

## A STUDY ON FACTORS CAUSING EMPLOYEE ATTRITION AMONG EMPLOYEES OF IT COMPANIES IN BANGALORE CITY

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### ABSTRACT

Attrition is unavoidable for any industry. An employee will leave the organization for professional or personal reasons. Attrition beyond a certain point will be a concern for the organization. This paper focuses on factors causing attrition among employees of IT companies. A study was conducted among employees of IT companies in Bangalore city.

**Keywords:** Attrition, Meaning & factors causing attrition, IT sector.

### Introduction

Attrition can be described as reduction in employees of an organization due to resignation, retirement or position elimination. It is deliberate reduction of organization's workforce which can occur due to any of the following reasons,

- Inadequate pay benefits
- Unhealthy working conditions
- Lack of opportunities
- Inadequate work life balance
- Relocation
- Retirement
- Lack of proper leadership

Apart from these reasons, an employee at some point of time may evaluate their career. If they are not satisfied with the results they tend to leave the organization & seek opportunities elsewhere for developing their career.

Due to any of these reasons, the employees may leave the organization any time. Likewise if the employees are not performing up to the expectation of the employer, the employer may fire the employee & this may also be a cause for attrition. Regardless of who is to blame, the loss of the workforce is unavoidable. Attrition can be explained as the loss of employees for any reason. It is a common problem for any industry.

In India, Information Technology & Software are the fastest booming sectors. Attrition is one of the major issues faced by both HR professionals & management. The attrition rate in the IT sector during the first half of 2022 is 17-18% (Economic Times, Dec 2022).

### Objective of the Study

1. To determine the reasons for employee attrition.
2. To understand the major problems faced by employees within the organization.
3. To study the impact of demographic variables on factors causing attrition.
4. To give suggestions for retaining employees within the organization.

### Limitations of the study

- The study focuses on selected IT companies in Bangalore city.
- Due to time constraints, the sample size has been restricted to 80.
- Findings of the study cannot be generalized due to the limited sample size & the type of sampling chosen for the study.

### Research methodology

Data was collected from a sample of 80 software employees from selected IT companies in Bangalore city based on Convenience sampling. A structured questionnaire with 5 point Likert-scale has been used for this study. The first section of the questionnaire consisted of Demographic characteristics of the respondents, the second part

consists of the factors causing employee attrition such as internal causes, lack of job security, external causes, individual or personal causes.

**Data Analysis**

**Demographic characteristics**

38.8 percent of the respondents are between 30 to 40 years of age, 32.5 percent of the respondents are less than 30 years of age, 16.2 percent of the respondents are between the age of 40 to 50 & 12.5 percent of the surveyed respondents are more than 50 years of age. In the conducted study, 59.5 percent are male & 40.5 percent are female. 60 percent of the respondents are team members, 13.8 percent of the respondents are team managers, 13.7 percent of the respondents are senior managers & 12.5 percent of the respondents are team leaders. Out of the responded employees 45 percent are under graduate degree holder, 45 percent are post graduate degree holders & the remaining 10 percent have completed courses like ITI/diploma, 41.2 percent have experience of 5-10 years, 40 percent have experience of 2-5 years & 18.8 percent have experience of more than 10 years. 60 percent of the surveyed respondents are married, while 40 percent are unmarried. 56.3 percent of the responded employees take home more than Rs 75,000 per month, 32.6 percent receive monthly salary between Rs. 25,000 to Rs. 50,000 while remaining 11.3 percent salary is between Rs. 50,000 to Rs.75,000 per month. Among the responded employees, 46.2 percent work 8 hours a day, 45 percent work 8 to 10 hours a day & 8.8 percent work more than 10 hours a day.

Factor	Age Group	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
Internal Causes	<30 Years of age	42.00	4.61	3.440	0.021	Significant
	30 to 40 Years of age	42.68	4.35			
	40 to 50 Years of age	42.38	3.01			
	More than 50 Years of age	37.70	5.23			

Table 1 Significant variation between Age group & Internal Causes

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among Age group & Internal Causes

**Alternate hypothesis (h<sub>1</sub>):** There is significant variation among Age group & Internal Causes.

Null hypothesis is rejected at 5% significance level which indicates that there is a significant variation among age group & internal causes.

Factor	Age Group	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
Lack of job Security	<30 Years	10.62	2.56	0.937	0.427	Not Significant
	30 to 40 Years	10.51	2.84			
	40 to 50 Years	11.46	2.50			
	More than 50 Years	9.40	4.38			

Table 2 Significant variation between Age group & Lack of Job Security

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among Age group & Lack of Job Security.

**Alternate hypothesis (h<sub>1</sub>):** There is significant variation among Age group & Lack of Job Security.

Null hypothesis is accepted at a 5 percent significance level which implies that there is no significant variation among age groups & lack of job security.

Factor	Age Group	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
External	<30 Years	10.35	2.77	0.992	0.401	Not Significant

Causes	30 to 40 Years	11.16	1.75			
	40 to 50 Years	10.23	2.80			
	More than 50 Years	11.40	2.07			

Table 3 Significant variation between Age group & External Causes

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among Age group & External Causes factor.

**Alternate hypothesis (h<sub>1</sub>):** There is significant variation among Age group & External Causes factor.

Null Hypothesis is accepted at 5 percent significance level which implies that there is no significant variation among age group and external causes factor.

Factor	Age Group	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
Personal Causes	<30 Years	27.50	4.77	3.257	0.026	Significant
	30 to 40 Years	24.52	6.77			
	40 to 50 Years	23.54	6.57			
	More than 50 Years	19.90	10.85			

Table 4 Significant variation between Age group & Personal Causes

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among Age group & personal causes.

**Alternate hypothesis (h<sub>1</sub>):** There is significant variation among Age group & personal causes.

Null hypothesis is rejected at 5 percent significance level which implies that there is a significant variation among age group & personal causes.

Factor	Designation	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
Lack of Job security	Team Member	10.56	2.85	2.821	0.044	Significant
	Team Leader	9.20	2.74			
	Team Manager	12.54	1.92			
	Senior Manager	9.82	3.51			

Table 5 Significant variation between Designation & Lack of Job security

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among Designation & Lack of Job security.

**Alternate hypothesis (h<sub>1</sub>):** There is significant variation among designation & Lack of Job security.

Null hypothesis is rejected at 5 percent significance level which indicates that there is significant variation among designation & lack of job security factor

Factor	Designation	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
External	Team Member	10.51	2.55	0.992	0.401	Not Significant

Causes	Team Leader	11.10	1.79			
	Team Manager	10.63	2.11			
	Senior Manager	11.82	1.94			

Table 6 Significant variation between Designation & External Causes

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among Designation & External causes.

**Alternate hypothesis (h<sub>1</sub>):** There is significant variation among Designation & External causes.

Null hypothesis is accepted at 5 percent significance level which indicates that there is no significant variation among designation & external causes factor.

Factor	Designation	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
Individual Causes	Team Member	26.81	5.66	5.121	0.003	Significant
	Team Leader	24.90	3.78			
	Team Manager	20.63	7.89			
	Senior Manager	19.73	10.23			

Table 7 Significant variation between Designation & Individual causes

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among Designation & Individual causes.

**Alternate hypothesis (h<sub>1</sub>):** There is significant variation among Designation & Individual causes.

Null hypothesis is rejected at 5 percent significance level which implies that there is a significant variation among Designation & Individual causes.

Factor	Designation	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
Internal Causes	2 to 5 Years	41.13	4.49	0.581	0.562	Not Significant
	5 to 10 Years	42.33	4.41			
	More than 10 Years	42.00	5.19			

Table 8 Significant variation between Experience & Internal Causes

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among Experience & Internal Causes.

**Alternate hypothesis (h<sub>1</sub>):** There is significant variation among Experience & Internal Causes.

Null hypothesis is accepted at 5 percent significance level which implies that there is no significant variation among Experience & Internal Causes.

Factor	Designation	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
Lack of Job Security	2 to 5 Years	10.56	2.03	0.002	0.998	Not Significant
	5 to 10 Years	10.54	3.81			

	More than 10 Years	10.60	2.47			
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Table 9 Significant variation between Experience & Lack of Job Security

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among Experience & Lack of Job Security.

**Alternate hypothesis (h<sub>1</sub>):** There is significant variation among Experience & Lack of Job Security.

Null hypothesis is accepted at 5 percent significance level, which implies that there is no significant variation among Experience & Lack of Job Security.

Factor	Designation	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
External Causes	2 to 5 Years	10.65	2.82	0.126	0.380	Not Significant
	5 to 10 Years	10.64	1.98			
	More than 10 Years	11.40	1.96			

Table 10 Significant variation between Experience & External Causes

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among Experience & External Causes.

**Alternate hypothesis (h<sub>1</sub>):** There is a significant variation among Experience & External Causes.

Null hypothesis is accepted at 5 percent significance level which implies that there is no significant variation among Experience & External Causes.

Factor	Designation	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
Individual Causes	2 to 5 Years	27.12	4.84	7.776	0.001	Significant
	5 to 10 Years	25.03	7.38			
	More than 10 Years	19.06	7.72			

Table 11 Significant variation between Experience & Individual Causes

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among Experience & Individual Causes.

**Alternate hypothesis (h<sub>1</sub>):** There is a significant variation among Experience & Individual Causes.

Null hypothesis is rejected at 5 percent significance level which implies that there is a significant variation among Experience & Individual Causes.

Factor	Working Hours per day	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
Internal Causes	8 hours	42.11	4.29	0.291	0.784	Not Significant
	8 to 10 hours	41.67	4.57			
	More than 10 hours	40.71	6.34			

Table 12 Significant variation between Working hours & Internal Causes

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among working hours & internal causes.

**Alternate hypothesis (h<sub>1</sub>):** There is a significant variation among working hours & internal causes.

Null hypothesis is accepted at 5 percent significance level which implies that there is no significant variation among working hours & internal causes.

Factor	Working Hours per day	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
External Causes	8 hours	10.31	2.51	4.051	0.021	Significant
	8 to 10 hours	10.80	2.05			

	More than 10 hours	13.00	1.63			
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Table 13 Significant variation between Working hours & External Causes

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among Working hours & External Causes.

**Alternate hypothesis (h<sub>1</sub>):** There is a significant variation among Working hours & External Causes.

Null hypothesis is rejected at the 5 percent significance level which implies that there is a significant variation among Working hours & External Causes.

Factor	Working Hours per day	Mean Value	Standard Deviation Value	F-Value	P-Value	Inference
Individual Causes	8 hours	27.49	5.85	5.771	0.005	Significant
	8 to10 hours	22.50	6.72			
	More than 10 hours	21.851	10.33			

Table 14 Significant variation between Working hours & Individual Causes

**Null hypothesis (h<sub>0</sub>):** There is no significant variation among working hours & Individual causes.

**Alternate hypothesis (h<sub>1</sub>):** There is a significant variation among working hours & Individual causes.

Null hypothesis is rejected at 5 percent significance level, which indicates that there is a significant variation among working hours & Individual causes.

Statements	Mean	Standard Deviation
I will be leaving the organization if I get married	2.25	1.24
I will be leaving the organization if I or my spouse get pregnant	2.14	1.23
I am prepared to quit the organization if my family relocates to other city	3.49	1.31
I intend on leaving the organization to focus on my mental health	3.65	1.25
If I am given the opportunity to travel abroad, I am interested in leaving the organization.	3.73	1.42
I will leave the organization for pursuing my education	3.14	1.33
I will leave the organization if I get an opportunity to start my own business	3.32	1.49
I will leave the organization if my team members leave the organization	3.04	1.40

Table 15 Mean & Standard Deviation of Individual Causes Factor

Table 5.15 explains the descriptive statistics of individual or personal causes. The above table shows that the mean values range between 3.73 – 2.14 & Standard deviation values range between 1.23-1.49. Among the statements, the respondents agree that they will be willing to leave the organization if they get a chance to go abroad as the mean & Standard deviation values are 3.73 & 1.42. The respondents are less likely to leave the organization if they or their spouse gets pregnant as the mean & Standard deviation values are 2.14 & 1.23 respectively.

### Findings Of The Study

- Out of the surveyed employees, 38.8 percent fall between the age group of 30-40 years, 59.5 percent are male, 60 percent are team members, 45 percent have completed their undergraduate degrees. Majority (41.2 percent) of the respondents have experience of 5 to10 years, more than half (60 percent) of the respondents are married. 32.6 percent of the employees earn between Rs 25000 to Rs 50,000 per month, 46.2 percent of the employees work for 8 hours a day.
- Demographic characteristics of the respondents like age group, designation, experience & working hours have influence on the factors causing employee attrition i.e. on internal causes, individual or personal causes, lack of job security & external causes.

- It was found that personal causes like pregnancy, to take care of mental health, shifting to other city, for self-employment & pursuing education were the factors causing attrition among the employees
- It was found that the personal causes, internal & external causes & job security were the factors causing attrition among employees.
- From the findings it can be inferred that demographic variables influence the employees perception on the factors causing attrition in the organization.

### Suggestions

The organizations should provide opportunities for development and should recognize the employees for their work & achievements made during work which in turn would motivate the employees to work efficiently & makes the work interesting.

Monetary benefits like bonus, increments, unbiased performance appraisal, training programs etc should be offered by the organization for controlling attrition.

The organizations should reward & recognize employees, provide a supportive work environment & express their gratitude to employees which will help in controlling attrition.

Organizations should receive feedback at regular intervals & try to implement the suggestions given by the employees to retain them within the organization.

The organization should revise the employees' salaries regularly to match the industry standards in order to control & reduce attrition.

### Conclusion

Organizations take all possible measures to control attrition in order to make its business effective & to retain its place in industry. Employees' leaving the organization causes problems like losing a place in a competitive market & turns out to be costly for the organization. From this study the causes for employee attrition are found as longer working hours, insufficient salary, desire to pursue higher studies, intention to start business & an opportunity to go overseas. The organization should create good relationships with the employees, give them freedom to perform their job & should make the job interesting, so that they can continue & stay in the organization, which benefits both the organization & the employees.

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