

LEVELS OF SELF-EFFICACY, ORGANISATIONAL EFFICACY AND EMPLOYEE ATTRITION IN INDIAN PHARMACEUTICAL EMPLOYEES

ANJU VERMA AND BRIJ SHARMA

Assistant Professor , Guru Jambheshwar University of Science and Techniology, Hisar.
Research Scholar , Guru Jambheshwar University of Science and Techniology, Hisar.

Abstract:

Employee attrition has been defined as a movement of the employee beyond the boundary of the organization. Interest in the topic has gained momentum in the recent past among the researchers. Self-efficacy and organisational efficacy are also major constructs of human resources which are considered important factors of attrition among the employees. The present study revolves around these three aspects. Data was collected from 782 employees of pharmaceutical employees. Three individual scales were distributed to execute the study. T-test was applied to find out the differences among the levels of three constructs between male and female respondents. The perception regarding the satisfaction with supervision among the male and female respondents are found different.

KEYWORDS:

Self-efficacy, organisational efficacy, attrition.

1.1 INTRODUCTION

In the era of globalization, organizations always seek optimum utilization of their human resources in order to achieve high level of productivity, efficiency and effectiveness in every aspect of their operations. Human resource management includes many important activities like recruitment and selection, induction and orientation, training and development, performance and potential appraisal, compensation, human resource planning, career and succession planning which are imperative for improving and sustaining the organizational performance. In the past 20 years, there has been a growing research interest in the contribution which social cognitive theory has made in the area of work performance and especially on efficiency of human resources. Since that time, extensive empirical evidences has given strong support to the validity and utility of the social cognitive theory and to the existence of strong links between task performance, motivation, employee commitment, achievements, career choice, adaptability to new technology and self-efficacy. Nowadays, certain goals and objectives are so complex in nature that it is almost impossible for a single person to achieve. Such extra-ordinary objective is one of the reasons responsible for the existence of organization. Different people with different skills and attributes are required to accomplish such a task. For this a clear understanding of the “fit” between a person and organization is required for the pivotal success of individual and organizations because they are interdependent with each other.

Self-efficacy is a significant element in Bandura's (1977) social cognitive theory. In social cognitive theory, a holistic view of the learner is taken and is considered an integral part of the environment within which he or she is learning. The learners' attitude, behavior, responses and environment all work together to create learning. In this process the learner observes the mentor and builds self-efficacy, their belief that they can accomplish the task which they learnt from their mentor. According to Bandura, “a strong sense of self-efficacy enhances perceived human capability and well being to perform a particular

Please cite this Article as : ANJU VERMA AND BRIJ SHARMA , LEVELS OF SELF-EFFICACY, ORGANISATIONAL EFFICACY AND EMPLOYEE ATTRITION IN INDIAN PHARMACEUTICAL EMPLOYEES : *Tactful Management Research Journal* (June ; 2013)

LEVELS OF SELF-EFFICACY, ORGANISATIONAL EFFICACY AND EMPLOYEE.....

task in a given condition. It evolves by gradual acquisition of anticipation and judgment skills, social and physical skills through experience (Bandura, 1982). Wood and Bandura (1989) stated that “self-efficacy refers to beliefs in one's capabilities to mobilize the motivation, cognitive resources, and courses of action needed to meet given situational demands”. Further studies highlighted three aspects of this definition. First, self-efficacy is one's belief in one's capability to perform a particular task in given situation. It can be measured by deriving the information from the individual, the work done and outcomes in the organizational environment. Secondly, it is dynamic in nature and not static. It changes with the change in information and experience gained over a period of time. Thirdly, efficacy beliefs vary from person to person means people having the same skills may perform differently based on their efficacy beliefs. Individuals use to gather, integrate, and evaluate information about their capabilities; then they regulate their choices and efforts accordingly towards the way, they found themselves more efficient (Bandura, et al., 1980). Self-efficacy is, can this be done, can I do it! Schunk (2000) self-efficacy refers to one's belief in capabilities to undertake any task and accomplish at designated levels. Albert Bandura (1997) self-efficacy is belief about what one is capable of doing, and it different than knowing what to do. In measuring efficacy, individual assess their skills, capacity and capabilities to transform those attributes into action.

In addition to generalized self-efficacy (Judge et al., 1998) and generalized group efficacy (Gibson, 1999), there is existence of organizational efficacy as well, which can be defined as an individual's perception of the general capabilities of an organization (Van Vuuren et al., 2007). Organisational efficacy is general in nature, as organisation members evaluate the “macro” aspects of organisational functioning rather than a “micro” task-specific evaluation of expectancies. In line with the results from previous efficacy research, there is a positive effect of organisational efficacy. Thus it can be concluded that the self and organizational efficacies contribute differently the human resource practices of an organization.

Attrition has always been a major concern for the organization where the functioning is entirely depends on the pool of talent. Pharmaceutical industry is driven by research oriented people and they are the back bone of the industry. Calculating attrition is not an easy task as no precise statistical formula is applicable. The causes of attrition are different for different industries. For effective check of attrition can only be done by finding the root cause of the attrition. Attrition rate of any organization reflects its image in the market, a high attrition reflects poorly on an organization's ability to hold on to its people. High attrition rate not only has a direct impact on the business but also affects employee morale and productivity. On the other hand, attrition incurs some costs as well which the company has to borne.

- These costs are as follows:
- 1.Recruitment cost
 - 2.Training and Development cost
 - 3.Administrative cost
 - 4.Loyalty cost

ANALYSIS AND INTERPRETATION:

Table 1.1: Levels and Values of independent t-test

Dimensions		Gender										t- Value	Sig. Value
		Male					Female						
		Low	Medium	High	Total	Mean	Low	Medium	High	Total	Mean		
Self-Efficacy (SE)		1	33	676	710	2.951	0	3	69	72	2.958	-0.279	0.780
Org-Efficacy (OE)		0	92	618	710	2.870	0	7	65	72	2.902	-0.786	0.432
Employee Turn Over	Satisfaction with Pay (SP)	47	303	360	710	2.441	7	28	37	72	2.417	0.315	30.75
	Satisfaction with Nature of Work (SN)	1	187	522	710	2.734	0	18	54	72	2.750	-0.295	80.76
	Satisfaction with Supervision (SS)	14	245	451	710	2.615	3	31	38	72	2.486	1.970	90.04
	Organizational Commitment (OC)	2	125	583	710	2.818	0	17	55	72	2.764	1.110	0.267
	Justice Environment (JE)	5	140	565	710	2.789	0	13	59	72	2.819	-0.588	70.55
	Turnover Intention (TI)	98	440	172	710	2.104	8	40	24	72	2.222	-1.563	190.1
	Alternative Emp. Opportunity (AEO)	2	214	494	710	2.693	0	25	47	72	2.653	0.693	0.488

LEVELS OF SELF-EFFICACY, ORGANISATIONAL EFFICACY AND EMPLOYEE.....

Source: Field survey

A total of 782 respondents are examined for the study. Out of 782, majority of sample is constituted by male respondents containing 710 (90.8 %) males and 72 (9.2 %) females.

In order to study the self-efficacy, organizational efficacy and employee attrition intentions among employees, a cross functional analysis has been done. The overall status of self-efficacy, organizational efficacy and employee attrition has been discussed across three distinct levels i.e. High, Medium and low. Table 1.1 reveals that out of total 782 respondents the highest level of self-efficacy found in 676 males and 69 females whereas 33 males and 3 females (means 2.951 and 2.958 respectively) are found with medium level of self-efficacy. Only 1 male was there with low self-efficacy. The t value is -0.279 at 0.780 significant. It means that difference of means of male and female respondents is not significant as the significance value is greater than 0.05. In nutshell, it can be concluded that both the respondents (males and females) possess high level of self-efficacy.

It describes that most of the males are confident that they can perform well in a given situation. They believe in their efforts and capabilities that they can handle any challenge. On the other hand, among the 72 female respondents most of the respondents (69) show high self-efficacy whereas only 3 female respondents show medium self-efficacy and no female respondent is there with low self-efficacy. This proves that in present scenario females are equally confident about their efficacy beliefs and are ready to take on any difficult task. This means that there is no significant difference between the self-efficacy perceptions of the male and female respondents.

To demonstrate the levels of organizational efficacy, Table 1.1 reveals that out of 710 male respondents, 618 males show high organisational efficacy levels whereas only 92 male respondents show medium efficacy levels. Interestingly no male respondent shows low organisational efficacy level (mean 2.870). From the figures above it is evident that majority of the male respondents have high organisational efficacy levels and they feel that organisation takes care of them well. Similarly, out of 72 female respondents 65 respondents high organisational efficacy levels (mean 2.903) and only 7 female respondents have shown medium organisational efficacy levels. The t value is -0.786 at 0.432 significant levels. No female respondent have shown low organisational efficacy level. It approves that most of the respondents have a shared belief that their group or organisation has what it takes to deal effectively and efficiently with the problems, pressures, challenges, weaknesses and threats they are going to face in near future. They believe that the organization is efficient enough in terms of management and resources which are required by the organization to survive. Hence, there is no significant difference between their perceptions of organisational efficacy levels.

Furthermore, to study the levels of employee turnover, in the next section of employee turnover intent, although a number of male respondents have shown high satisfaction with pay but it is almost near to the medium satisfied male respondents. 360 male respondents out of 710 male respondents have shown high satisfaction with pay level in context to employee turnover intent whereas 303 male respondents (mean 2.441) are medium satisfied with the pay structure. This indicates that satisfaction with pay in context to employee attrition intent could be one of the major factors of employee turnover. The same case is there with the female counterparts. Out of 72 females 37 female respondents are having high satisfaction with pay level whereas 28 female respondents (mean 2.417) show medium level of satisfaction with regard to pay. The t value is 0.315 at 0.753 significant levels. Hence, there is no significant difference between levels of satisfaction with pay among both the respondents has been found.

In order to understand the level of satisfaction with nature of work, out of 710 males 522 male respondents have shown high level of satisfaction in comparison to 187 male respondents (mean 2.734) have shown medium level of satisfaction with nature of work. Similarly, 54 female respondents have consented high level of satisfaction with nature of work. The t value is -0.295 at 0.768 significant levels. It describes that there is no significant difference between their perceptions about the nature of work. They are satisfied with the work assigned and feel fitment between work and their skills. Only 1 male have shown low level of satisfaction with the nature of work whereas no female respondent have shown low level of satisfaction with regard to nature of work.

To find out the level of satisfaction with supervision, 522 males have shown high level of satisfaction with supervision and 245 male respondents (mean 2.615) have shown medium level of satisfaction with supervision. 14 males are there who has low level of satisfaction with supervision. Interestingly, 38 female counterparts have high level of satisfaction with supervision whereas 31 female respondents (mean 2.486) are having medium level of satisfaction with regard to supervision. But we found that there is a significant difference between the perceptions of levels of satisfaction with regard to supervision with a significant value of 0.049 between male and female respondents. The t value is 1.970. It can be drawn that among the female respondents the level of the satisfaction with supervision is quite

LEVELS OF SELF-EFFICACY, ORGANISATIONAL EFFICACY AND EMPLOYEE.....

different from their male counterparts and could possibly be one of the reasons of their turnover.

In regard to study the levels of organisational commitment in context to employee attrition, out of 710 males, 583 male respondents have shown high level of organisational commitment as compared to 125 males with medium level of organisational commitment (mean 2.818). Only 2 males are there with low organisational commitment. Similarly, out of 72 females, 55 female respondents have shown high level of organisational commitment whereas 17 females are there with medium level of organisational commitment (mean 2.764). There is no female respondent with low level of organisational commitment. The t value is 1.110 at 0.267 significant levels. It is concluded that there is no significant difference between the perceptions regarding the organisational commitment among both the genders and they are committed to the organisation they are working with. They feel proud working with the organisation and are willing to put extra effort to make organisation successful.

To find out the levels of justice environment with regard to employee attrition intent, 565 male respondents are having high level of satisfaction with rules, procedures and policies used to evaluate their performance as compared to 140 male respondents (mean 2.789) with medium level satisfaction in regard to justice environment. 5 male respondents show low level of satisfaction with justice environment. On the other hand, 59 and 13 female respondents (mean 2.819) out of 72 have shown high level and medium level of satisfaction respectively with the justice environment of the organisation. The t value is -0.588 at 0.557 significant levels. Most of the respondents have shown faith in the methods of evaluation of their performance and no significant difference has been found in the level of satisfaction of justice environment on the basis of gender.

To understand the levels of turnover intention among the employees, from 710 male respondents 172 males presented high level of turnover intention as compared to 440 male respondents (mean 2.104) who has shown medium level of turnover intention. 98 male respondents have demonstrated low level of turnover intention. In contrast, 24 female counterparts have shown high level of turnover intention as compared to 40 females (mean 2.222) with medium level of turnover intention. 8 female respondents have shown low level of turnover intention. The t value is -1.563 at 0.119 significant levels. This means that both the genders are having medium level of turnover intention, if they get a better job they switch the organisation. But they do not leave the organisation without any apparent reason. They analyse the environment before leaving the job and wait for the right time to do so. Male and female respondents think in the same manner and there is no significant difference between the perceptions regarding their turnover intentions.

To understand the levels of perceived alternative employment opportunity among employees in context with employee turnover, 494 male respondents (mean 2.693) have demonstrated high level of possibility of finding an opportunity of getting a new job if they quit their present one. 214 male respondents have shown medium level of chances of getting a new job. On the other hand 47 female counterparts (mean 2.653) have consented high level of possibility of getting a new suitable job. The t value is 0.693 at 0.488 significant levels. It tells that male and female both are confident of getting a new suitable job according to their skills after leaving the present one. Hence, there is no significant difference between their perceptions of getting an alternative employment opportunity.

CONCLUSION:

Organisations can reduce attrition rate of their human resources to certain extent but cannot stop it completely because of the individual needs of employees. Majority of the employees show high levels of self-efficacy, organisational efficacy and attrition intent. The one factor which has significant difference among the perception of male and female employees' is satisfaction with supervision. Organisations need to check the levels of satisfaction of employees with regard to supervision especially the female employees working in the organisation. This can be concluded that organisations can take care of their employees having high level of self and organisational efficacy.

REFERENCES

- Arnold, H.J. and Feldman, D.C. (1982), "A multivariate Analysis of the Determinants of job Turnover", *Journal of Applied Psychology*, Vol.67, No. 3, pp. 350-360.
- Bandura, A. (1977), "Self-efficacy: Toward a Unifying Theory of Behavioral Change", *Psychological Review*, Vol. 84, No. 2, pp. 191-215.
- Bandura, A. (1982), "Self-efficacy Mechanism in Human Agency", *American Psychologist*, Vol. 37, pp. 122-147.
- Bandura, A. (1984), "Recycling Misconceptions of Perceived Self-efficacy", *Cognitive Therapy and*

LEVELS OF SELF-EFFICACY, ORGANISATIONAL EFFICACY AND EMPLOYEE.....

- Research, Vol. 8, No. 3, pp. 231-255.
- Bandura, A. (1986), "Self-efficacy Beliefs in Human Functioning" Social Foundation of Thought and Action, Englewood Cliffs, Prentice Hall.
- Bandura, A. (2002), "Social Cognitive Theory in Cultural Context", Applied Psychology, Vol. 51, No. 2, pp. 269-290.
- Bohn, J. D. (2010), "Development and Exploratory Validation of an Organisational Efficacy Scale", Human Resource Development Quarterly, Vol. 2, No. 3, pp. 227-251.
- Billings, R., Wemmels, V. (1983), "The Role of Alternatives in Process Models of Withdrawal", Proceedings of the 26th Annual Conference of the Midwestern Academy of Management, pp. 18-29.
- Cammann, C., Fichman, M., Jenkins, D. and Klesh, J. (1979), "The Michigan Organizational Assessment Questionnaire", Unpublished Manuscript, University of Michigan, Ann Arbor, Michigan.
- Folger, R. and Greenberg, J. (1985), "Procedural justice: An interpretative analysis of personnel systems", Research in Personnel and Human Resources Management, Vol. 3, pp. 141-183.
- Khatri, N., Budhwar, P., & Fern, C. T. (1999). Employee turnover: bad attitude or poor management. Singapore: Nanyang Technological University.[Online] Available url: http://www.ntu.edu.sg/nbs/sabre/working_papers/12-99.pdf.
- Porter, L.W., Steers, R.M., Mowday, R.T. and Boulian, P.V. (1974), "Organizational commitment, job satisfaction, and turnover among psychiatric technicians", Journal of Applied Psychology, Vol. 59, pp. 603-609.
- Majumdar, M. (2009), "Talent Retention in Pharmaceutical Company: A Perspective in the Modern Era", International Research Journal, Vol. 2, No. 7, pp. 43-44.
- Manheim H.L. 1977. Sociological research: philosophy and methods. Homewood, III. The Dorsey Press.
- Michaels, C.E. and Spector, P.E. 1982. Causes of employee turnover: A test of the Mobley, Griffeth, Hand and Meglino model. Journal of Applied Psychology, Vol. 67, pp. 53-59.
- Magner, N., Johnson, G.G. and Elfrink, J. (1994), "Evidence on the relationship between procedural and distributive justice in performance appraisal and accounting faculty attitudes and performance".
- Mowday, R.T., Koberg, C.S. and McArthur, A.W. (1984), "The psychology of the withdrawal process: A cross-validated test of Mobley's intermediate linkages model of turnover in two samples", Academy of Management Journal, Vol. 27, pp. 79-94.
- Shore, L.M. and Martin, H.J. (1989), "Job satisfaction and organizational commitment in relation to work performance and turnover intentions", Human Relations, Vol. 42, No. 7, pp. 625-638.
- Smith, F. J. (1976), "Index of Organizational Reactions (IOR)", JSAS Catalog of Selected Documents in Psychology, Vol. 6(1): 54 No. 1265.
- Vuuren, M. V. et al. (2008), "Contributions of Self and Organizational Efficacy Expectations to Commitment", Employee Relations, Vol. 30, No. 2, pp. 142-155.
- Weiss, D.J., Dawis, R.V., England, G.W. and Lofquist, L.H. (1967), "Manual for the Minnesota Satisfaction Questionnaire: Minnesota studies in vocational rehabilitations. Minneapolis", Industrial Relations Center, University of Minnesota.
- Wellman, J. C. and Kruger, S. J. (2001), "Research methodology", Oxford University Press: Southern Africa.
- www.pharmainfo.net extracted on 12/03/2012 at 10.30 pm.