

## **A Study on Employee Attrition: Inevitable yet Manageable**

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**Abstract:** *This study examines the employee attrition which is inevitable but manageable with software employees. A Structured questionnaire was administered with a sample of 100 respondents. Simple random sampling methodology was adopted for data analysis. Data Analysis was employed for computing the efficiency scores for attrition using SPSS version 20. Statistical techniques such as factor analysis, correlation analysis, t test, chi-square, one way annova and multiple regression was employed. Correlation analysis was significant, and multiple regressions was used to test the impact of the employee attrition. The findings demonstrated that There is no significance difference in the dimension of the factors as a predictor in explaining employees attrition Chi-square test revealed that there is significant association in employee job seeking with that of rate of attrition This paper attempts to provide a framework for the employee attrition which could be applied to larger concern with little arrangements.*

**Keywords:** *Employee attrition, inevitable, Job satisfaction, organizational performance and organizational effectiveness, quality of service, notice period, job seeking, lack of career growth, employee expectation of the job.*

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### **I. INTRODUCTION**

Attrition is critical in the industry these days. It's the major problem which highlights in all the organizations. "Attrition is said to be the gradual reduction in the number of employees through retirement, resignation or death. It can also be said as Employee Turnover or Employee Defection" A well-trained and well-adapted employee leaves the organization, it creates a vacuum. So, the organization loses key skills, knowledge and business relationships. Modern managers and personnel administrators are greatly interested in reducing Attrition in the organization, in such a way that it will contribute to the maximum effectiveness, growth, and progress of the organization

Employees are the most valuable assets of an organization. They add value to the organization in terms of quantity and quality as well. Therefore, it is indispensable to maintain a permanent and promising workforce. Over the years it has become a tough task for employers and thereby increased attrition in the organizations. Attrition of employees in a limited measure is desirable for influx of new ideas in any type of organization. It helps organizations to maintain their agility in a fast changing environment.

Attrition in a limited measure it can thus bring gains to the organization. However, if attrition increases beyond a certain level, the gains are transformed into pains. Recruiters explain that high attrition rates significantly increase the investment made on employees (Prakash and Chowdhury, 2004). Significant investments in time and money need to be made for acquiring employees in any organization. These can never be translated into profit when attrition is high. In BPO industry, agent level (low level employees who directly deal with the clients) recruitment costs the company approximately Rs. 5,000 for each employee recruited.

### **INEVITABLE YET MANAGEABLE**

In the recent years employer and employee both have lost belief on each other. The former feels that employee can leave the organization anytime and the latter apprehends that he or she can be expelled anytime by the former one. Whosoever is responsible, irrespective of this; loss of workforce is inevitable. This loss of workforce for any reason is called attrition. Irrespective of the kind of industry or the structure of the organization, attrition is a common problem in every organization which not only hampers production but also results in heavy long run costs and loss of goodwill to the organization. Therefore, there arises a need to delve into this multi-dimensional problem and come out with feasible solutions.

### **ATTRITION IN INFORMATION TECHNOLOGY INDUSTRY:**

Information Technology as an industry is very dynamic, lots of staunch competitors in the same field. IT as an industry is segmented into Global Consulting or Product Development companies. With the increased offshore projects hitting, a lot of technological companies are trying to acquire as many projects as possible.

### **EMERGING TRENDS IN THE INDIAN IT SERVICES INDUSTRY**

- While the global IT players are aggressively scaling up their operations in India, due to the advantages that the Indian industry offers, the Indian IT companies are also preparing to tap the global market. The companies are witnessing significant change with regard to their service offerings and geographical concentration. Today, companies are expanding their service offerings from application development and maintenance to high end services like testing, consulting and engineering designing. The global delivery model has not only facilitated the companies in delivering quality of work but also helped them to control costs.
- Business Process Outsourcing (BPO) is the delegation of one or more IT-intensive business processes to an external provider that in turn owns, administers and manages the selected process based on defined and measurable performance criteria. Business Process Outsourcing (BPO) is one of the fastest growing segments of the Information Technology Enabled Services (ITES) industry. The advancement in the field of information technology and telecommunication has been the fundamental reason for the evolution of such new techniques that in turn aid the successful operation of business houses.
- Another reason for such a monumental change in the nature of functioning of today's management system can be attributed to globalization. Specifically companies need to compete on a global basis if they are to achieve economies of scale and keep up with the latest TECHNOLOGY and advancements (Porter, 1980). The offshore outsourcing markets were initially developed as software development services and later developed as Information Technology Enabled Services (ITES). ITES has developed into a major part of IT industry. On the same lines, the BPO sector also forms a major part of ITES industry.

### **TURNOVER IN ITES/BPO SECTOR**

Voluntary turnover has become a problem for many organizations, regardless of the nature of job, in today's society. The costs of this turnover not only have an impact on organizations but also would affect the morale of the stayers. Prior research has examined the costs of an employee's decision to voluntarily leave an organization. For example, a recent figure explained that it costs a company \$78,000 to replace an employee (Ramsey-Smith, 2004). There have been a plethora of research studies conducted over the past 40 years by both academicians and practitioners on the causes and consequences of voluntary turnover.

In the ITES/BPO sector, however voluntary turnover is reaching alarming proportions. It becomes very important to study this questionable nature of large-scale attrition, as India houses a large no of ITES/BPO's. Since this sector is predominantly service oriented, it becomes very important for the HR practitioners to take appropriate steps to understand the turnover drivers, to at least retain the good performers. If proper care to check employee turnover in this sector is not taken, then the quality of service rendered would be affected due to lack of trained personnel replacing the employee who has left. This would give rise to a lot of dissatisfaction amongst the customers. Turnover can also leave a severe blow to the morale of the stayers as they would have to take up additional burden of workload until the replaced employee is trained. This can also add up to their stress levels. Therefore, if employee turnover is not managed properly it would affect ITES/BPO sector adversely in terms of personnel costs and in the end it is likely that they would lose out on their liquidity position. An attempt has been made in this research to investigate on the employee turnover antecedents of ITES/BPO sector in India.

### **DETERMINANTS OF EMPLOYEE TURNOVER**

The antecedents of turnover intention were gathered from the past research findings reviewed with respect to two components which could cause an impact on the employee's decision to quit his/her place of work.

### **INTRA ORGANIZATIONAL FACTORS AND TURNOVER INTENTION:**

- **Perceived organizational support and turnover intention:** POS refers to employees' 'global beliefs concerning the extent to which the organization values their contributions and cares about their well-being' (Eisenberger et al. 1986). POS would be valued by employees for meeting socio-emotional needs, providing an indication of the organization's readiness to reward increased work effort, and indicating the organization's inclination to provide aid when needed to carry out one's job effectively (Eisenberger et al., 1986). POS is fostered by two important beliefs of employees: the personification of organization, and rewards based on the organization's discretion. Through personification of organization, employees assign human characteristics to the organization and view actions by agents in the organization (e.g. managers) as actions of the organization as a whole (Eisenberger et al., 1986). Favorable or unfavorable treatment received by employees determines the organization's attitude towards its employees well being. However,

there has been limited investigation of the relationship between POS and intention to leave (e.g. Allen et al., 2003; Wayne, Shore, and Liden, 1997) and work that is more empirical has been called for (Griffeth et al., 2000).

- **Perceived organizational justice and turnover intention:** Adams (1965) conceptualized fairness by stating that employees determine whether they have been treated fairly at work by comparing their own payoff ratio of outcomes (such as pay or status) to inputs (such as effort or time) to the ratio of their co-workers. This is called distributive justice, and it presents employees' perceptions about the fairness of managerial decisions from the perspective of the distribution of outcomes such as pay, promotions, etc (Folger and Konovsky, 1989). In contrast, procedural justice focuses on the fairness of the manner in which the decision-making process is conducted (Folger and Konovsky, 1989). In other words, the focus shifts from what was decided to how the decision was made (Cropanzano and Folger, 1991). Justice perceptions also have been linked to important outcome variables (Daily and Kirk, 1992; Folger and Konovsky, 1989; Martin and Bennett, 1996; McFarlin and Sweeney, 1992). For instance, perceptions of procedural justice are negatively related to intentions to quit (Daily and Kirk, 1992), significantly correlate with organizational commitment (Folger and Konovsky, 1989; Martin and Bennett, 1996), and produce high subordinates' evaluation of supervisors (McFarlin and Sweeney, 1992). Thus, organizational commitment is used as mediating variable in the current study. In other words, if employees perceive that the decision-making process is fair, they are less likely to form an intention to quit.

#### **INDIVIDUAL AFFECTIVE OUTCOMES:**

- **Job satisfaction and turnover intention:** The relationship between satisfaction and turnover has been consistently found in many turnover studies (Lum et al, 1998). Mobley et al 1979 indicated that overall job satisfaction is negatively linked to turnover but explained little of the variability in turnover. Mobley in (1977) developed a model that explains the process of dissatisfaction that an employee feels and how she/he arrives at a decision to leave the organization. The model first explains the employee evaluation of the existing job, and then obviously it is for the employee to gauge her/his satisfaction in performing the particular job she/he is engaged in. The result of which would be either satisfaction or dissatisfaction. Mobley favored no particular satisfaction model, but contributed to the development of several such models in which he explains how dissatisfaction arises. If a dissatisfied employee happens to get an alternative job where she/he does not have to compromise on job satisfaction, the employee concerned would definitely choose the alternative job resigning the current job.
- **Organizational commitment and turnover intention:** Mobley et al. (1979) have identified commitment to the organization as a potentially important variable in the turnover process. Researchers have established that there are three types of organizational commitment and they are affective commitment, continuance commitment, and normative commitment. Allen and Meyer (1990) investigated the nature of the link between turnover and the three components of attitudinal commitment: affective commitment refers to employees' emotional attachment to, identification with and involvement in the organization; continuance commitment refers to commitment base on costs that employees associate with leaving the organization; and normative commitment refers to employees' feelings of obligation to remain with the organization.

## **II. OBJECTIVE OF THE STUDY.**

### **PRIMARY OBJECTIVE**

- To determine the employees attrition in the company
- To determine the highly contribution factors which affects employee attrition

### **SECONDARY OBJECTIVES**

- To analyze the impact of demographic factors on attrition
- To determine the need of employees searching new job
- Toexamine the areas where companies is lagging behind.

## **III. NEED FOR THE STUDY.**

- a) The success of IT industry depends largely on the workers, the employees are considered as the backbone of any company.
- b) The study was mainly undertaken to identify the level of employee's attitude, the dissatisfaction factors they face in the organization and for what reason they prefer to change their job.
- c) Once the levels of employee's attitude are identified, it would be possible for the management to take necessary action to reduce attrition level. Since they are considered as backbone of the company, their progression will lead to the success of the company for the long run.

### **Statement of problem**

- a) The aim of the present report is to study factors like salary, superior – subordinate relationship, growth opportunities, facilities, policies and procedures, recognition, appreciation, suggestions, co- workers by which it helps to know the Attrition level in the organizations and factors relating to retain them.
- b) This study also helps to find out where the organizations are lagging in retaining.

### **IV. SCOPE OF THE STUDY.**

- This study concentrates only on the employee attrition.
- This study can help organization to find the weaker parts of the employee feel towards the organization
- This study has a wider for scope in any kind of organization since “attrition” is general one and makes the employees to put forth their practical difficulties and need factors in the organization.
- This study can help the management to know for which the reason employees tend to change their job, through dissatisfaction factors faced in the organization and also helps to recover by providing the optimum suggestions or solutions

### **V. LIMITATIONS.**

- The researcher has included only 100 observations. The findings should be confirmed through a large sample for generalization.
- The study is solely concerned to company,(private limited company) so the results cannot be generalized to all the sectors.
- The data collection was restricted to company due to limited time available and cost
- The size of the organization was not taken in to consideration.

### **VI. REVIEW OF LITERATURES IN EMPLOYEE ATTRITION**

AMARAM 2005 stated that,It is realized that the need is not merely to stem attrition rates by implementing various retention strategies.it is rather to identify the right candidates at the time of recruitment, so that they identify the right candidates at the time of recruitment, so that they identify with the organization and stay on proving to be assets for the company. cultural shock is something that often leads to employees retaining into a shell and building up a lot of unnecessary pressure on themselves. organisation must strike the right balance between pampering their employees and extracting maximum work from them. any one of these when overdone would lead to dissatisfaction and thereby, attrition.

Park 2013, study stated employees will be more motivated to do their jobs well if they have ownership of their work. This requires giving employees enough freedom and power to carry out their tasks so that they feel they own the result. As individuals mature in their jobs, the organisation should provide them with opportunities for added responsibility.

According to Booyens 2013, the essence of supervision lies in evaluating the effectiveness of the organisation, both vertically and horizontally, and ensuring that resources are used adequate and correct, errors are rectified, standards maintained and objectives attained. Falkenburg and Schyns determines that supervisors act as a source of social support to the

According to Nel, *et al.* 2013, when an employee joins an organisation, besides the employment contract, usually a psychological contract is established between employer and employee with respect to what each should expect of the other. Habeck, Kroger and Tram 2013 add that psychological contracts consist of the individuals' beliefs regarding the terms and conditions of the exchange agreement between themselves and their organisations.

Booyens 2013,described orientation is the personalized training of the individual employee so that he/she becomes acquainted with the requirements of the job itself. The aim of the orientation is to be effective and show productive work performance by the new employee. The orientation process aims at reducing anxiety, creating a positive attitude towards the employer and assist in creating realistic work expectations.

Nel, *et al.* 2014 ; George and Jones, 2013stated that work content is another main cause for attrition (work content refers to the amount of work which is performed by the employee at any given time). Mouton 2013 stated that quantitative overload (Qualitative overload involves work that is too difficult) involves having too much work to do in the time available and has been associated with stress related ailments such as coronary heart disease and finally staff turnover. In the context of voluntary staff turnover, when the employee relates the work load with pay and benefits which may be perceived to be lower than the amount of work performed, work overload may then incite staff turnover intention.

Ichniowski 2013 asserts that opportunities for social contacts are highly important elements of working conditions. Social contacts refers to the supporting functions that an employee gets from colleagues, managers or subordinates which can be a buffer between stress and health. Interpersonal relations refer to personal and working interactions between the employee and other people he/she works with. These include cooperation,

teamwork and sharing of common goals.unhealthy social relationship between employees in the organization will lead to employee absenteeism and eventually to staff turnover.

Kevin et al. 2014 have stated that although, there is no standard framework for understanding the employees turnover process but a wide range of factors are useful in predicting employee turnover. Henry Ongori 2014 concluded in his study that employees are the long-term investments in an organization and as such management should encourage job redesign, task autonomy, task significance and task identity, open book management, empowerment of employees, recruitment and selection must be done scientifically with the objective of retaining employees and decreasing employee turnover. Hamermesh 2014, study emphasized every manager, supervisor and business owner has to understand the complexities of staff turnover before making the first personnel decision. An incorrect promotion or firing can lead to lost productivity as well as diminished loyalty from employees. The function of staff turnover is to keep essential personnel in positions best suited to their skills.

## **VII. RESEARCH METHODOLOGY**

Research means careful study and investigation especially in order to discover new facts or information. Research methodology depends on the research problem, techniques, tools, data, time available, experience and capability of the researcher. Research methodology is a systematic way to solve the research problem.

### **7.1.1 RESEARCH DESIGN**

Research design is the plan and structure of investigation so conceived in order to obtain the research question and control variance. Descriptive research design is adopted in this study.

### **7.1.2 HYPOTHESES DEVELOPED:**

H01: There is no significant difference in gender and the reason for attrition

H1: There is significant difference in gender and the reason for attrition

H02: There is no significant difference in age and lowering the attrition

H2: There is significant difference in age and lowering the attrition

H03: There is no significant difference among the department and the reason for attrition

H3: There is significant difference among the department and the reason for attrition

H04: There is no significant association between employees searching new job and lowering attrition rate.

H4: There is significant association between employees searching new job and lowering attrition rate.

Ho5: There is no significant difference among the factors as a predictor in explaining attrition in the company.

H5: There is significant difference among the factors as a predictor in explaining attrition in the company.

### **7.1.3 METHOD OF SAMPLING**

The sampling method is the scientific procedure of selecting those sampling units which would provide the required estimates with associated margins of uncertainty, arising from examining only a part and not the whole.

### **7.1.4 SAMPLING SURVEY**

Sampling survey is the process of obtaining the information about entire population by examine only a part of it (sample) for the purpose of the study. The researcher has used simple random sampling.

#### **7.1.4.1 SIMPLE RANDOM SAMPLING**

Simple random sampling is a randomly selected sample from a larger sample or population, giving all the individuals in the sample an equal chance to be chosen. In a simple random sampling, individuals are chosen at random and not more than once to prevent a bias that would negatively affect the validity of the result of the experiment. Simple random sampling is the most widely-used probability sampling method, probably because it is easy to implement. An important benefit of simple random sampling is that it allows researchers to use statistical methods to analyse sample results.

### **7.1.5 SAMPLE SIZE**

Simple random sampling technique was adopted to select sample employees. LuminoSoft Technology was selected for the study. The total numbers of questionnaires distributed were 120 of which 115 were received and only 100 questionnaires were fully filled the condition for the study.

<b>NUMBER OF RESPONDENTS</b>	<b>RECEIVED</b>	<b>FULLY FILLED</b>	<b>PERCENTAGE OF RESPONDENTS</b>
130	115	100	113

**VIII. DATA ANALYSIS AND INTERPRETATION:**

Data analysis is a process of gathering, transforming and interpretation, it has multiple facets and approaches, encompassing diverse techniques under a variety of names, in different business, science and social science domains. Analysis means the computation of certain indices or measures ALONG with searching for patterns of relationship that exist among data groups. It helps in testing the hypothesis for drawing inference. So data analysis is a crucial event in any research project because the inferences were made only based on the result of the analysis.

**TABLE1 DESCRIPTIVE STATISTICS FOR THE STUDY**

VARIABLE	MEAN	STD. DEVIATION	ANALYSIS N
JS1	2.30	0.859	100
JS2	2.20	0.985	100
JS3	2.08	1.022	100
JS4	2.00	0.853	100
JS5	1.30	0.461	100
JS6	2.48	1.105	100
OP1	1.36	0.482	100
OP2	2.22	1.227	100
OP3	1.26	0.441	100
OP4	2.10	0.785	100
OP5	2.38	0.962	100
OP6	2.42	1.046	100
OE1	1.22	0.416	100
OE2	2.44	1.258	100
OE3	1.28	0.451	100
OE4	2.54	0.968	100
OE5	1.16	0.368	100
QOS1	2.40	1.101	100
QOS2	1.18	0.386	100
QOS3	1.32	0.584	100
QOS4	3.28	1.138	100
QOS5	2.46	1.176	100

**INTERPRETATION:**

The mean and standard deviation for JS1 is 2.30 and 0.859; JS2 is 2.20 and 0.985; OP1 is 1.36 and 0.482 ;OP2 is 2.22 and 1.227 ;OP3 is 1.26 and 0.441 ;OE1 is 1.22 and 0.416 ;OE2 is 2.44 and 1.258 ;OE3 is 1.28 and 0.451 ;QOS1 is 2.40 and 1.101 ;QOS2 is 1.18 and 0.386 ;QOS3 is 1.32 and 0.584 ;QOS4 is 3.28 and 1.138 ;QOS5 is 2.46 and 1.176. the highest mean is 3.28 which is for QOS is 4 and the highest standard deviation is 1.258 which is for OE2.

**TABLE 2 KMO and BARTLETT’S TEST TABLE**

KAISER-MEYER-OLKIN MEASURE OF SAMPLING ADEQUACY.		0.807
Bartlett's Test of Sphericity	Approx. Chi-Square	747.789
	df	231
	Sig.	0.000

**INTERPRETATION:**

The KMO value close to 1 indicates that pattern of correlation are relatively compact and so factor analysis yielded is reliable. Kaiser (1974) recommend accepting values greater than 0.5 as acceptable. Value between 0.7 and 0.8 are good. For the present study the KMO value is 0.807 which falls in to the range of being good. So, the researcher is a confidence that the factor analysis is appropriate for this data. The Bartlett’s test is highly significant (p<0.0001) therefore the factors analysis is appropriate.

8.1.1 Reliability Analysis

**RELIABILITY STATISTICS Table 3**

CRONBACH'S ALPHA	CRONBACH'S ALPHA BASED ON STANDARDIZED ITEMS	N OF ITEMS
0.759	0.435	22

**INTERPRETATION:**

The corrected item total correlation is the correlation between each item and the total score from the questionnaire for Job satisfaction. The overall alpha is 0.435. So all values of alpha shows an increase Cronbach’s alpha value with states more reliability.

TABLE 4 ANNOVA WITH COCHRAN'S TEST

VARIABLES	SUM OF SQUARES	DF	MEAN SQUARE	COCHRAN'S Q	SIG
Between People	115.616	99	1.168	691.193	0.000
Between Items	763.813	21	36.372		
Within People	1556.824	2079	0.749		
Residual	2320.636	2100	1.105		
Total	2436.253	2199	1.108		

Grand Mean = 1.97

**INTERPRETATION:**

Cronbach's alpha is a most common measure of internal consistency (reliability) of questionnaire. It is commonly used for my questionnaire since the researcher has adopted Likert 5 point scale question to identify whether the scales are reliable. Mean square is 1.168 between people, sum of squares is 115.616 between people, within people sum of squares is 1556.824 and mean is 0.749.

TABLE5 TOTAL VARIANCE EXPLAINED

COMPONENT	INITIAL EIGENVALUES			EXTRACTION SUMS OF SQUARED LOADINGS			ROTATION SUMS OF SQUARED LOADINGS		
	TOTAL	PERCENTAGE OF VARIANCE	CUMULATIVE PERCENTAGE	TOTAL	PERCENTAGE OF VARIANCE	CUMULATIVE PERCENTAGE	TOTAL	PERCENTAGE OF VARIANCE	CUMULATIVE PERCENTAGE
1	3.458	15.717	15.717	3.458	15.717	15.717	2.550	11.590	11.590
2	2.432	11.056	26.773	2.432	11.056	26.773	2.503	11.380	22.969
3	2.097	9.533	36.306	2.097	9.533	36.306	2.465	11.203	34.172
4	1.805	8.205	44.511	1.805	8.205	44.511	2.173	9.879	44.051
5	1.793	8.150	52.661	1.793	8.150	52.661	1.894	8.609	52.661
6	1.295	5.885	58.546						
7	1.199	5.449	63.995						
8	1.189	5.407	69.402						
9	1.063	4.832	74.234						
10	0.815	3.705	77.939						
11	0.784	3.562	81.501						
12	0.716	3.256	84.756						
13	0.651	2.959	87.715						
14	0.571	2.594	90.309						
15	0.457	2.078	92.387						
16	0.350	1.591	93.978						
17	0.311	1.415	95.393						
18	0.293	1.330	96.724						
19	0.230	1.045	97.769						
20	0.207	0.940	98.709						
21	0.148	0.671	99.381						
22	0.136	0.619	100.000						

Extraction Method: Principal Component Analysis.

**INTERPRETATION:**

This output list the Eigen values associated with each linear components (factor) before extraction, after extraction and after rotation. Before extraction SPSS has identified 22 linear components within the data set. The Eigen value associated with each factor represent variance explained by the linear component and the SPSS also displays Eigen value in the terms of percentage of variance explained. So factor 1 explains percentage (of total variance)\_It is clear that the first few factors explain relatively large amount of variance (especially factor 1) Whereas subsequent factor explains only small amount of variance. SPSS extract all factors with Eigen value greater than 1.\_Before rotation factor 1 accounted for considerably more variance then the remaining 8. (45.167 percent compared to 7.913 percent, 5.514 percent, 4.919 percent, 3.554 percent and 2.195 percent)\_However after extraction it accounts for only 14.794 percent of variance compared (to 11.222 percent, 9.808 percent, 7.900 percent, 4.915 percent and 3.838 percent) However after extraction it accounts for only 14.794 percent of variance compared (to 11.222 percent, 9.808 percent, 7.900 percent, 4.915 percent and 3.838 percent)

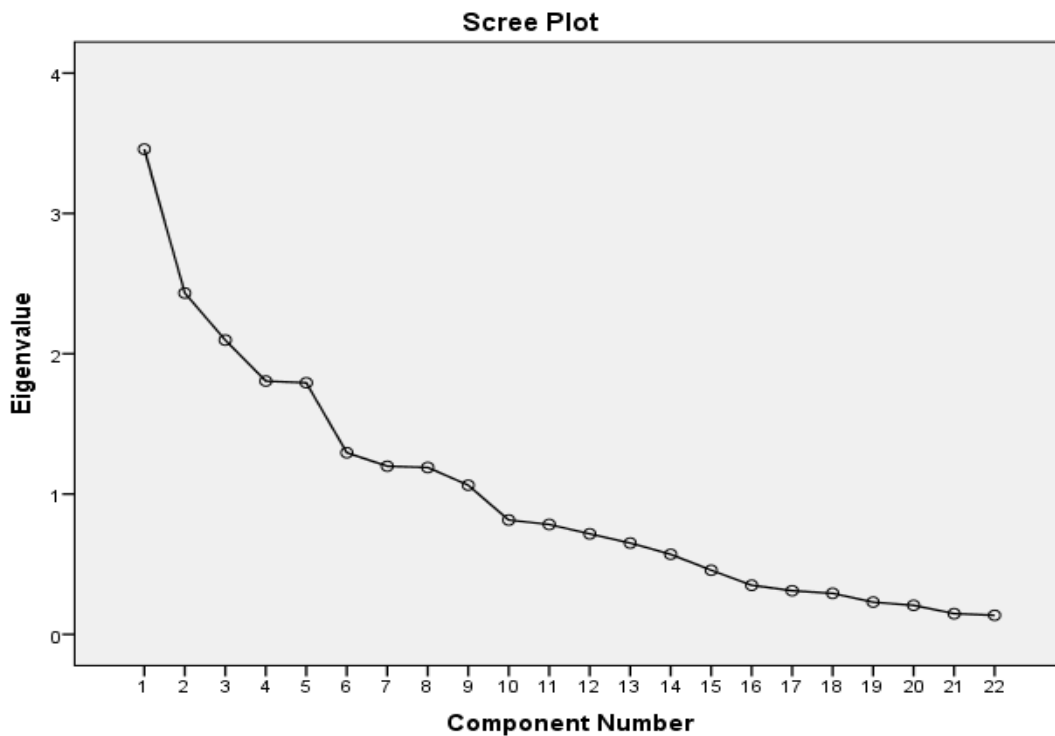
**TABLE 6 COMMUNALITIES**

VARIABLES	INITIAL	EXTRACTION
JS1	1.000	0.558
JS2	1.000	0.696
JS3	1.000	0.594
JS4	1.000	0.511
JS5	1.000	0.626
JS6	1.000	0.558
OP1	1.000	0.591
OP2	1.000	0.599
OP3	1.000	0.587
OP4	1.000	0.541
OP5	1.000	0.494
OP6	1.000	0.340
OE1	1.000	0.504
OE2	1.000	0.591
OE3	1.000	0.692
OE4	1.000	0.582
OE5	1.000	0.624
QOS1	1.000	0.685
QOS2	1.000	0.561
QOS3	1.000	0.531
QOS4	1.000	0.529
QOS5	1.000	0.592

**INTERPRETATION:**

Communalities are shown in the output and for this study none of the variables goes less than 0.5 the average of communalities can be found by adding them up and dividing by the number of communalities.

**CHART 1 SCREEN PLOT**



**INTERPRETATION:**

The screen plot shows a thunder bolt indicating the point of inflection on the curve. This curve begin to tail off after four factor but there is another drop after four factors before a stable plateau is reached.

**TABLE 7t-TEST**

The t-test was conducted to assess whether attrition differ significantly among the gender .S.D, mean, and t-value were computed for reasons for attrition and its dimensions.

HO: There is no significant difference in gender and the reason for attrition

H1: There is significant difference in gender and the reason for attrition



**ONE SAMPLE STATISTICS**

VARIABLES	N	MEAN	STD. DEVIATION	STD. ERROR MEAN
Gender	100	1.34	0.476	0.048
Attrition	100	2.20	0.985	0.098

The above table output reveals that for 100 observations, the mean is 1.34 and standard deviation is 0.476 and standard error of the mean is  $0.048(0.476/\text{square root of } 100) = 0.048$

**ONE SAMPLE TEST**

VARIABLES	TEST VALUE = 0					
	T	DF	SIG. (2-TAILED)	MEAN DIFFERENCE	95% CONFIDENCE INTERVAL OF THE DIFFERENCE	
					LOWER	UPPER
Gender	28.146	99	0.000	1.340	1.25	1.43
Attrition	22.341	99	0.000	2.200	2.00	2.40

**INTERPRETATION:**

The table output gives the t-test values, the third column explains t-test degree of freedom  $100-1=99$ . if one tailed critical t value is less than the observed t and the mean are in the right order than we can reject  $H_0$ .

Here the critical is 0.000 and observed y is 28.146 so we fail to accept  $H_0$ .

There is significant difference between attrition with respect to gender, and  $H_0$  is rejected.

**TABLE 8 t-TEST**

The t-test was conducted to assess whether attrition can be lowered differ significantly among the age.S.D, mean, and t-value were computed for attrition can be lowered and its dimensions.

$H_0$ : There is no significant difference between age with respect to attrition

$H_1$ : There is significant difference between age with respect to attrition

**ONE-SAMPLE STATISTICS**

VARIABLES	N	MEAN	STD. DEVIATION	STD. ERROR MEAN
Age	100	1.28	0.451	0.045
Attrition	100	1.22	0.416	0.042

This table output reveals that for 100 observations, the mean is 1.28 and standard deviation is 0.451 and standard error of the mean is  $0.045(0.451/\text{square root of } 100) = 0.045$

**ONE-SAMPLE TEST**

VARIABLES	TEST VALUE = 0					
	T	DF	SIG. (2-TAILED)	MEAN DIFFERENCE	95% CONFIDENCE INTERVAL OF THE DIFFERENCE	
					LOWER	UPPER
Age	28.365	99	0.000	1.280	1.19	1.37
Attrition	29.303	99	0.000	1.220	1.14	1.30

**INTERPRETATION:**

The table output gives the t-test values, the third column explains t-test degree of freedom  $100-1=99$ . if one tailed critical t value is less than the observed t and the mean are in the right order than we can reject  $H_0$ .

Here the critical is 0.000 and observed y is 28.365 so we fail to accept  $H_0$ .

There is significant difference between age with respect to attrition, and  $H_0$  is rejected.

**TABLE 9 ONEWAY ANNOVA**

$H_0$ : There is no significant difference among the departments in the company as the reason for attrition

$H_1$ : There is significant difference among the departments in the company as the reason for attrition

VARIABLES	SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Between Groups	6.194	3	2.065	2.081	0.108
Within Groups	95.246	96	0.992		
Total	101.440	99			

**INTERPRETATION:**

Since the exact significance value 0.108 is greater than alpha value 0.005 the results are not statistically significant, hence reject  $H_0$  and There is significant difference among the departments in the company as the reason for attrition

**TABLE 10 MULTIPLE REGRESSION ANALYSIS.**

Multiple Regression is conducted to understand the relationship between several predictors. Kerlinger and lee (2000) defined that multiple regression is a statistical method that is related to dependent variable in a linear combination of one or more independent variables. they further explained that this procedure can help researchers determine how much each independent variables explains or relates to the dependent variable. An important output of multiple regression is  $R^2$  THE SIGNIFICANT OF  $R^2$  determined by the F-test ,which is the same as testing the significance of the regression model.if the probability of obtaining a large value less than 0.00,then the model is considered significantly better than expected .it is concluded that there is a linear relationship between the dependent variable .duedin-watson values should not be less than 1 or greater than 3 respectively.

The results of the multiple regression analysis are tabulated

Ho:There is no significant difference among the factorsas a predictor in explaining attrition in the company.

Dependent variable:

MODEL SUMMARY										
MODEL	R	R SQUAR E	ADJUS TED R SQUAR E	STD. ERROR OF THE ESTIMATE	CHANGE STATISTICS					DURBI N- WATS ON
					R SQUARE CHANGE	F CHANGE	DF1	DF2	SIG. F CHANGE	
1	0.218 <sup>a</sup>	0.47	0.038	0.40174	0.047	87.870	1	98	0.030	
2	0.316 <sup>b</sup>	0.50	0.081	0.39253	0.052	5.653	1	97	0.019	1.438

The model indicates a strong predictor of the dependent variable with multiple determination R square (Goodness of fit) value is 0.47 and F-value is 87.87 ( $p < 0.01$ ). In factor R of multiple cross-correlations, 32 percent shows high cross correlation. The table illustrates the results of the step-wisemultiple regression with attrition as the dependent variable and the dimensions of independent determinants like JS,QOS,OE.

Since the p value (F prob) is  $< 0.005$  the null hypothesis is rejected at 5 percent level of significant. Hence, There is significant difference in the organizational effectiveness and the job satisfaction of the organization.

**ANOVA**

MODEL		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
1	Regression	0.786	1	0.786	4.870	0.030 <sup>b</sup>
	Residual	15.816	98	0.161		
	Total	16.603	99			
2	Regression	1.657	2	0.828	5.377	0.006 <sup>c</sup>
	Residual	14.946	97	0.154		
	Total	16.603	99			

**INTERPRETATION:**

The model regression values are as follows having sum of squares 0.786 with the mean sum of square 0.78 and its F value 4.870 and the result of ANOVA value states it is significant.

**COEFFICIENTS AND COLLINEARITY STATISTICS**

MODEL		UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS	t	SIG.
		B	Std. Error	Beta		
1	(Constant)	2.125	0.168		12.644	0.000
	OEM	0.179	0.081	0.218	2.207	0.030
2	(Constant)	1.660	0.256		6.493	0.000
	OEM	0.206	0.080	0.251	2.575	0.012
	QOSM	0.223	0.094	0.231	2.378	0.019

a. Dependent Variable: JSM

H1 : There is significant difference among the factorsas a predictor in explaining attrition in the company.

$$Y = \alpha + x_1OE + x_2QOS$$

The standardized beta coefficient gives a measure of the contribution of each variable.

A large value indicates that a unit change in this predictor variable has a large effect on the criterion variable

**TABLE 11 CORRELATION ANALYSIS**

The composite score of all the independent variable and dependent variable were correlated. A two tailed t test was used to identify significant correlation. The main focus was to establish the kind of its relationship existed between the variables chosen for the employee engagement study.

VARIABLES		JSM	AM	OPM	OEM	QOSM
JSM	Pearson Correlation	1	0.098	0.117	0.218	0.196
	Sig. (2-tailed)		0.334	0.245	0.030	0.051
	N	100	100	100	100	100
AM	Pearson Correlation	0.098	1	0.225	0.260	.0333
	Sig. (2-tailed)	0.334		0.024	0.009	0.001
	N	100	100	100	100	100
OPM	Pearson Correlation	0.117	0.225	1	0.171	0.091
	Sig. (2-tailed)	0.245	0.024		0.089	0.367
	N	100	100	100	100	100
OEM	Pearson Correlation	0.218	0.260	.0171	1	0.143
	Sig. (2-tailed)	0.030	0.009	0.089		0.156
	N	100	100	100	100	100
QOSM	Pearson Correlation	0.196	0.333	0.091	0.143	1
	Sig. (2-tailed)	0.051	0.001	0.367	0.156	
	N	100	100	100	100	100

\*. Correlation is significant at the 0.05 level (2-tailed).  
 \*\*. Correlation is significant at the 0.01 level (2-tailed).

**INTERPRETATION:**

The inter correlation for all the constructs of Employee attrition had positive correlation with job satisfaction, organizational performance, organizational effectiveness, and quality of service which is statistically significant at 0.0001

**TABLE 12 CHI SQUARE TEST**

H0: There is no significant association between employees searching new job and lowering attrition rate.

H1: There is significant association between employees searching new job and lowering attrition rate.

**FACTORS TO LOWER ATTRITION**

VARIABLES		FACTORS TO LOWER ATTRITION		TOTAL
		Yes	No	
Attrition	Count	64	14	78
	Yes Expected	65.5	12.5	78.0
	Count	20	2	22
	No Expected	18.5	3.5	22.0
	Count	84	16	100
	Total Expected	84.0	16.0	100.0

From the above table infers the association of employee job seeking behavior and its effect towards attrition.

**CHI SQUARE TEST**

VARIABLES	VALUE	DF	ASYMP. SIG. (2-SIDED)	EXACT SIG. (2-SIDED)	EXACT SIG. (1-SIDED)
Pearson Chi-Square	1.002 <sup>a</sup>	1	0.317		
Continuity Correction <sup>b</sup>	0.451	1	0.502		
Likelihood Ratio	1.114	1	0.291		
Fisher's Exact Test				0.512	0.260
Linear-by-Linear Association	0.992	1	0.319		
N of Valid Cases	100				

**INTERPRETATION:**

The symmetric measure table, tests the strength of association which is very strong. Pearson chi square p value is 0.317 which is greater than the 0.05, the results are not statistically significant and There is significant association between employees searching new job and lowering attrition rate.

**IX. FINDINGS**

OBJECTIVE OF THE STUDY	ANALYSIS	FINDINGS
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<p><b>PRIMARY OBJECTIVE:</b></p> <ul style="list-style-type: none"> <li>To determine the highly contribution factors which affects employee attrition</li> </ul> <p><b>SECONDARY OBJECTIVE:</b></p> <ul style="list-style-type: none"> <li>To analyse the impact of demographic factors on attrition</li> <li>To determine the need of employees searching new job</li> </ul>	<ul style="list-style-type: none"> <li><b>MULTIPLE REGRESSION ANNALYSIS</b></li> <li>t-TEST</li> <li>CHI SQUARE</li> </ul>	<ul style="list-style-type: none"> <li>There is no significance difference in the dimension of the factors as a predictor in explaining employees attrition</li> <li>There is significant difference among demographic variables age and gender and the reason for attrition and H0 is rejected</li> <li>There is no significant association between employees searching new job, lowering attrition rate. thus null hypothesis is accepted.</li> </ul>
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### **X. SUGGESTIONS.**

- Create a rotational schedule for roles with sets of tasks that cycle 2 or 3 times a year.
- Encourage employee pride by offering innovative programs that demonstrate that they are important to the success of the company.
- Many employees have suggested improvement in working environment and employee motivation in the survey. So the companies should give attention to the factors which it can improve itself internally.
- Even though the employees are satisfied with their nature of job, it is identified in the study that many employees prefer to change their job due to lack of growth opportunities in their job. So the companies can look for some innovative technologies to decrease their attrition level by providing growth opportunities.
- The companies should conduct regular meetings to know about what exactly employees expect. Organizations should focus on exit interviews.
- The companies may give training like Personality Development and Self – improvement training to the employees, every three or six months once this status has to be reviewed and necessary action can be taken. It is better to have such training in the future.

### **XI. CONCLUSION**

This study concludes that to reduce attrition industries should create some opportunities for the growth of their employees within the organization by adopting new Innovative Technologies and Effective training programs. Employee satisfaction is essential to any effective employee retention strategy - any good HR manager knows that. However few managers think of the impact that employee satisfaction has on their customers and ultimately company profits. The HR professionals in IT are needed to be flexible in their approach of developing, motivating and retaining their talent pool. The IT management should skillfully communicate IT policies to their employee. To reduce the employee turnover rate the company has to concentrate more on working condition and Safety measures. So it leads the organization to retain their employees. The main aim of any organization is to earn profit. But to attain the maximum profit, the organization should concentrate more on employees and the ways to retain them for their long run. From the study it is identified that lack of growth opportunities and salary are the major factors which force employees to change their jobs. To reduce attrition industries should create some opportunities for the growth of their employees within the organization by adopting new Innovative Technologies and Effective training programs. The company should also think of recruiting people who are in the vicinity of the industry, so that the family related problems will not lead to attrition.

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