

A Study on Understanding Employee Attrition- Causes and Consequences in the Workplace

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ABSTRACT:

The purpose of this study is to pinpoint the reasons for workplace employee attrition by analysing the relationship between work-life balance, growth opportunities, stress, and overall job satisfaction. The study surveyed 110 samples of employees and analyzed the data using statistical analysis techniques. The findings show that work- life balance, lack of growth opportunities, and stress are the primary causes of employee attrition. The study also discovered a negative relationship between the frequency of working overtime and work-life balance satisfaction as well as a relationship between workplace stress levels and work-life balance satisfaction. On the other hand, the study discovered a favourable association between the level of satisfaction with the organization's support for stress management and the level of contentment with work-life balance.

These findings provide insights for HR professionals to focus on improving work-life balance, providing opportunities for growth, and managing stress levels to reduce employee attrition rates.

Keywords: Employee attrition, Work-life balance, Growth opportunities, Stress, Correlation, HR professionals.

1. INTRODUCTION

Employee attrition also called turnover is a major issue that impacts an organization's success. It refers to workers quitting an organization and how that affects the workforce. High attrition rates can be expensive in terms of identifying, hiring, and training replacements. Therefore, organizations must understand the causes of attrition and take action to reduce it. Understanding the reasons and consequences of attrition is essential for an HR professional since it affects recruitment, training, and retention efforts. Retaining top talent has emerged as a major concern for HR departments in the current competitive employment market. A LinkedIn survey of HR professionals found that their #1 issue is employee retention. In order to lower attrition rates, HR departments must design effective retention tactics. To create such strategies, one must first determine the reasons behind attrition. Poor management techniques, a hostile work environment, a lack of growth possibilities, and unhappiness with one's employment are all frequent reasons for attrition.



*Based on feedback from over 150,000 exit interviews

Attrition is frequently caused by dissatisfaction at work. Unhappy or underpaid workers are more likely to leave their positions. When employees strive for career advancement, a lack of growth opportunities can also lead to attrition.

Attrition may also be influenced by bad workplace culture. As a result, staff attrition is a big challenge for HR departments, and completing a thorough study might offer insightful data. Understanding the reasons for attrition can help businesses build retention strategies that work, foster a healthy workplace culture, increase employee engagement, and boost productivity. Organizations should lower turnover rates and keep key personnel by addressing the root causes of attrition.

2. STATEMENT OF THE PROBLEM

Employee attrition, or turnover, is a significant challenge that impacts organizations' success. When it comes to finding, hiring, and training replacements, high attrition rates can be expensive. They can also have an adverse effect on recruitment, training, and retention efforts. Retaining top personnel has become a high priority for HR departments in the current highly competitive market. Reasons for attrition include poor management practices, hostile work environments, workplace culture, and job dissatisfaction. Unhappy or underpaid workers are more likely to leave their positions, and a lack of growth opportunities can also lead to attrition when employees aspire for career advancement. Hence, addressing the underlying reasons for attrition is essential for businesses to reduce turnover rates, retain top talents, promote a positive workplace culture, raise employee engagement levels, and increase productivity. Researching the causes of attrition in-depth might yield useful information that can be used to create retention tactics that are successful.

3. IMPORTANCE OF THE STUDY

It is important to reduce employee attrition since it affects the organization's performance, labor expenses, and the ability to retain talented workers. Although hiring and training new personnel can be expensive, attrition can lead to higher labor expenditures. Also, it may have a detrimental impact on how well an organization performs, resulting in lower output, messed up workflows, and demoralized staff. If competent and experienced personnel leave the company, attrition may affect the company's competitive edge. Organizations may reduce these risks and maintain a stable and engaged staff by being aware of the causes and effects of attrition and implementing effective retention strategies. This can raise productivity, improve organizational performance, and help retain top talent.

4. OBJECTIVE OF THE STUDY

Understanding employee attrition: Causes and implications in the workplace is the study's main goal.

- To identify the factors that causes of employee attrition in the organization.
- To analyze various HR data points, such as employee satisfaction surveys, performance evaluations, attendance records, and employee demographics.
- To identify which factors, influence more for employee attrition.

5. REVIEW OF LITERATURE

It emphasizes research into earlier literature on the factors contributing to employee attrition. The prior study aids in gaining an understanding of the various philosophies made by the earlier researchers in the field as well as in identifying the research gap. Below are a few reviews that were culled from the writings of famous authors.

□ **Sriram K.V. James JOSEPH and et.,al.,(2019)** A Case Study that the difficulties in HRM in Indian companies, To gather primary information on employee attrition in a manufacturing organization, this study employs factor analysis and multiple regression. Significant influencing factors include workplace culture, leave policies and atmosphere. Findings show that HRM procedure reform is necessary. Executives in the industrial sector might learn a lot from the findings.

□ **Dr. R.V. Dhanalakshmi and et.,al.,(2022)** conducted the study assesses the contribution of predictive analytics to organizational hiring, retention, and professional development decisions. Many methods, including K-nearest Neighbors, are evaluated using HRIS data, including Naive Bayes, SVM, Decision Trees, Logistic Regression, and Machine Learning.

□ **Shenghuan Yang, Md Tariqul Islam, 2020** conducted research on IBM Employee Attrition Analysis to identify the primary causes of employee resignation, The IBM Employee Attrition dataset is used in the study to find pertinent features using correlation matrices and Random Forest. Two groupings of persons are created using K-means Clustering. Frequent travel and working in human resources are linked to greater attrition rates, according to binary logistic regression.

- **Rupa Chatterjee Das, Dr. Anjana Devi S, 2020**, did research on Understanding the Role of HR Analytics in the Prevention of Attrition in order to reduce attrition rates in businesses, The influence of attrition on an organization's reputation, culture, and finances is highlighted as the study weighs the advantages and disadvantages of HR analytics. Academic papers, primary and secondary data sources, and HR manager interactions are all utilized. Reducing attrition requires effective hiring, a great work environment, and engaged employees. The study highlights the value of HR analytics in predicting attrition gaps and provides insights into the analytical process.
- **Dr. M. Subhashini and et.,al.,(2020)** conducted research to accurately anticipate employee turnover, the study suggests a feature selection method based on machine learning. The findings show that the classification accuracy is increased when a Chi-Square feature selection approach is used with a Gradient Boosting Tree classifier Despite the complexity of human resource concerns, the study emphasis the value of machine learning in predicting employee attrition.
- **Frye Alex and et.,al.,(2018)** found that the study investigates the ethical ramifications of a model for predicting employee attrition. Principal Component Analysis and classification techniques were used to identify and assess the variables driving employee turnover using data from numerous sources. The most accurate technique was discovered to be logistic regression. It is explored how difficult it will be to implement the paradigm within organizations and its effect on the workforce.
- **Walid Abdullah Al-Suraihi and et.,al.,(2021)** made research that shows elements affecting Job stress, job happiness, job security, work environment, motivation, remuneration, and rewards are all factors that affect an organization's productivity, sustainability, competitiveness, and profitability. A corporation must have a full grasp of the needs of its staff in order to put strategies into place that increase employee engagement, job satisfaction, and productivity while reducing employment issues, absenteeism, and turnover.
- **G. Sankararaman and et.,al.,(2017)** made research that the retail sector has experienced significant growth and competition, leading to increased stress levels among employees. This study aimed to explore the impact of employee participation and identify the stress barriers faced by workers in the retail sector. Analysis methods used included Percentage, Chi-Square, and ANOVA. The study aimed to enhance employee participation and identify coping strategies for stress to achieve their goals. The study highlights the importance of stress awareness among employees and identifies the various factors affecting job stress in the retail sector.

6. METHODOLOGY AND SAMPLE DESIGN

The technique is a methodical approach of collecting data, proof, or information as part of a study to address a particular research problem. This study is descriptive in nature and looks into the causes of employee attrition. In this analysis, both primary and secondary data were used. Questionnaires were used to collect primary data, which asked about the employee demographics and factors that contributed to employee attrition on a five-point scale. The research's sample size is 110, and Simple random sampling techniques were utilized. The secondary data were taken from published sources such as corporate profiles, books, and websites. To identify the different elements that contribute to employee attrition, data were analysed using appropriate statistical procedures, including percentage analysis, correlation, chi-square, and ANOVA.

7. DATA ANALYSIS AND INTERPRETATION

The study is related to understanding employee attrition: Causes and consequences in the workplace. Through the use of an online survey, the replies were gathered. As the next stage of the research process, the elicited data is presented, analysed, described, and interpreted in this section.

RESPONDENTS DEMOGRAPHICS

Table 1 summarises the respondents' demographic characteristics, which aids in classifying the organization's workforce. In order to comprehend the study's sample of respondents and examine the main reason for employee attrition, a percentage analysis was performed.

Table 1 Respondents Demographics

The Respondents' Gender	Frequency	Percent
Men	70	63.6
Women	40	36.4

Total	110	100.0
The Respondents' Age	Frequency	Percent
18-24	37	33.6
25-34	58	52.8
35-44	12	10.9
45-54	3	2.7
Total	110	100.0
The Respondents' Employee Status	Frequency	Percent
Full Time	95	86.4
Part-Time	15	13.6
Total	110	100.0
The Respondents' Marital Status	Frequency	Percent
Married	49	44.5
Single	61	55.5
Total	110	100.0

Men respondents made up 63.6% of the sample, while Women respondents made up 36.4%. As a result, it is inferred that men made up the majority of the responses. 52.8% of respondents between the ages of 25 and 34, 33.6% between the ages of 18 and 24, 10.9% between the ages of 35 and 44, and 2.7% between the ages of 45 and 54 responded. Therefore, it can be assumed that most responders were in the age range of 25 to 34. 13.6% of respondents work part-time, compared to 86.4% of respondents who work full-time. As a result, it can be inferred that the majority of respondents had full-time employment. 55.5% of respondents are single, compared to 44.5% who are married. As a result, it is inferred that the majority of respondents were single.

Chi-Square Test:

In Table 2 The Chi-Square Test for Gender And Attrition Cause

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.075 ^a	4	.132
Likelihood Ratio	7.438	4	.114
Linear-by-Linear Association	4.742	1	.029
N of Valid Cases	110		

With chi-square values of 7.075 and a P value of 0.132 at a 5% level of significance, Table 2 shows that there is no connection between respondents' attitudes and gender exists, and that the null hypothesis is accepted.

TABLE 3 THE RESPONDENTS' GENDER AND ATTRIBUTION CAUSE

		In your opinion, what is the primary cause of employee attrition in your organization					Total
		Organization Culture	Poor Management	Lack Of Growth Opportunities	Low Salary	Work- Life Balance	
What is your Gender	Men	8	11	13	20	18	70
	Women	2	2	9	9	18	40
	Total	10	13	22	29	36	110

Source: Primary data

H0: There is no association between Gender and respondent Opinions. H1: There is an association between Gender and respondent Opinions.

Table 3 demonstrates that 70 respondents of the study were male and 18 of them say the primary cause for employee attrition is work-life balance. Whereas 40 respondents of the study were female and 18 of them say the primary cause for employee attrition is work-life balance.

Table 4 The Chi-Square Test For Age And Attrition Cause

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.664 ^a	12	.731
Likelihood Ratio	9.771	12	.636
Linear-by-Linear Association	.016	1	.899
N of Valid Cases	110		

With chi-square values of 8.664 and a P value of 0.731 at a 5% level of significance, Table 4 shows that There is no evidence of a link between respondent opinions and age, hence the null hypothesis is accepted.

TABLE 5 RESPONDENTS' AGES AND ATTRITION CAUSES

		Organization Culture	Poor Management	Lack Of Growth Opportunities	Low Salary	Work- Life Balance	Total
What is Your Age	18-24	4	3	9	9	12	37
	25-34	6	6	9	17	20	58
	35-44	0	3	4	2	3	12
	45-54	0	1	0	1	1	3
	Total	10	13	22	29	36	110

Source: Primary data

H0: There is no association between Age and respondent Opinions.

H1: There is an association between Age and respondent Opinions.

Table 5 demonstrates that the study's maximum of 58 responses were from the age 25-34 and 9 of them say the primary cause for employee attrition is lack of growth opportunities. Whereas the second maximum of 37 respondents of the study was from the age 18-24 and 9 of them say the primary cause for employee attrition is lack of growth opportunities.

Table 6 The Chi-Square Test For Marital Status And Attrition Cause

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.381 ^a	4	.496
Likelihood Ratio	3.598	4	.463
Linear-by-Linear Association	.484	1	.487
N of Valid Cases	110		

With chi-square values of 3.381 and a P value of 0.496 at a 5% level of significance, Table 6 shows that there is no connection among respondent opinions and marital status is regarded as the null hypothesis.

Table 7 RESPONDENTS' MARITAL STATUS AND ATTRITION CAUSE

		In your opinion, what is the primary cause of employee attrition in your organization					Total
		Organization Culture	Poor Management	Lack Of Growth Opportunities	Low Salary	Work- Life Balance	
What is Your Marital Status	Married	2	7	11	12	17	49
	Single	8	6	11	17	19	61
	Total	10	13	22	29	36	110
Source: Primary data							
H0: There is no association between Marital Status and respondent Opinions.H1: There is an association between Marital Status and respondent Opinions.							

Table 7 demonstrates that a maximum of 61 responses were single and 11 of them say the primary cause for employee attrition is lack of growth opportunities. Whereas 49 respondents of the study were married and 11 of them say the primary cause for employee attrition is lack of growth opportunities.

Table 8 THE CHI-SQUARE TEST FOR EMPLOYMENT STATUS AND ATTRITION CAUSE

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.787 ^a	4	.012
Likelihood Ratio	16.132	4	.003
Linear-by-Linear Association	.024	1	.876
N of Valid Cases	110		

Table 8 shows that the chi-square rejects the null hypothesis with values of 12.787 and the P value of 0.012 at a 5% level of significance, and thus it is inferred that there is an associations between respondent opinions and employment status.

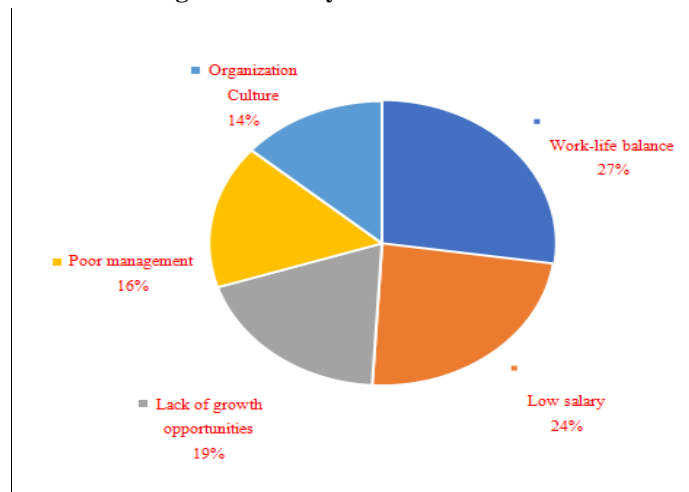
Table 9RESPONDENTS' EMPLOYMENT STATUS AND ATTRITION CAUSE

		In your opinion, what is the primary cause of employee attrition in your organization					Total
		Organization Culture	Poor Management	Lack Of Growth Opportunities	Low Salary	Work- Life Balance	
What is your employment status	Full Time	7	13	22	21	32	95
	Part-Time	3	0	0	8	4	15
	Total	10	13	22	29	36	110

Table 9 exhibits that Full-time employees are higher than Part-time employees in the study and in particular 32 full-time employees say that the primary cause for employee attrition is work-life balance.

a. **CORRELATION:**

Figure: Primary Cause for Attrition



From the above figure, it is clearly defined that most of the respondents say work-life balance is the primary cause of attrition.

Table 10 CORRELATION COEFFICIENT FOR WORK-LIFE BALANCE SATISFACTION LEVELAND FREQUENCY OF STRESS AT WORK

Correlations			
		How satisfied are you with your current work-life balance	How often do you feel stressed at work
How satisfied are you with your current work- life balance	Pearson Correlation	1	-.164
	Sig. (2-tailed)		.087
	N	110	110
How often do you feel stressed at work	Pearson Correlation	-.164	1
	Sig. (2-tailed)	.087	
	N	110	110

With a correlation coefficient of -0.164, Table 10 demonstrates a negative relationship between the frequency of workplace stress and the level of satisfaction with work-life balance. This implies that as workplace stress levels rise more frequently, people are less satisfied with their ability to combine work and personal obligations.

Table 11 CORRELATION COEFFICIENT FOR WORK-LIFE BALANCE SATISFACTION ANDFREQUENCY OF WORKING OVERTIME

Correlations

		How satisfied are you with your current work-life balance	How often do you have to work overtime
How satisfied are you	Pearson Correlation	1	-.272**

with your current work- life balance	Sig. (2-tailed)		.004
	N	110	110
How often do you have to work overtime	Pearson Correlation	-.272**	1
	Sig. (2-tailed)	.004	
	N	110	110

With a correlation coefficient of -0.272, Table 11 demonstrates a negative correlation between the frequency of working overtime and the level of work-life balance satisfaction. This implies that as the frequency of working overtime increases, the level of satisfaction with work-life balance decreases.

Table 12 CORRELATION COEFFICIENT FOR FREQUENCY OF STRESS AT WORK ANDSATISFACTION LEVEL WITH ORGANISATIONS SUPPORT TO MANAGE STRESS

Correlations			
		How often do you feel stressed at work	How satisfied with the support given by the organization to manage stress at work
How often do you feel stressed at work	Pearson Correlation	1	-.296**
	Sig. (2-tailed)		.002
	N	110	110
How satisfied with the support given by the organization to manage stress at work	Pearson Correlation	-.296**	1
	Sig. (2-tailed)	.002	
	N	110	110

Table 12 demonstrates that there is a negative association between the frequency of stress at work and the level of satisfaction with the organization's help to manage stress, with a correlation coefficient value of -0.296. This means that as the satisfaction level with the organization's support to manage stress increases, the frequency of stress at work decreases

Table 13 CORRELATION COEFFICIENT FOR SATISFACTION LEVEL WITH ORGANISATIONSSUPPORT TO MANAGE STRESS AND FREQUENCY OF WORKING OVERTIME

Correlations			
		How often do you have to work overtime	How satisfied with the support given by the organization to manage stress at work
How often do you have to work overtime	Pearson Correlation	1	-.228
	Sig. (2-tailed)		.017
	N	110	110
How satisfied with the support given by the organization to manage stress at work	Pearson Correlation	-.228*	1
	Sig. (2-tailed)	.017	
	N	110	110

Table 13 demonstrates that a correlation coefficient value of -0.228 denotes a negative link between the frequency of working and the degree of satisfaction with the organization's support to manage stress. This means that as the satisfaction level with the organization's support to manage stress increases, the frequency of working overtime decreases.

Table 14 CORRELATION COEFFICIENT FOR SATISFACTION LEVEL WITH ORGANISATION SUPPORT TO MANAGE STRESS AND WORK-LIFE BALANCE SATISFACTION LEVEL

Correlations			
		How satisfied with the support given by the organization to manage stress at work	How satisfied are you with your current work-life balance
How satisfied with the support given by the organization to manage stress at work	Pearson Correlation	1	.529**
	Sig. (2-tailed)		.000
	N	110	110
How satisfied are you with your current work-life balance	Pearson Correlation	.529**	1
	Sig. (2-tailed)	.000	
	N	110	110

Table 14 demonstrates that an indication of a significant positive connection is a correlation coefficient value of +0.529 between the satisfaction level with the organization's support to manage stress and the work-life balance satisfaction level. This means that as the satisfaction level with the organization's support to manage stress increases, the work-life balance satisfaction level also tends to increase.

Table 15: ANOVA FOR OVERALL EMPLOYMENT SATISFACTION BY DEMOGRAPHICS OF THE RESPONDENTS

Basis of distinctions	F	Significance	Result
Gender of the Respondents (Overall_Satisfaction by Gender)	0.747	0.389	Accept
Age of the Respondents (Overall_Satisfaction by Age)	0.053	0.984	Accept
Marital Status of the Respondents (Overall_Satisfaction by Marital Status)	0.001	0.972	Accept
Employment Status of the Respondents (Overall_Satisfaction by Employment Status)	0.419	0.519	Accept

- ☐ The significant value of 0.389 is discovered to be more than the accepted value of 0.05. Because of this, the null hypothesis is accepted and there is no relationship among respondent gender and overall satisfaction.
- ☐ The significant value of 0.984 is > 0.05. Because of this, the null hypothesis is accepted and there is no relationship among respondent age and overall satisfaction.
- ☐ The significant value of 0.972 is > 0.05. Because of this, the null hypothesis is accepted and there is no relationship among respondent's marital status and overall satisfaction.
- ☐ The significant value of 0.519 is > 0.05. Because of this, the null hypothesis is accepted and there is no relationship among respondent employment status and overall satisfaction.

8. SUGGESTIONS

- It is important to address the issue of work-life balance as it was found to be the primary cause of employee attrition. The organization can consider implementing policies that promote work-life balance and offer support to employees who are struggling in this area.
- The organization should also focus on providing growth opportunities for employees, as lack of growth

opportunities was identified as one of the causes of attrition.

- The need to reduce workplace stress is shown by the inverse relationship between work-related stress levels and satisfaction with work-life balance. The organization can consider implementing stress management programs and offering support to employees who are dealing with high levels of stress.
- The strong positive correlation between satisfaction with the organization's support to manage stress and satisfaction with work-life balance suggests that providing support to employees in managing their stress can have a positive impact on their overall satisfaction with work-life balance.
- The lack of significant differences in overall satisfaction based on gender, age, marital status, and employment status suggests that the organization should focus on addressing employee concerns and improving overall job satisfaction regardless of demographic factors.
- It may be useful to conduct further research to identify specific areas where the organization can improve to reduce employee attrition and improve job satisfaction.

9. CONCLUSION

The study investigated the primary causes of employee attrition and found that work-life balance, lack of growth opportunities, and stress are the main factors. The majority of respondents were male, aged between 25-34 years, full-time employees, and unmarried. The study revealed a negative correlation between stress levels at work and work-life balance satisfaction and a positive correlation between satisfaction with the organization's support to manage stress and work-life balance satisfaction. The respondent's demographics and overall satisfaction did not change significantly, according to the research.

For HR professionals looking to enhance work-life balance, offer career options, and control stress levels in order to lower employee attrition rates, the report offers insightful information. Organizations can improve their workforce morale and engagement by putting more of an emphasis on these areas.

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