended that the superiors of employees should take the responsibility to show his subordinate a career graph projecting his growth in the next 5 years. This would bring enough confidence in the employee to stay with the company and motivate him to achieve the targets placed before him.

Ø **Inculcate Team Work:**

All the employees need to trained and motivated to work as teams and not individuals. This can be done with the help of the division heads. They need to bring all the employees in the particular division together and show them the ultimate goal for which they all are working. When a combined vision is shown, it plays an important role in motivating the employees to work together.

Ø **Making employees accountable:**

There should be fairness in the working of the company. If an individual has made a mistake he should be made accountable for it irrespective if his relations with the seniors. The HR can play a role here by bringing in rules of punishing the offenders.

Ø **Fun at work:**

“All work and no play makes Jack a dull boy”. Employees spend almost 8-9 hours of the day at their work place. It is very important that the employees are given opportunities to have fun at work. For this, HR can organize gaming events between the various departments as well as within the various
departments. They can have events like chess tournament, table tennis tournament, quiz competition, best of waste competition etc. these can be done first at the departmental level and then at the organizational level.

This will enhance their sense of belongingness for their division/function as well as increase the interaction between and within the departments/divisions.

- **Achieving a match between individual and organisational goals:**

  CCIL has at times expected its employees to subsume their individual objectives before the organisational one. This has forced the employees to leave. The company thus needs to achieve a balance between the two. This can be done at the initial level while recruiting the employee only if his / her personal goals can be aligned to the organizational goals.

- **Increasing organisational transparency:**

  There is a need for transparency in the working of the company. The employees should be given reasons and answers to the question which arise in to their minds. If this is not done, they give it the name of a partial environment, start having grudges against others and spoil the organizational culture.

- **Helping employees acquire new skills:**

  There is an increasing need for keeping the employees up dated about the new techniques and technologies. Thus there is a need for increasing the number of training programs which at this point of time are very less. Training signals employees that the organisation values their contribution, and is willing to invest in upgrading their skills. These would also mean increase in interaction between the employees which is again a requirement at CCIL.

- **Celebrations and Social and cultural Networks:**

  In some of the surveys and audits it has been found that employees get a sense of belongingness if the organization encourages some form of social networks, cultural programs, team celebrations. These can be done with very little investments by encouraging employees to have picnics, social gatherings,
celebrations and festivals etc. When the person feels at home with a company he would think twice before leaving the company.

HR at CCIL can encourage the formation of different clubs like the golf club, social service club, sports club, where the employees from all divisions can register as per their likings. These clubs can then have their own gatherings and interactions. This would increase the interactions between employees from different departments.

➢ **Change of Styles through 360 Degree Feedback and Internal Customer satisfaction Surveys:**

Many times the style of manager has been responsible for employees in certain departments to leave. With supportive managers and Head of departments employees think several times before they leave. Some managers may not realize that their coercive style, excessive task centeredness, and the way they assign tasks including the clarity with which they give instructions, respect etc to employees have tremendous impact on their staying with the company. Thus a 360° feedback system can be implemented for the senior level managers and corrective actions can be taken to improve the problem areas.

The supervisors must be prepared to be collaborative, supportive, and nurturing of their people. The old style of "my-way-or-the-highway" style of management is a thing of the past. Most new supervisors need training to understand what it really takes to retain employees.

➢ **Periodic rewards or gifts for work done:**

If an employee is appreciated for the work he does, it acts as a motivating factor for him to perform well at his work. This ultimately benefits the organization. Thus the employees should be motivated by appreciation form the senior level. His work can also be acknowledged by giving him/her a small token of appreciation for the work done.

➢ **Measuring employee satisfaction:**

Obsessed with catering to the demands of their external customers, companies ignore their internal customers. Periodic employee satisfaction surveys can highlight the potential flash-points, and enable the company to take corrective action.
Stress Management:

The employees face a lot of stress in their day to day personal and professional life. If the employees remain stressed out, their efficiency is reduced. So HR can take measures to reduce this stress level and improve the efficiency. This can be done by organizing seminars on stress reduction, yoga, one day camps, picnics etc.

Employees should be taught as to how they themselves can fight the stress that they are experiencing. This would bring a dual advantage to the company. Firstly, the employees will realise that the company is taking the responsibility of the stress that are experiencing due to the company’s work. Secondly, their productivity will increase which will again benefit the company.

Today’s employees are different. They are the ones who have ample of opportunities. So if the company wants to retain its employees it has to start taking responsibility of its employees. HR needs to make the employees realize that they are an important part of the company. The employees cannot be retained only by giving them high pay packages. They need to see their own growth and have a feeling of belongingness in the company.

Employee retention takes effort, energy, and resources. But the results are worth it.

5. CONCLUSION

The Human Resource Dept. at CLARIANT CHEMICALS INDIA LTD. is a perfect example of integration of HR and systems. Though CCIL has come out from a merger phase recently, all the systems are already in place. Their systems and procedures are well defined and work is made easy. But at times this proves as a disadvantage to the company because, employees might not think much and go on with the processes and systems as they are. They may not think rationally. This can lead to stagnation.
I would ultimately conclude that the HR department at CCIL has to be a link between the employees and the management. It also has the responsibility to bridge the gap between the various departments in the organization. HR needs to change its role from a facilitator to a strategic business partner.

**My involvement with the HR processes:**

I was involved with almost all the HR processes and so I gained knowledge regarding all the processes.

- Firstly I was involved with the joining formalities of a new recruit i.e. helping in the check in formalities.

- Secondly I was involved for completing the reference checks of around 20 new recruits who had joined recently.

- After this, I co-ordinated for the two training programs which were conducted during my training period.

- I was involved in doing an audit of the leaves taken by the employees through the leave management system.

- I was then taught to make the entries regarding tax exempted investments made by the employees into the SAP system for calculation of tax of all the employees.

- I was also made to understand the making of a Training Calendar for the year by amassing all the information regarding the training needs identified.
ACADEMIC BOOKS:

- K. ASHWATHAPPA - “HUMAN RESOURCE MANAGEMENT”

ARTICLES:

- BRUCE FERN AND B. LYNN WARE “THE CHALLENGE OF RETAINING TOP TALENT: THE WORKFORCE ATTRITION CRISIS”
- MS. SUMANA BOSE, FACULTY, SINHGAD INSTITUTE OF BUSINESS MANAGEMENT AND RESEARCH, “HR A CAUSE OF ATTRITION”
- MS. RITU ARORA, DAV INSTITUTE OF MANAGEMENT, “MANPOWER RETENTION IN BPO INDUSTRY”

PUBLICATIONS:

- CLARIANT HR MANUAL
- CLARIANT ANNUAL REPORT – 2007
WEBLIOGRAPHY

ARTICLES FORM THE WEB:

- MARC CARROLL “GIVING ATTENTION TO PREVENT ATTRITION”
  HTTP://WWW.AUTHORSDEN.COM/VISIT/VIEWARTICLE

- SUDIPTA DEV “IS ATTRITION ALWAYS BAD FOR AN ORGANIZATION?”
  HTTP://WWW.EXPRESSCOMPUTERONLINE.COM/20071029/TECHNOLOGYLIFE01.SHTML

WEBSITES:

- www.clariantindia.com
- www.clariant.com
- www.citehr.com