



A STUDY ON FACTORS INFLUENCING EMPLOYEE ATTRITION RATE IN SELECTED IT COMPANIES WITH SPECIAL REFERENCE TO CHENNAI

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Abstract : The study looks at the relationship between employee attrition rate and the factors influencing it. It helps the organization to maintain their agility in the dynamic environment. The research sheds light on the fact behavior of employees by analyzing variables such as job satisfaction, work culture, work pressure, job security, compensation & benefits. The results indicate that employees of different domains in the IT industry have similar behavior with this aspect. The study's conclusion should be taken into account by recruiters, HR consultants, and experts when a resource moves out of the organization. It has become a tough job for employers, given the increased attrition rate in the organization. The study lays the groundwork for future research into the complexities of Human Resource in the organization & how attrition of such resources affects the society.

Keywords - Attrition rate, work pressure & culture, Job satisfaction, compensation & benefits.

I. INTRODUCTION

Attrition is the major problem which highlights all the organizations. Attrition rate can be defined as the rate of shrinkage in size or number of the workforce of an organization. Recruiters 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. A formula is devised to ascertain the attrition rate keeping in view the nature of the business and different job functions. Attrition rates can be calculated using a simple formula:

(No. of employees who left in the year divided by the average employees in the year) x 100

These are the most common types of attrition in IT industry:

- Fresher attrition
- Critical resource attrition
- Low performance attrition

II. REVIEW OF LITERATURE

Qais Ahmed Almaamari, 2023, examined the factors influencing the turnover of employees, namely: job stress, low salary, lack of

career growth and job dissatisfaction. This paper intends to report on a literature review examining key factors for employee turnover in banking sectors. The finding of the current study is Job stress, low salary, lack of career growth and job satisfaction has a significant negative influence on employee turnover.

Harpreet Kaur Rakhra, 2017, have highlighted that almost all the employees felt that the company is not doing enough to retain them, and they have plans to change the job if it continues. There are many ways a company suffers because of employees. The paper presents potential reasons that may compel an employee to leave a job and the strategies that can help organizations retain their top performers.

Saleem and Affandi, 2014, investigated the impact which Human Resources practices have on employee attrition. Fairness of rewards and growth opportunities were the key factors influencing the employees' decision to leave an organization.

Zahra, et al., 2013, have highlighted the significance of commercialization of education which leads to faculty turnover. As the number of universities is increasing there is a paradigm shift which is increasing the staff turnover because of abundant opportunities.

Vinit et al., 2013, highlighted that the factors like appraisal, openness, training, and flexibility act as key influencers for employee turnover. Thus, these are the parameters on which an employee thinks before deciding to leave an organization.

III. RESEARCH METHODOLOGY

RESEARCH DESIGN

The general framework and strategy that directs the gathering and examination of data for a research study is known as research design. It describes the methodical procedure used by researchers to validate their theories. A strong research design will guarantee the study's validity, reliability and generalizability of findings. It entails choosing the methodology, approach and structure of the study.

SCOPE OF THE STUDY

This research analyzes various factors affecting the employee's attrition rate in the IT sector considering different cross functional departments. The research emphasizes how crucial it is to take employee's perception into account to attain enriched learning and in-depth study on employee attrition and retention strategies. By examining the employee behavior and perception, the recruiters, and the corporate organization benefit in taking an information driven informed decision.

POPULATION

The study population is people who are working in IT companies in Chennai.

SAMPLING TECHNIQUE

The sampling technique used in this study is Simple Random Sampling. This is the most famous and simple method of sampling where each unit of population is equally probable of getting included in the sample.

IV. DATA ANALYSIS & INTERPRETATION

Table 1:

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Rate the relative importance of some external & internal causes of attrition [Work goes unrecognized]	121	1.0	3.0	2.603	.8008
Rate the relative importance of some external & internal causes of attrition [Lack of growth]	121	1.0	3.0	2.802	.6003
Rate the relative importance of some	121	1.0	3.0	2.636	.7746

external & internal causes of attrition [Friction with supervisor & coworker]					
Rate the relative importance of some external & internal causes of attrition [Availability of better opportunities outside]	121	1.0	3.0	2.719	.6979
Rate the relative importance of some external & internal causes of attrition [Job satisfaction]	121	1.0	3.0	2.719	.6979
Please rate the following: [Work culture]	121	1.0	5.0	3.661	1.2620
Please rate the following: [Workplace hygiene]	121	1.0	5.0	3.521	1.0416
Please rate the following: [Compensation]	121	1.0	5.0	3.430	1.0941
Please rate the following: [Training and development activities]	121	1.0	5.0	3.488	.9139
Please rate the following: [Diversity Acceptance]	121	1.0	5.0	3.769	1.1955
Kindly identify the dominant factors that enhance satisfaction among employees & enhance retention. [Freedom for work]	121	1.0	5.0	2.372	1.2918
Kindly identify the dominant factors that enhance satisfaction among employees & enhance retention. [Improvement of salary]	121	1.0	5.0	2.835	.9861
Kindly identify the dominant factors that enhance satisfaction among employees &	121	1.0	5.0	2.554	1.1687

enhance retention. [3]					
Kindly identify the dominant factors that enhance satisfaction among employees & enhance retention. [Incentives]	121	1.0	5.0	2.785	1.1046
Kindly identify the dominant factors that enhance satisfaction among employees & enhance retention. [Opportunities for individual development]	121	1.0	5.0	2.777	1.1654
Valid N (listwise)	121				

INTERPRETATION

The above table summarizes employee ratings on various aspects of work life. Employees rated intrinsic factors like whether the employees' work is recognized and having growth opportunities moderately important. Interestingly, they placed similar value on external factors like better job opportunities elsewhere and good compensation. When it came to retention factors, employees indicated a desire for more freedom at work and opportunities for development, while salary improvements were also considered much more important.

V. CONCLUSION AND REFERENCE

SUGGESTIONS

- Adopting longitudinal research design to monitor attrition rates and contributing factors over time.
- Conducting focus groups with current and former employees might provide deeper insights into the underlying reasons for attrition and capture nuanced perspectives that may not be captured through quantitative data alone.
- Examining the attrition rates and additional contributing factors of several IT enterprises, including huge corporations, startups, and mid-sized businesses.
- Analyzing data from exit interviews to find recurring themes and trends that influence attrition.

CONCLUSION

The study concludes that an organization's strength or weakness comes from its workers and an honest accomplishment strategy allows the organization to urge appropriate and qualified workers that may enhance performance. The utilization of employee retention strategies and other novel techniques helps the organization to mitigate the impact of the alarming attrition rates. The study serves as a tool for measuring an organization's performance in terms of employee satisfaction. It provides a basis for evaluating the effectiveness of existing policies and practices. The study aims to provide valuable insights into the factors influencing employee attrition, enabling organizations to make informed and strategic decisions to address these issues. Understanding employees' perceptions of the organization can lead to targeted improvements that enhance overall job satisfaction. This, in turn, contributes to higher morale and productivity.

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