

# A STUDY ON ANALYSIS OF EMPLOYEE ATTRITION RATE

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**Abstract** - The success of an organization is heavily reliant on its workforce. In order to keep employees on board for an extended period of time, it is crucial to provide an improved working environment and motivating aspects. This study is being undertaken to calculate the attrition rate of employees and to assess the contributing causes. Exit interview questionnaires from every employee who left the company during a specific time period were used to conduct the research. The study's conclusions emphasize the improvement of elements related to the workplace and make recommendations for lowering the organization's attrition rate.

**Key Words:** Attrition rate, Exit Interview, Payscale

## 1.INTRODUCTION

Employee attrition is the word used to describe when employees leave a company. When the pace of employee departure exceeds the rate of hiring new staff, attrition is evident. Both voluntary and involuntary activity can result in attrition. Due to a lack of employees, attrition causes an overall decrease in production and a deviation in work-life balance, which fuels even more attrition.

### Types of Attrition:

1. **Voluntary attrition:** This sort of attrition is the most prevalent and occurs when an individual decides to leave their position for personal reasons. Lack of interest is just one of the many characteristics involved in this type.

2. **Involuntary attrition:** In this case, the employer, not the employee, is the one who starts the departure. For instance, an employee may have engaged in workplace misconduct, which is a common cause of involuntary attrition. Attrition could also result from structural issues. A wave of involuntary attrition frequently follows mergers and acquisitions.

3. **Demographic-specific attrition:** For progressive organizations, this is a major problem. Employees from a certain demographic, such as women, members of underrepresented racial or ethnic groups, individuals with disabilities, or older professionals, are leaving the company.

4. **Retirement:** This takes place when an employee reaches the legal retirement age for the company.

### REASONS FOR ATTRITION:

**Personal aspects of the employee:** This falls under voluntary attrition, where an employee chooses to leave a company. Higher education, health and family-related concerns, a lack of work-life balance, and other issues are included.

**Work-related factors:** Creating greater career prospects for the employee is the organization's duty and aids in keeping the employee for a longer period of time. This includes employee upskilling or reskilling, better working conditions, compensation, and promotions, all of which are necessary because a lack of these causes employees to become disinterested in their work.

### FACTORS INFLUENCING ATTRITION:

There are various inducers at work that cause an individual to leave their position. These elements include a lack of support from superiors and coworkers, improper coordination between employees, a fair wage, better advancement opportunities, a heavy workload, a lack of training opportunities, and a poor working environment.

### ATTRITION RATE:

The percentage of employees leaving an organization in a specific period of time is known as the attrition rate. It is also an important indication in HR practices that shows the organization's success in relation to its workforce. The total number of employees left in an organization is divided by the average number of employees in the company over a specific time period to determine the attrition rate. Usually it is calculated for a year.

### OBJECTIVES OF THE STUDY:

- To calculate the employee attrition rate for the year 2022
- To analyze various factors of the workplace which leads to employee resignation
- To analyze the Major reason for employee attrition
- To Come Up with corrective actions to retain employee in the organization

## 2. REVIEW OF LITERATURE

According to Kartik Tyagi<sup>1</sup>, Hiten Saini<sup>2</sup>, Prof. Indira Pradhan<sup>3</sup> (2022), The goal of the study is to increase employee engagement, job happiness, productivity, and retention within the organisation through attrition analysis. The questions from the questions from the exit interview forms are used as the basis for the primary data collection using Google Forms, and the exit interview forms are also utilised as the basis for the secondary data collection. The study concludes that money and career advancement are the main contributors to attrition. The investigation also gathered improvement recommendations from the former employees.

According to AI-Suraihi et al., (2021), This research aims to understand the causes of employee turnover and retention strategies in an organization. Key research findings indicate that employees have several reasons to leave their workplaces, such as job stress, job satisfaction, job security, work environment, motivation, wages, and rewards. implementing strategies will increase job satisfaction, motivation and the productivity of individuals and organizations, which can reduce employment problems, absenteeism, and employee turnover.

According to Yucel. (2021), The purpose of this study is to determine how attrition and work-life balance are related, with job engagement and supervisor support serving as mediating factors. A public hospital's employees were surveyed, and the results were computed utilizing all the variables in the regression analysis. Work-family conflict and intention to leave are significantly positively correlated.

## 3. RESEARCH METHODOLOGY

The study is conducted with descriptive research design. A descriptive phenomenological approach was carried out with the employees in a multispeciality hospital. Secondary data is used in this study. The data is collected from the exit interview forms which are filled by all the employees who resign from the organization.

### POPULATION AND SAMPLING:

The population includes all the employees who left the organization . A population size of 665 is used in this study. The sampling was done using Krejcie and Morgan tables. Hence, the sample size for this study is 266.

### SAMPLING TECHNIQUE:

A proportion of 40% from each category(Nursing, Medical, Paramedical, Supporting service) is selected using Proportionate sampling method.

## 3. ANALYSIS :

### CALCULATION OF ATTRITION RATE:

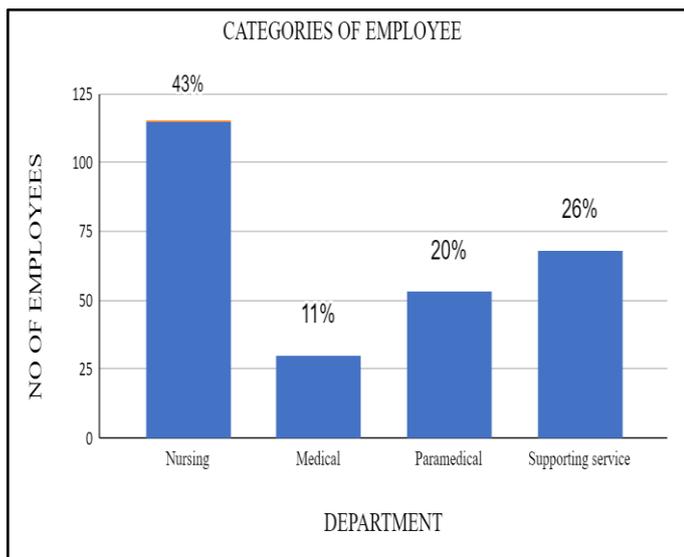
Using the formula,

$$\text{Attrition Rate (\%)} = \frac{\text{No. of Employees that Left Workforce}}{\text{Average no.of. employees}} * 100,$$

The attrition rate was found to be **27.14%** for the year 2022 in the organization. As the attrition rate is higher, it is mandatory to be focused to fulfill the needs of the employees by analyzing the workplace related factors which is done using Simple percentage analysis.

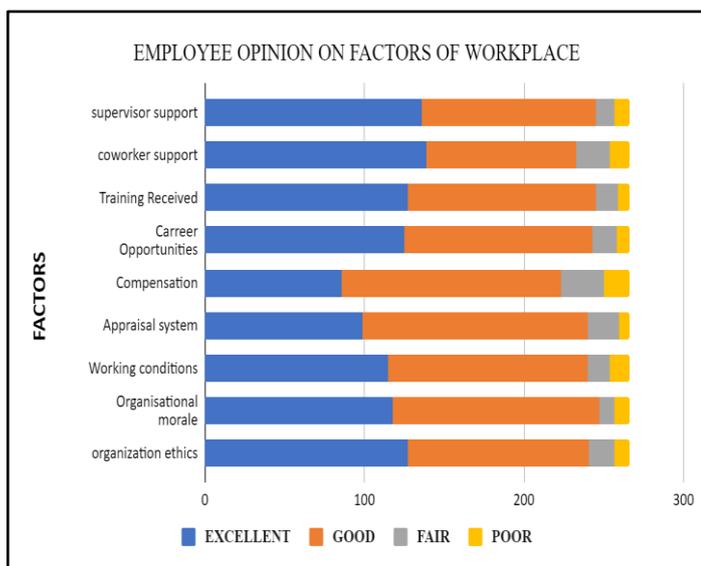
### Simple Percentage Analysis:

**Chart I:** Chart showing the distribution of resigned employee among four categories



According to the graph above, 43% of the workforce works in the nursing sector. Due to uncooperative co workers and workplace stress, it comprises roughly half of the population. 20% of the workforce is in the paramedical area, while 11% of the workforce is in the medical category. Supporting services employees make approximately 26% of all departed employees.

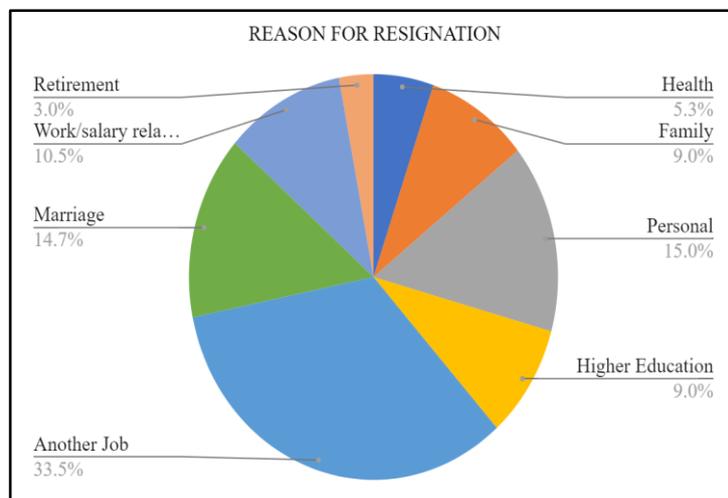
**Chart 2:** Chart showing employees opinion on various factors related to their workplace



The above figure shows that the employees received excellent (52%) support from their supervisors and coworkers. Comparatively the training received was slightly low (48%). It shows that more than half of the population of employees was not totally satisfied with the compensation provided (68%). Performance appraisal system also needs improvement as 10%

of the total employees mentioned it was fair and poor. 43% of the employees mentioned that the working conditions were excellent and 47% of them mentioned that they had good working conditions. 48% of them mentioned that the organizational morale was good and 4% of the employees mentioned that it was fair. 6% of the employees mentioned that the ethics of the organization was fair and 3% of the employees mentioned it was poor. Overall analysis results in the need for improvement in the Compensation and Performance appraisal system.

**Chart 3:** Chart showing the reasons for employee resignation



The above chart shows the various reasons for the employee's resignation. Majority of the employees(33%) resigned seeking another job out of this organization. This is because they were not satisfied with the job they are currently pursuing. 15% of the employees resigned due to personal reasons and 5% of the employees left due to health issues. 9% of the employees resigned because of their own family. 9% of the employees left for higher education and 15% of employees resigned because of their marriage. 11% of the employees left the organization due to work/salary related issues which includes poor coordination within the workplace and non reasonable pay scale. 3% of the employees come under the retirement category.

**4. FINDINGS:**

For the year 2022, the attrition rate was found to be 27.14%. The majority of employee attrition, according to the report, occurred in the nursing department, followed by supporting

services. The examination of numerous workplace aspects revealed that the areas that employees felt needed improvement were the salary and performance appraisal system. The majority of employees were quitting because of the pay scale reduction. Employees leave the company in search of a better position with a higher salary, according to an analysis of the reasons for employee attrition. The second most common cause is work-related problems, such as poor team coordination and workload that results from a lack of manpower. Approximately 8% of the workforce cited their lack of job definition as another factor in their choice to leave the company.

### RECOMMENDATIONS FOR THIS STUDY:

1. An increase in the reasonable pay scale will retain employees in the organization.
2. Specific training classes for each department shall be conducted to improve the job clarity of the individuals
3. The individual's personal efforts should be carefully taken into account while creating the performance rating system. The "continuous performance management process" can be used, which incorporates the employee themselves in the process, to increase transparency and employee satisfaction. This has the bigger benefit of preventing staff talk of favouritism.
4. To improve team coordination among employees, monthly meetings could be conducted to discuss the workflow among them. As a result every employee will have a chance to speak up their own queries.
5. Paperless documentation is to be completely implemented to have less work burden which will allow nursing staffs to focus more on patient care
6. Stress management programs shall be conducted to all employees
7. Working conditions like Space management, adequate manpower, ease in accessing files could be improved in order to retain employees in the organization.

### 5. CONCLUSIONS

The HR manager should pay special attention to the reasons why attrition is happening right now in order to ensure the growth of the organization. Ignoring the reasons why employees are leaving the company means ignoring one of its

greatest assets: its people. All worker-related factors have received some unfavorable feedback from the workforce. We have determined the employee's motivation and expectations based on the investigation. To keep employees for a long time, organizations must develop their own motivational systems, such as incentive and recognition programmes, based on their perceptions of the employees. To get a better understanding of how employees feel about their work and the business, the company can also implement certain incentive programmes, better transportation options, and better lodging options. Employees require possibilities for advancement and innovation, as well as a sustainable workload and minimal stress from management and superiors. Longer employee retention is a result of good pay and incentives. Training initiatives can be carried out to improve employee skill development, which will result in promotion and employee engagement. Because each employee has different needs, organizations can only partially eliminate employee attrition.

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