

A STUDY ON CAUSES OF EMPLOYEE ATTRITION IN IT SECTOR IN INDIA AND STRATEGIES

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Abstract

The rapid growth and innovation within the IT sector in India have been accompanied by an escalating challenge - the high rate of employee attrition. This study aims to delve into the underlying causes of employee attrition within the Indian IT sector and formulate effective retention strategies to address this issue. The research is conducted with a sample size of 300 respondents, selected through simple random sampling techniques, from a diverse range of selected IT companies.

The research employs discriminant analysis as a statistical tool to identify the factors contributing significantly to employee attrition. By analysing various demographic, job-related, and organizational factors, the study seeks to uncover patterns that differentiate employees who leave the organization from those who choose to stay.

The study explores diverse variables including workplace environment is not conducive limited career growth, odd working hours, stress and work life balance, lack of proper compensation, appraisal rating, unreasonable workload, job insecurity and team leader. Through comprehensive data analysis, the research aims to highlight the most critical factors driving employee attrition within the IT sector.

The results of this study are expected to shed light on the specific challenges faced by IT companies in retaining their workforce. By identifying the prominent factors leading to attrition, the study offers a roadmap for organizations to develop tailored retention strategies. These strategies are designed to address the identified challenges and enhance job satisfaction, ultimately reducing attrition rates.

Keywords

Appraisal Rating, Compensation, Discriminant Analysis, Employee Attrition, Employee Turnover, Job Insecurity and Work Life Balance.

Introduction

The IT industry is expected to grow rapidly, and the rate at which organisations are expanding has a big role in attrition. The development of this industry was unplanned. The availability of the necessary infrastructure is partially planned. In our country, we initiate the business and subsequently develop the infrastructure. All major IT organisations have encountered these realities. The specific causes of attrition are varied in nature, and it is intriguing to understand why individuals switch jobs so quickly. Currently, the primary rationale for shifting jobs remains the pursuit of more remuneration and improved benefits. However, while considering the matter, there are several causes for individuals to shift careers. The constant loss cannot just be attributed to labour. The employees consistently assess the management's principles, work environment, operational methods, and the organization's trustworthiness.

Indian organisations often have challenges in acquiring and maintaining ownership of other organisations for an extended period. The business experiences periods of both constant success and failure. Without focus and proven strategies, the lack of mission accessibility causes individuals to quickly leave the organisation. The working environment is the primary cause of attrition. Employees expect a highly professional approach and an international work environment. They expect a welcoming, amicable, and conducive learning environment. The presence of bossism suggests that hard norms and a strict approach will not be suitable for the companies. Employees anticipate autonomy, prospects, and kind treatment from their superiors, as well as substantial solace, positive reinforcement, and motivation. It is quite probable that job positions in today's world entail a significant amount of work-related pressure, resulting in elevated levels of stress. Employees will resign if they experience excessive performance pressure or any work-related stress. It takes employees a certain amount of time to adapt to a new work environment, work requirements, and sources of stress. Job transitions are commonplace. They only migrate when they encounter challenges in adapting. Monotony is a significant contributor to attrition. Employees seek alternative employment opportunities that offer reduced sales pressure and target expectations. Interpersonal dynamics in the workplace can also lead to employee dissatisfaction and perhaps contribute to high staff turnover rates, known as attrition.

Conceptual Framework

Concept and Meaning of Employee Attrition /Turnover

The HR job is crucial in the recruitment, management, and retention of top talent, as human capital is the most valuable asset for any organisation. The HR department plays a crucial role in this process and has a significant impact on the pace of success for any organisation. A pressing concern for the majority of organisations is to establish a highly skilled and creative pool of human resources, proficient in HR management methods and possessing a deep understanding of business (Chiamsiri, Bulusu, & Agarwal, 2005).

The success or failure of an organisation is primarily determined by the competence of its employees. People's positive and innovative contributions are essential for the success and prosperity of organisations. Businesses have come to recognize that the primary source of competitive advantage is in their personnel, and that the acquisition and retention of skilled managers and employees is crucial for their long-term success (Kristen B Donahue, 2006). The notion of being an employer-of-choice has grown in significance over the past decade. Employees desire to be employed by top-tier employers. Being recognized as an employer-of-choice typically entails the challenge of attracting top talent to the organisation, inspiring employees to enhance their performance, ensuring their satisfaction and loyalty, fostering the growth and skill development of employees, and ultimately retaining them (Jack, Philips, & Adele O Connell, 2008).

Meaning of Attrition

According to the New Oxford English Dictionary, attrition refers to the process of gradually wearing out, weakening, or debilitating something or someone, often by continuous harassing or sapping of strength. The fourth definition of attrition, according to the Merriam-Webster online Dictionary, is "a decrease in the quantity of individuals, typically due to voluntary departure, retirement, or mortality.

Definition of Employee Attrition

Employee attrition is defined by Michael Armstrong (2006) as the natural process by which individuals leave an organisation for various reasons such as retirement, job or career changes, moving, illness, and so on. According to Jack, Philips, and Adele, employee attrition is the rate at which a company's workforce departs for various causes.

A company's turnover rate is the pace at which they hire new workers and fire old ones (Chikwe, 2009). It is one of the metrics used to evaluate the success of an organization's hiring efforts (Mondy, 2010) and its overall performance (Cho, Woods, Jang, & Erdem, 2006). The number of new hires made to replace departing workers is the turnover rate, as stated explicitly by Mondy (2010). The effective hiring of a successor is the sole event that constitutes turnover according to these definitions.

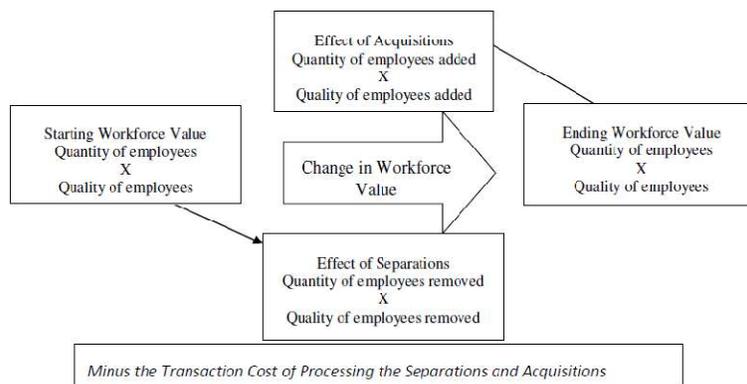
The two main types of turnover are voluntary and involuntary. Involuntary turnover occurs when employers initiate terminations, whereas voluntary turnover occurs when individuals take the initiative to end their employment, regardless of the reasons. The removal of low-performing workers through involuntary turnover has the potential to boost productivity (Davidson & Wang, 2011). Voluntary turnover has been the primary focus of studies examining turnover (Schneer, 1993).

Because it is within the control of the employer, involuntary turnover has no effect on the business. Regardless of how well-prepared a successor is, this study simply takes into account employees' voluntary leaves when discussing turnover. In line with Wheelhouse's (1989) contention, turnover occurs solely when the departing personnel need to be replaced. Due to the cyclical nature of industry, this study does not include temporary workers who were employed to meet such demands.

Logic of Employee Attrition

Employee attrition, sometimes called labour turnover or wastage, measures the pace at which individuals depart from a company. The term 'natural wastage' is frequently used to describe employee attrition. Any choice that has an impact on hiring new staff—a selection decision—must take the acquisition's quantity, quality, and cost into account, say Wayne F. Cascio and John W. Boudreau (2008). Similarly, quantity, quality, and cost must be considered when making decisions that impact employee separation (e.g., retirements, layoffs, and staff turnover). In Figure 1, we can see the Employee Attrition rationale presented graphically.

Figure 1 Logic of Employee Attrition



Source: (Wayne , Cascio , John , & Boudreau, 2008)

Decisions that impact employee attrition are determined by three fundamental parameters. Decisions that impact acquisitions or separations manifest themselves in terms of quantity, quality, and cost; keep this in mind. Furthermore, the interplay between acquisition and separation effects often determines the final results of these choices. The labour force value can be altered in each period by two processes: the addition of employees and the removal of employees. These two processes keep running indefinitely, with the previous period's ending workforce value serving as the starting point for the current period's workforce value.

Classification of Employee Attrition

In 2008, Wayne F. Cascio and John W. Boudreau popularised two methods for categorising employee turnover: functional attrition and dysfunctional attrition. The following is an explanation of the two varieties:

Voluntary versus Involuntary Attrition: Employees' exit from an organisation might be caused by their own free will (resignation, for instance) or by circumstances beyond their control (request for resignation, permanent layoff, retirement, death, etc.). It is easier to take action when an employee leaves voluntarily, for example to take on more responsibility at another job, go back to school full-time, or negotiate better pay and benefits, than when an employee leaves involuntarily, for example due to death, severe sickness, or a spouse's move. Since voluntary attrition is easier to manage than involuntary attrition, most companies pay close attention to it. They are also curious in the costs of voluntary attrition because, once recognised, organisations can start to work on reducing them, which is especially important when these costs have big strategic impacts.

Functional Attrition and Dysfunctional Attrition: There are two types of employee attrition: functional and dysfunctional. After deciding that staff turnover is entirely voluntary, many companies move on to the next obvious step: assessing how useful or detrimental this kind of turnover is to their operations. When a departing employee helps the company out more than they were before, we say that employee attrition is functional. If losing the employee lowers the company's value, then it's dysfunctional.

Figure 1 Performance and replace ability of employees who leave

		Replaceability	
		Easy	Difficult
Performance	High		Dysfunctional turnover
	Low	Functional turnover	

Functional attrition refers to low-performing employees who are easy to replace, whereas dysfunctional attrition describes high-performing employees who are difficult to replace. Performance and the ability to replace departing staff are graphically shown in Figure 2. Employee turnover is considered functional, according to the Figure, if and only if it produces a positive change in the value of the workforce that is sufficient to cover the

cost of the turnover. Dysfunctional employee attrition occurs when there is a negative difference in the value of the workforce or when any positive change in the value of the workforce is insufficient to cover the costs.

Conversely, it is typically bad for the organisation when hard-working, valuable individuals leave. Individuals that consistently rank high in their fields typically possess invaluable traits including strong technical and interpersonal abilities in addition to an extensive body of domain-specific knowledge. New hires probably won't have all of these qualities right off the bat, and it will likely be a while before they do. Consequently, the value of the workforce will likely decrease and expenses related to their separation and replacement will be incurred as a result of voluntary attrition among these workers. When key talent pools that contribute to an organization's success experience voluntary attrition, the situation becomes even more dysfunctional.

Literature Review

Mathi and Malathi (2016) conducted research in order to gain a better understanding of the issue of excessive attrition. Researchers in Chennai looked at people working in information technology. Using a proportionate sample for analysis, the research technique was descriptive in nature. Employers and employees (500 total) were surveyed using an open-ended questionnaire. Using the Fried Man Test, we examined the data. Organisational and family-related issues were seen as having shared viewpoints between the employer and employee, according to the study's results. On the other hand, HR and job-related issues were found to have differing opinions. So, to keep employees from leaving and boost morale, it's important to take their differing viewpoints into account.

Kumar and Melba (2017) investigated the factors that contribute to the high turnover rate of female employees in the information technology sector, including job satisfaction, retention rates, safety measures, working environment, and work-life balance. Using a descriptive research strategy, 523 participants were selected for the study. Technopark Thiruvananthapuram used a questionnaire to study employee turnover and its causes. As a statistical tool, Factor Analysis was utilised. In order to stay in business, companies need to implement retention tactics, which include things like new pay policies, better working conditions, and changes to job requirements.

The group headed by Tandon and colleagues (2020) Technological advancements in the field of information technology (IT) are changing the way companies operate in the future. As it embraces cutting-edge technology through digital transformation, the IT industry has already achieved significant global traction in its transition to industry 4.0, the fourth industrial revolution. The latest estimates put India's IT expenditure at US\$94 billion for 2020. The IT industry's performance is being severely impacted by high attrition rates, meaning the turnover ratio of staff. Attrition is inevitable and even beneficial for some organisations; it helps with talent acquisition and margin management. However, regrettable attrition, such as that of critical talent, high performers, or employees trained in the latest technological areas, causes significant concern due to the high cost of replacement and the time lost in recruiting new employees. To uncover what influences workers' decisions to stay or go, the writers have performed exploratory study using qualitative and quantitative methods. 140 people from various backgrounds were surveyed, interviewed, or participated in a focused group discussion; the IT industry accounted for the largest percentage of responses. Checks for construct validity were conducted using Cronbach's alpha, one-sample T-tests, group tests, and independent sample testing. The following areas were subject to a reliability test: pay, company culture, opportunities for advancement, and work-life balance. The

study found that companies with strong cultures, supportive work environments, and opportunities for advancement had lower employee turnover and higher morale overall.

In 2012, Thirulogasundaram and Kumar published Since the attrition rate has risen sharply in the past few years, it has become increasingly difficult for the software industry in India to hold on to its skilled software employees. Focussing on the software industry, this paper aims to examine individual and propel concerns about job attrition. Using questionnaires, we gathered primary data from one hundred software industry personnel. Employees' inclinations to leave have been influenced by both individual and propel variables, according to the data. Nevertheless, resignation plans have been influenced by certain aspects of individual factors. Hello there! Fantastic opportunities and fierce competition have arisen for skilled software engineers in China, Russia, and India as a result of global outsourcing and the unprecedented amount of FDI flooding into these nations. Losses are piling up as a result of all the competition, and that's especially true in India.

With reference to Priya et al. (2019) This research primarily aimed to describe the current situation or challenges that both companies and BPO personnel are now facing. Based on this, a well-structured methodology has been developed for the study. A method of surveying has been employed to gather the necessary data. Residents of New Delhi, who work for certain business process outsourcing (BPO) companies, made up the study's demographic. We used a random selection of 1200 participants for our analysis. We employed a random sample technique to collect data from our respondents, which allowed us to include people of all ages, genders, marital statuses, etc., but we were only able to reach first- and entry-level managers (the areas with the highest attrition rates). In order to collect useful demographic information, the survey asks respondents to indicate their age, level of education, gender, marital status, and length of service. Additionally, it has collected data on the causes of employee turnover, including BPO workers' job happiness, salary satisfaction, organisational commitment, and intentions to leave. The statistical analysis has been conducted using SPSS version 11.0.

Statement of the problem

A major problem that the fast-growing and innovative Indian IT industry is facing is the rising incidence of staff turnover. Even though the field is always evolving and offers great career opportunities, a lot of experienced professionals are quitting their jobs at a worrying rate. The phenomena beg the questions of what is causing this attrition and what effect it may have on workforce stability, project continuity, and sector growth as a whole. To address this increasing problem, it is necessary to study the causes of employee turnover in the Indian IT industry and then create retention plans that work.

Need and Importance of the study

Studying the causes of employee attrition in the IT sector in India and developing effective strategies to address this issue is of paramount importance due to several reasons:

1. **Talent Shortage:** The IT sector in India is highly competitive and experiencing a scarcity of skilled professionals. High attrition rates can lead to a loss of valuable talent.
2. **Cost Implications:** Employee turnover incurs substantial costs related to recruitment, onboarding, training, and lost productivity. Studying attrition helps reduce these costs.

3. **Impact on Productivity:** Frequent employee turnover disrupts project timelines, lowers team morale, and negatively affects overall productivity.
4. **Skills Gap:** When experienced employees leave, the loss of specialized skills and domain knowledge can hinder project execution and innovation.
5. **Innovation and Continuity:** High attrition can disrupt innovation cycles and hinder the continuity of ongoing projects.
6. **Company Reputation:** A high attrition rate can harm a company's reputation as a stable and desirable employer, making it challenging to attract top talent.
7. **Employee Morale:** Continuous attrition can create an environment of uncertainty and dissatisfaction among remaining employees.
8. **Growth Hindrance:** If employees leave due to inadequate growth opportunities, it can affect succession planning and hinder organizational growth.
9. **Market Competition:** Companies with lower attrition rates are more likely to attract top talent and gain a competitive advantage.
10. **Employee Engagement:** Understanding the causes of attrition helps in designing engagement initiatives that align with employee needs.
11. **Strategic Workforce Planning:** A study of attrition patterns aids in long-term workforce planning and talent management.
12. **Retention Strategies Validation:** Research helps validate the effectiveness of existing retention strategies and identify areas for improvement.
13. **Tailored Solutions:** A study enables the development of targeted strategies based on specific issues causing attrition.
14. **Employee Satisfaction:** Addressing the root causes of attrition improves overall employee satisfaction and well-being.
15. **Learning and Development:** Researching attrition causes aids in crafting relevant learning and development programs that meet employee expectations.
16. **Hiring Efficiency:** By understanding attrition drivers, companies can hire candidates who better fit the organizational culture and job roles.
17. **Leadership Improvement:** Studying attrition helps identify leadership shortcomings and enables leadership development initiatives.
18. **Data-Driven Decision-Making:** A well-researched study provides data to make informed decisions and adapt strategies.
19. **Employee Value Proposition:** A study helps redefine the organization's employee value proposition, making it more attractive to potential and existing employees.
20. **Sustainable Growth:** Addressing attrition systematically ensures sustainable growth by retaining core talent and maintaining stability.

Objectives of the study

- To Study the causes of employee attrition within the Indian IT sector
- To formulate effective retention strategies to address the issues of employee attrition in IT Sector.

Hypothesis of the study

H₀₁: workplace environment not conducive is a good predictor of employee turnover.

H₀₂: limited career growth is a good predictor of employee turnover.

H₀₃: odd working hours is a good predictor of employee turnover.

H₀₄: stress and work life balance are a good predictor of employee turnover.

H₀₅: lack of proper compensation is a good predictor of employee turnover.

H₀₆: appraisal rating is a good predictor of employee turnover.

H₀₇: unreasonable workload is a good predictor of employee turnover.

H₀₈: job insecurity is a good predictor of employee turnover.

H₀₉: team leader is a good predictor of employee turnover.

Research Method

Population

The population size 3000 employees working in selected IT Companies in Hyderabad.

Size of the sample

Sample size refers to the quantity of objects that are chosen from the population to form the study sample. A sample of 300 employees in the IT sector has been selected for this investigation.

Data collection

Data or information for statistical enquiries is collected from principal sources, which include both primary and secondary sources of data.

Primary data refers to information that is obtained directly and for the first time. The study collects primary data through a closed-form questionnaire.

Secondary data refers to information that has been collected by someone else for a different purpose, and is being used by another person or organisation for their own research or analysis. The study mostly utilises secondary data obtained from the Company and the records of the IT industry.

Method of Sampling

The researcher has employed the Simple Random Sampling Technique.

Data Analysis Procedures and Discussion

Table 1 Gender of the Employees

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	185	61.7	61.7	61.7
	Female	115	38.3	38.3	100.0
	Total	300	100.0	100.0	

Table 1 displays the respondents' gender. It has been discovered that out of 300 responders, 115 are female and 185 are male.

Table 2 Age of the Employees

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	22-31 Years	168	56.0	56.0	56.0
	32-41	106	35.3	35.3	91.3
	Above 41 Years	26	8.7	8.7	100.0
	Total	300	100.0	100.0	

According to Table 6.2, out of 300 respondents, 168 fall within the 22–31 age bracket, 106 fall within the 32–41 age bracket, and 26 fall above the 41 age bracket.

Table 3 Education of the Employees

Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Graduation	210	70.0	70.0	70.0
	Post-Graduation	90	30.0	30.0	100.0
	Total	300	100.0	100.0	

Out of 300 respondents, 210 respondents are graduates, 90 respondents are Post Graduates

Table 4 Designation of the Employees

Designation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Trainee Software Engineer	169	56.3	56.3	56.3
	Software analyst	81	27.0	27.0	83.3
	Programme Analyst	20	6.7	6.7	90.0
	Consultant	30	10.0	10.0	100.0
	Total	300	100.0	100.0	

Out of 300 responders, 169 are trainee software engineers, 81 are software analysts, 20 are programme analysts, and 30 are consultants, according to Table 6.3.

Table 5 Experience of the Employees

Experience					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5 Years	166	55.3	55.3	55.3
	6-10	119	39.7	39.7	95.0
	Above 11 Years	15	5.0	5.0	100.0
	Total	300	100.0	100.0	

Table 5's data suggests that out of 300 respondents, 166 have 0-5 years of experience, 119 have 6-10 years of experience, and 15 have 11 years of experience.

The answers can be categorised into groups according to their unique traits using a discriminant analysis approach, which is an analytical method. This study employed a discriminant analysis to determine if the employee's lever status (stayer or leaver) could be predicted by nine predictor variables on employee turnover: an unfriendly work environment, restricted career advancement opportunities, irregular work hours, stress and work-life balance, inadequate compensation, appraisal rating, unreasonable workload, job insecurity, and team leader. The sample of IT companies used in the study was carefully chosen. The researchers checked for collinearity to ensure that the predictor variables were not perfectly linear before running discriminant analysis in SPSS version 21. Table 6 shows that the tolerance values for discriminant analysis were greater than 0.1 (Menard, 1995) and VIF values were fewer than 10 (Myer, 1990) according to the multicollinearity test.

Table 6 Coefficients of multi-collinearity assessment

Model	Unstandardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error			Tolerance	VIF
(Constant)	.043	.048	.882	.378		
Workplace Environment is Not Conducive	.903	.112	8.081	.000	.040	4.767
Limited Career Growth	-.009	.162	-.053	.958	.019	5.161
Odd Working Hours	.003	.039	.085	.932	.042	3.697
Stress and Work Life Balance	.002	.086	.022	.982	.068	4.685
Lack of Proper Compensation	.009	.059	.158	.875	.145	6.880
Appraisal Rating	-.007	.113	-.063	.950	.039	5.494
Unreasonable Workload	-.006	.032	-.181	.857	.060	6.780
Job Insecurity	.016	.033	.468	.640	.056	7.841
Team Leader	.009	.058	.158	.875	.148	6.753

Table 7 shows the results of the group statistics analysis for the following variables: unfavourable work environment, irregular hours, stress, work-life balance, inadequate pay, poor performance reviews, excessive workloads, job insecurity, and team leader. The nine independent factors, including management role, workload, role conflict, and role ambiguity, demonstrate that there is a difference in the mean values between employees who stay and those who leave the firm. In contrast to the leaver category, which had high mean values for discrimination indicators such as odd working hours (M=3.93), unreasonable workload (M=3.70), and job insecurity (M=3.67), the stayer category recorded low mean values for these variables, suggesting that there was

discrimination. Consistent with the findings of Essiam et al. (2015), the study found that the following factors had a significant impact on workplace climate: inadequate compensation, inadequate performance reviews, excessive workloads, job insecurity, irregular hours, stress, and team leadership. There was very little variation in employee turnover (leaver status), and turnover accounted for about 4% of the total variation.

Table 7 Group statistics of mean and standard deviation on employee turnover (leaver status)

Group Statistics					
Leaver Status		Mean	Std. Deviation	Valid N (list wise)	
				Unweighted	Weighted
Stayer	Workplace Environment is Not Conducive	1.0667	.25014	180	180.000
	Limited Career Growth	1.0944	.29326	180	180.000
	Odd Working Hours	3.7333	1.45548	180	180.000
	Stress and Work Life Balance	1.1056	.30813	180	180.000
	Lack of Proper Compensation	1.1333	.34088	180	180.000
	Appraisal Rating	1.1111	.31515	180	180.000
	Unreasonable Workload	3.7056	1.46351	180	180.000
	Job Insecurity	3.6722	1.46783	180	180.000
Leaver	Team Leader	1.1667	.37372	180	180.000
	Workplace Environment is Not Conducive	2.0000	.00000	120	120.000
	Limited Career Growth	2.0000	.00000	120	120.000
	Odd Working Hours	3.9250	1.31035	120	120.000
	Stress and Work Life Balance	2.0000	.00000	120	120.000
	Lack of Proper Compensation	2.0000	.00000	120	120.000
	Appraisal Rating	2.0000	.00000	120	120.000
	Unreasonable Workload	3.9000	1.31826	120	120.000
Total	Job Insecurity	3.9500	1.30191	120	120.000
	Team Leader	2.0000	.00000	120	120.000
	Workplace Environment is Not Conducive	1.4400	.49722	300	300.000
	Limited Career Growth	1.4567	.49895	300	300.000
	Odd Working Hours	3.8100	1.40016	300	300.000
	Stress and Work Life Balance	1.4633	.49949	300	300.000
	Lack of Proper Compensation	1.4800	.50043	300	300.000
	Appraisal Rating	1.4667	.49972	300	300.000
	Unreasonable Workload	3.7833	1.40819	300	300.000
	Job Insecurity	3.7833	1.40819	300	300.000
	Team Leader	1.5000	.50084	300	300.000

Table 8 Box's Test of Equality of Covariance Matrices

Box's M		107.801
F	Approx.	4.906
	df1	21
	df2	69613.243
	Sig.	.000
Tests null hypothesis of equal population covariance matrices.		

Table 8 shows that among IT staff, there is a significant difference between employee turnover and factors such as a hostile work environment, a lack of opportunities for advancement, irregular hours, high levels of stress and

work-life imbalance, inadequate pay, poor performance reviews, an excessive amount of work, job insecurity, and dysfunctional leadership.

Table 9 Wilks' Lambda

Wilks' Lambda				
Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.150	556.619	9	.000

Table 10 shows the summary of canonical discriminant functions. A canonical correlation value of 0.922 indicates that the model explains 66.02 percent of the variance for employee turnover. The nine factors that contribute to this turnover include: an unfriendly work environment, inadequate compensation, an unreasonable workload, job insecurity, irregular hours, stress, and a lack of a clear leader.

Table 10 Summary of Canonical Discriminant Functions

Eigenvalues				
Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	5.662 ^a	100.0	100.0	.922

a. First 1 canonical discriminant functions were used in the analysis.

Table 11 Standardized Canonical Discriminant Function Coefficients

	Function
	1
Workplace Environment is Not Conducive	.997
Limited Career Growth	-.011
Odd Working Hours	.026
Stress and Work Life Balance	.003
Lack of Proper Compensation	.014
Appraisal Rating	-.010
Unreasonable Workload	-.047
Job Insecurity	.125
Team Leader	.015

Table 12 Structure Matrix

Structure Matrix	
	Function
	1
Workplace Environment is Not Conducive	.994
Limited Career Growth	.823
Stress and Work Life Balance	.774
Appraisal Rating	.752
Lack of Proper Compensation	.678
Team Leader	.594
Job Insecurity	.041
Unreasonable Workload	.029
Odd Working Hours	.028

Variables ordered by absolute size of correlation within function.

Tables 10 and 11 show the structure matrix and standardised function coefficients, respectively, which show that discriminatory employee turnover among IT employees is caused by factors such as an unfriendly work environment, irregular hours, stress, poor pay, unfair workloads, job insecurity, and team leaders. Out of the nine factors that were considered for predicting group membership, the following were found to be most important in predicting employee turnover among IT workers: an unfriendly work environment, a lack of opportunities for advancement, high levels of stress and work-life balance, a low appraisal rating, inadequate pay, and a strong team leader. When it comes to forecasting employee turnover, several job-related criteria are crucial.

Table 13 shows the percentage of cases that were originally classified as stayers or leavers. The results demonstrate that the model accurately predicts, in the near future, whether IT employees wish to stay with the company or leave their current employment. Additionally, 96% of the cross-validated grouped cases were correctly classified. The data shows that employees who intend to leave their employment soon were more accurately identified at 96% than those who intend to remain in their current positions at 100%.

Table 13 Classification Results

Classification Results ^{a,c}					
		Leaver Status	Predicted Group Membership		Total
			Stayer	Leaver	
Original	Count	Stayer	168	12	180
		Leaver	0	120	120
	%	Stayer	93.3	6.7	100.0
		Leaver	.0	100.0	100.0
Cross-validated ^b	Count	Stayer	168	12	180
		Leaver	0	120	120
	%	Stayer	93.3	6.7	100.0
		Leaver	.0	100.0	100.0

a. 96.0% of original grouped cases correctly classified.

Suggestions and Recommendations:

Employee attrition is a significant challenge in the IT sector in India. To address this issue, companies can implement various strategies to retain their valuable employees. Here are some effective strategies:

1. **Competitive Compensation and Benefits:** Offering competitive salaries, performance-based bonuses, and comprehensive benefits packages can attract and retain skilled professionals.
2. **Career Development and Growth Opportunities:** Motivating employees to remain with the organisation can be achieved through the provision of well-defined career routes, chances for skill development, and performance-based promotions.
3. **Flexible Work Arrangements:** Implementing flexible working hours, remote work options, and part-time schedules can improve work-life balance and enhance job satisfaction.

4. **Recognition and Rewards Programs:** Recognizing and rewarding outstanding employee contributions through awards, promotions, and public acknowledgment can boost morale and engagement.
5. **Effective Onboarding:** A well-structured onboarding process can help new employees feel welcomed and integrated into the company culture, reducing the likelihood of early attrition.
6. **Continuous Learning and Training:** Offering ongoing training programs to enhance skills and stay up-to-date with industry trends can make employees feel valued and invested in.
7. **Employee Wellness Programs:** Initiating wellness programs that focus on physical and mental health can improve overall job satisfaction and reduce stress-related attrition.
8. **Regular Performance Feedback:** Staff members can gain insight into their own areas of strength and development need through consistent feedback and performance reviews, which in turn encourages a growth mindset.
9. **Strong Leadership and Communication:** Effective leadership that provides clear goals, communicates openly, and addresses employee concerns can build trust and reduce turnover.
10. **Diverse and Inclusive Environment:** Creating an inclusive workplace that values diversity and treats all employees fairly can improve job satisfaction and retention.
11. **Employee Engagement Initiatives:** Organizing team-building activities, workshops, and events can strengthen relationships among team members and increase engagement.
12. **Mentorship and Coaching Programs:** Pairing experienced employees with newcomers for mentorship and coaching can help new hires feel supported and encouraged to stay.
13. **Performance-Based Incentives:** Offering performance-based incentives, such as stock options or profit-sharing, can motivate employees to contribute to the company's success.
14. **Workload Management:** Ensuring a reasonable workload and avoiding burnout can improve job satisfaction and prevent employees from seeking opportunities elsewhere.
15. **Transparent Career Paths:** Clearly outlining potential career paths within the company can help employees see a future with growth and advancement.
16. **Regular Surveys and Feedback:** Conducting regular employee surveys to gauge satisfaction and collect feedback can help identify areas of improvement.
17. **Exit Interviews:** Conducting exit interviews with departing employees can provide insights into the reasons for attrition and help formulate better retention strategies.
18. **Innovative Projects:** Providing opportunities to work on challenging and innovative projects can make employees feel engaged and excited about their work.
19. **Employee Empowerment:** Allowing employees to take ownership of their projects and make decisions can increase their sense of responsibility and engagement.
20. **Company Culture:** Fostering a positive and inclusive company culture that aligns with employee values can help create a sense of belonging and loyalty.

It's important to note that different employees may have varying reasons for considering attrition. Therefore, a combination of these strategies, tailored to the company's culture and the employees' needs, is likely to yield the best results.

Conclusion:

The key to successfully handling employee attrition is a holistic and proactive approach that creates a positive work environment, supports professional growth, and addresses employee concerns promptly. Remember that every organization is unique, so the strategies should be adapted to company's culture and circumstances.

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