

# CAUSES OF ATTRITION RATE IN IT/ITES INDUSTRY

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## ABSTRACT

Today attrition is one of the major problems faced by the HR managers of IT / ITES industry across the globe. According to a recent survey conducted by AIMA on CEOs and HR managers of different IT/ ITES organizations attrition (also known as employee turnover) is the second important issue related to HR department.

The impact of attrition has received considerable attention by senior management, HR professionals and Industrial Psychologists. It has proven to be one of the most costly and seemingly intractable human resource challenges confronting organization. In the best of world employees would love their jobs, like their co-workers, work hard for their employers, get paid well for their work, have ample chances for advancement and flexible schedules so that could attend to personal or family needs when necessary and never leave. But then their real world starts and in the real world, employee do leave, either because they want more money, hate working conditions, hate their co-workers, want a change, or because their spouse gets a dream job in another state. So what does that entire turnover cost? And what employees are likely to have the highest turnover? “Talented employees need great managers. They join a company because of its charismatic leaders and how long they are productive and stay it depend upon immediate supervisors.”

This article focuses on the causes of attrition in IT/ITES industry with special reference to Bangalore. The main purpose of this study is to find out the main causes which increase the employee turnover in IT/ITES companies and find out the way to control attrition. The study was carried out in IT/ITES companies in Bangalore. In this study opinion of 110 employees and 5 HR managers were taken for analysis. The tools used for collecting data were structured questionnaire and unstructured interview. For analysis purpose chi-square, Rank correlation and percentage method has been used. The results revealed that Career growth and compensation are the important causes for increasing employee turnover in companies; Employee, employer and supervisor all are responsible for increasing turnover. Employees intend to consider another job mostly in 1-3 years. High cost like training cost, recruitment cost, new hire cost, lost productivity cost, cost due to personal leaving associated with attrition. Economic status of the organizations is playing a major role in controlling the attrition. Exit interview can help to control the employee turnover.

**Key words:** Attrition, Employee Turnover, Economic Status, Exit Interview.

**INTRODUCTION:**

**ATTRITION AND ATTRITION RATE:** “A reduction in the number of employees through retirement, resignation or death” is said attrition and the rate of shrinkage in size or number is known as attrition rate.

**POSITION OF ATTRITION RATE IN IT/ITES IN DIFFERENT COUNTRIES:** The IT/ITES BPM sector in India stood at US\$177 billion in 2019 witnessing a growth of 6.1 per cent year-on-year and is estimated that the size of the industry will grow to US\$ 350 billion by 2025. India’s IT & ITES industry grew to US\$ 181 billion in 2018-19. Exports from the industry increased to US\$ 137 billion in FY19 while domestic revenues (including hardware) advanced to US\$ 44 billion. IT industry employees 4.1 million people as of FY19 Spending on information technology in India is expected to reach US\$ 90 billion in 2019. Revenue from digital segment is expected to comprise 38 per cent of the forecasted US\$ 350 billion industry revenue by 2020.

**SIZE OF INDIAN MARKET:** India is the seventh largest country in the world. The IT / ITES workforce is becoming increasingly diverse in terms of socio-economic, linguistic, multinational and regional backgrounds. The Direct employment in the IT services and BPO/ITES segment is expected to grow by about 4.0 % reaching and add around 1,05,000 employees during the year 2017-18 reaching a total of 3.96 million, which is a significant achievement for the sector. The details of direct employment by the sector for both, the Exports segment and domestic market segment, over the last five years are given below (in Millions).

**TABLE – 2: SIZE OF INDIAN MARKET**

Year/Segment	FY2014	FY2016	FY2017	FY2018
BPO	1.03	1.086	1.152	1.191
IT-service & experts	1.74	1.846	1.921	1.984
Domestic Market	0.745	0.758	0.790	0.793
Total Employed	3.485	3.690	3.863	3.968
Net Addition	0.218	0.203	0.173	0.105

Source: NASSCOM SR-2018, E: Estimated

In addition to being one of the largest job provider and creator in the organized industry segment, this sector also plays a key role in enabling higher levels of indirect employment in other verticals such as transportation, real estate and hospitality, Security services, and Housekeeping.

**COST ASSOCIATED WITH ATTRITION:** Employee’s attrition is a costly affair for all organizations. In today taxing business climate managing a company’s competent and skilled human capital is vital for success. It is estimated that employee attrition costs an organization 12 to 18 months salary for each employee leaving at a manager level, and 4 to 6 months pay for each employee at a basic management level. According to a study by Ipsos Reid, 30% of employees typically plan to change jobs in the next 2 years. Staff attrition (or turn over)

and absenteeism represent significant costs to most organizations. It is odd, therefore that many organizations neither measure such costs nor have targets or plans to reduce them.

While there are various costs associated with attrition, they are as follows:

Recruitment Costs ,Training Costs ,Lost Productivity Costs ,New Hire Costs ,Lost Sales Costs ,Opportunity cost, Intangible costs .

**KEY ATTRITION FACTORS:** Key attrition factors are Poor management, Merger & acquisition , Inability to use ones competencies ,Lack of role clarity ,Lack of challenge ,Boss and management style ,The Boss Is Always Right ,Me and Only Me ,Forever and for always ,In black and white ,All knowing ,No apologies ,Rigid attitude, Job stress ,Lack of learning opportunity ,Lack of excitement and innovation in the job, Compensation.

**ROOT OF ATTRITION:** Any method of controlling attrition or increasing retention should be based on a good understanding of factors leading to attrition. They may sometimes be very simple issues and could be revealed by an examination of statistical data. This data could answer some simple questions like: Where is the attrition occurring? Is it more in male than female?

Is there anything common among those who leave? Is it more among candidates from certain colleges or institutions?

## TYPES OF ATTRITION

- **INTERNAL:** internal means when employee in leaving the organization after joining the job, it can be the expiry of time period, due to personal reasons, resigned etc. This type of attrition called internal attrition.
- **EXTERNAL:** External attrition can be happen in the time of campus selection, where students are selected by organizations and when they receive the good offer comparison to last offer then they leave last offer and accept the new offer. This type of attrition called external attrition, where student leave organization before joining the organization.

## REVIEW OF LITERATURE

**Bharathi N & Paramashivaiah P (2018)** concluded that Communication flows in the company are the environmental Factors that require greatest attention for improvement. Coaching / mentoring by superiors. Employee empowerment (powers in decision-making) and Motivation Levels are the organizational culture and strategy variables that require most attention for improvement in the results of retention efforts made by organizations.

**Gupta, Vibha (2017)** emphasized that night shifts and weekend work results in dissatisfactory work-life balance which is a major driver of attrition.

**Thamizharasi, K and Uma Rani (2016)** conducted a study on work stress and job performance evaluation of employees in BPOs. It was observed that every employee is expected to work for long hours, perform multiple jobs, available for 24 hours in seven days. Such circumstances cause disenchantment, reduced job satisfaction among employees of which the final outcome is employee attrition.

**Thamizharasi, K and Uma Rani (2015)** also concluded female employees in BPOs suffer from higher stress as compared to their male colleagues. Specifically, women suffered higher stress due to late night shifts.

## OBJECTIVES OF THE STUDY

The following are the objectives of the study.

- To understand the reasons for attrition.
- To study the attrition rate in IT/ITES Industries.
- To identify the major problems of employees in the organization which lead to attrition.
- To understand the problems faced by the organization due to attrition.
- To study the steps taken by the organization to reduce attrition.
- To suggest ways and means to control attrition

**SCOPE OF THE STUDY:** Attrition rate continues to be a subject of interest and importance to human resource specialist. From last couple of years, attrition rate has received considerable attention in the literature from both researcher and practitioners alike. The purpose of this research is to find out the important factors which increasing attrition rate which can be rectified by the human resource manager of the different IT/ITES companies and will be able to retain employees.

**RESEARCH METHODOLOGY:** Business Research can be described as a systematic and organized effort to investigate a specific problem encountered in the work setting, which needs a solution. According to Clifford Woody, research comprises defining and redefining of problems. Formulating hypothesis or suggested solution, collecting, organizing and evaluating data; and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis.

**RESEARCH DESIGN:** A research design is the selection of methods for collection and analysis of data in a manner that aims to combine relevance to research purpose with economy in procedure. It constitutes the blue print for the collection, measurements and analyze of data. The research design for this study is Exploratory Research. Exploratory Research studies are also termed as formulate research studies. This research is undertaken with an idea to assess the “causes of attrition and remedies”. The main aim of such a design is to ensure that the required data are collected objectively, accurately and economically.

## DATA COLLECTION

- **PRIMARY DATA:** Data regarding the topic “causes of attrition and remedies” is collected directly by interacting with employees of IT/ITES organizations by structured questionnaire and interview method.
- **SECONDARY DATA:** The secondary data was collected from the existing data, company records, internet and World Wide Web.

## RESEARCH TOOLS

- **QUESTIONNAIRE:** Questionnaire used in this study is direct and structured one. The types of question asked in this questionnaire are closed ended, multiple choice and open ended. To test the validity and veracity of the structure of questionnaire and to find out whether the purpose would be fulfilled, a pilot study has been conducted where a sample of 20 questions were collected to find employees opinion on the causes of attrition in a company. The main objective of using these techniques was to understand the current process of company and whether the employees were satisfied.
- **INTERVIEW:** Interaction with the HR department managers of different organization took place.

**SAMPLE SIZE:** The scope of the study was limited to employees and HR managers of different companies. The number of respondent in this category was **110**.

**STASTICAL TOOLS USED IN STUDY:** Here Chi square test, Karl Pearson Rank correlation and percentage method is used for analysis and interpretations of the collected data.

### Chi-Square test ( $\chi^2$ ):

The degrees of influence of the following independent variables related to the respondents on attrition are

- Age
- Sex
- Marital status
- Experience
- Native Place

In order to identify the factors of television ads influencing the respondents, chi square ( $\chi^2$ ) test was used and

$$\chi^2 = \frac{\sum (O - E)^2}{E}$$

With degree of freedom (DF) = (c-1) (r-1)

Where,

O = observed frequency

E = Expected frequency  
 c = Number of columns  
 r = Number of rows.

$$1 - \frac{6 \sum d_i^2}{n(n^2 - 1)}$$

Karl Pearson Test (Rank Co- relation): Formula :

TABLE – 3: HYPOTHESES OF THE STUDY

SL.NO.	FACTORS	HYPOTHESES (H <sub>0</sub> )
1.	AGE	There is <b>no significant difference</b> between age and causes of attrition.
2.	GENDER	There is <b>no significant difference</b> between gender and causes of attrition.
3.	MARITAL STATUS	There is <b>no significant difference</b> between marital status and causes of attrition.
4.	NATIVE PLACE	There is <b>no significant difference</b> between native place and causes of attrition.
5.	EXPERIENCE	There is <b>no significant difference</b> between experience and causes of attrition.

TABLE – 4: AGE AND IMPACT ON ATTRITION (One Way Table)

SL. NO	Age	No. of Respondents	Percentage	Average	Range	
					Min	Max
1.	<b>20-25</b>	35	31.82	42.23	28	56
2.	<b>26-30</b>	46	41.82	44.13	29	56
3	<b>31 &amp; Above</b>	29	26.36	44.76	29	54
<b>Total</b>		110	100			

It could be observed from the above table that the maximum number of respondents fall under the 26-30 category and their impact on attrition ranged between 29 and 56 with an average of 44.13. The impact on attrition 20-25aged respondents ranged between 28 and 56 with an average of 42.23. On the other hand, the impact on attrition among 31 & above ranged between 29 and 54 with an average of 44.76. With a view to find the degree of association between age of the respondents and impact on attrition, a two-way table was prepared and illustrated.

**TABLE – 5: AGE AND IMPACT ON ATTRITION (Two Way Table)**

S. No	Age (In years)	Score			Total
		Low	Medium	High	
1	20-25	8 (40)	19 (31.14)	8 (27.59)	35
2	26-30	7 (35)	30 (49.18)	9 (31.03)	46
3	31 & Above	5 (25)	12 (19.67)	12 (41.38)	29
Total		20	61	29	110

It is found from the above Table that the percentage of high level of impact on attrition was the highest (41.38) among the respondents of 31 & above category and the same was the lowest (27.59) among the respondents of 20-25 categories. The percentage of medium level of impact on attrition was the highest (49.18) among the respondents of 26-30 categories and the same was the lowest (19.67) among the respondents of 31 & above group. On the other hand, the percentage of the low level of impact on attrition was the highest (40) among the respondents of 20-25 categories and the same was the lowest (25) among the respondents of 31 & above category. In order to find the relationship between the age of the respondents and the impact on attrition, a chi-square test was used and the result of the test is shown in the underneath table.

**TABLE – 6: AGE AND IMPACT ON ATTRITION (CHI – SQUARE ( $\chi^2$ ) TEST)**

Factor	Calculated $\chi^2$ value	Table value	Degree of Freedom	Remarks
Age	9.4267	7.78	4	Significant (at 1% level)

It is noted from the above Table that the calculated chi-square ( $\chi^2$ ) value is more than the table value and the result is significant at 1% level. Hence, the hypothesis “Age of the respondents and the impact on attrition” are associated holds good. From the analysis it is inferred that there is a close relationship between the age of the respondents and the impact on attrition.

**TABLE – 7: GENDER AND IMPACT ON ATTRITION (One Way Table)**

Sl. No	Gender	No. of Respondent	Percentage	Average	Range	
					Min	Max
1	Male	61	55.45	39.62	28	54
2.	Female	49	44.55	43.94	29	56
Total		110	100			

It is identified from the above Table that the level of impact on attrition among the male respondents ranged between 28 and 54 with an average of 39.62. The impact on attrition among the female respondents ranged between 29 and 56 with an average of 43.94. With a view to find the degree of association between gender of the respondents and the impact on attrition, a two-way table was prepared and shown below.

**TABLE – 8: GENDER AND IMPACT ON ATTRITION (Two Way Table)**

Sl. No	Gender	Score			Total
		Low	Medium	High	
1	Male	11 (55)	34 (55.74)	16 (55.17)	61
2	Female	9 (45)	27 (44.26)	13 (44.83)	49
Total		20	61	29	110

It is found from the above Table that the percentage of high level of impact on attrition was the highest (55.17) among male respondents and the same was the lowest (44.83) among the female respondents. The percentage of medium level of impact on attrition was the highest (55.74) among the male respondents and the same was the lowest (44.26) among the female respondents. On the other hand, the percentage of low level of impact on attrition was the highest (55) among the male respondents and the same was the lowest (45) among the female respondents. In order to find the relationship between the gender of the respondents and impact on attrition, a chi-square test was used and the result is shown in the following table.

**TABLE – 9: GENDER AND IMPACT ON ATTRITION (CHI - SQUARE TEST)**

Factor	Calculated $\chi^2$ value	Table value	Degree of Freedom	Remarks
Gender	4.7856	4.61	2	Significant (at 1% level)

It is noted from the above Table that the calculated chi-square value is more than the table value and the result is significant at 1% level. Hence, the hypothesis “Gender of the respondents and impact on attrition” are associated does hold good. From the analysis, it is concluded that there is a close relationship between gender and impact on attrition.

**TABLE – 10: MARITAL STATUS & IMPACT ON ATTRITION (One Way Table)**



Sl. No	Marital Status	No. of Respondent	Percentage	Average	Range	
					Min	Max
1	Married	52	47.27	42.40	29	54
2.	Unmarried	58	52.73	44.49	28	56
<b>Total</b>		110	100			

It is found from the above Table that the impact on attrition among the married respondents ranged between 29 and 54 with an average of 42.4 and the impact on attrition among the unmarried respondents ranged between 28 and 56 with an average of 44.79. It can be concluded from the above table the impact on attrition is more among the unmarried respondents. With a view to find the degree of association between marital status and impact on attrition, a two-way table was prepared and is illustrated below.

**TABLE – 11: MARITAL STATUS & IMPACT ON ATTRITION (Two Way Table)**

Sl. No	Marital Status	Score			Total
		Low	Medium	High	
1	Married	14 (70)	24 (39.34)	14 (48.27)	52
2	Unmarried	6 (30)	37 (60.66)	15 (51.73)	58
Total		20	61	29	110

It is found from the above Table that the percentage of high level of impact on attrition was the highest (51.73) among unmarried respondents and the same was the lowest (48.27) among the married respondents. The percentage of medium level of impact on attrition was the highest (60.66) among the unmarried respondents and the same was the lowest (39.34) among the married respondents. On the other hand, the percentage of low level of impact on attrition was the highest (70) among the married respondents and the same was the lowest (30) among the unmarried respondents. In order to find the relationship between the marital status of the respondents and the impact on attrition, a chi-square test was used and the result of the test is shown in the following table.

**TABLE – 12: MARITAL STATUS & IMPACT ON ATTRITION**

**(CHI - SQUARE TEST)**

Factor	Calculated $\chi^2$ value	Table value	Degree of Freedom	Remarks
Marital Status	5.694	4.61	2	Significant (at 1% level)

It is noted from the above Table that the calculated chi-square ( $\chi^2$ ) value is greater than the table value and the result is significant at 1% level. Hence, the hypothesis “marital status of the respondents and the impact on attrition” are associated holds good. From the analysis it is inferred that there is a close relationship between the marital status of the respondents and the impact on attrition.

**TABLE – 13: NATIVE PLACE & IMPACT ON ATTRITION (One Way Table)**

Sl. No	Native Place	No. of Respondent	Percentage	Average	Range	
					Min	Max
1	<b>Local</b>	57	51.81	43.77	28	54
2.	<b>Other</b>	53	48.19	44.13	29	56
<b>Total</b>		110	100			

It is found from the above Table that the impact on attrition among the local respondents ranged between 28 and 54 with an average of 43.77 and the impact on attrition among the other state respondents ranged between 29 and 56 with an average of 44.13. It can be concluded from the above table the impact on attrition is more among the other state respondents. With a view to find the degree of association between native place and impact on attrition, a two-way table was prepared and is illustrated below.

**TABLE – 14: NATIVE PLACE AND IMPACT ON ATTRITION (Two Way Table)**

Sl.No	Native Place	Score			Total
		Low	Medium	High	
1	<b>Local</b>	10 (50)	31 (50.81)	16 (55.17)	<b>57</b>
2	<b>Other</b>	10 (50)	30 (49.19)	13 (44.83)	<b>53</b>
Total		<b>20</b>	<b>61</b>	<b>29</b>	<b>110</b>

It is found from the above Table that the percentage of high level of impact on attrition was the highest (55.17) among local place respondents and the same was the lowest (44.83) among the other states respondents. The percentage of medium level of impact on attrition was the highest (50.81) among the local place respondents and the same was the lowest (49.19) among other states respondents. On the other hand, the percentage of low level of impact on attrition was equal) among the local place and other states respondents. In order to find the relationship between the native place of the respondents and the impact on attrition, a chi-square test was used and the result of the test is shown in the following table.

**TABLE – 15: NATIVE PLACE & IMPACT ON ATTRITION****(CHI - SQUARE TEST)**

Factor	Calculated $\chi^2$ value	Table value	Degree of Freedom	Remarks
Native Place	0.1815	4.61	2	Significant (at 1% level)

It is noted from the above Table that the calculated chi-square value is less than the table value and the result is significant at 1% level. Hence, the hypothesis “Native place of the respondents and impact on attrition” are associated does not hold well. From the analysis, it is concluded that there is a no relationship between native place and impact on attrition.

**TABLE – 16: EXPERIENCE AND IMPACT ON ATTRITION (One Way Table)**

SL. NO	Experience (Year)	No. of Respondent	Percentage	Average	Range	
					Min	Max
1.	<b>0-1</b>	46	41.82	43.78	28	56
2.	<b>1-2</b>	35	31.82	44.03	29	54
3	<b>3 &amp; above</b>	29	26.36	44.65	29	56
<b>Total</b>		110	100			

It could be observed from the above Table that the maximum number of respondents fall under the 26-30 category and their impact on attrition ranged between 29 and 56 with an average of 44.13. The impact on attrition 20-25aged respondents ranged between 28 and 56 with an average of 42.23. On the other hand, the impact on attrition among 31 & above ranged between 29 and 54 with an average of 44.76. With a view to find the degree of association between age of the respondents and impact on attrition, a two-way table was prepared and illustrated.

**TABLE – 17: EXPERIENCE AND IMPACT ON ATTRITION (Two Way Table)**

Sl.No	Experience (Year)	Score			Total
		Low	Medium	High	
1	<b>0-1</b>	7 (35)	31 (50.81)	8 (27.59)	<b>46</b>
2	<b>1-2</b>	7 (35)	16 (26.23)	12 (41.38)	<b>35</b>
3	<b>3 &amp; above</b>	6 (30)	14 (22.96)	9 (31.03)	<b>29</b>
<b>Total</b>		<b>20</b>	<b>61</b>	<b>29</b>	<b>110</b>

It is found from the above Table that the percentage of high level of impact on attrition was the highest (41.38) among the respondents of 1-2 years experience category and the same was the lowest (27.59) among the respondents of 0-1 year categories. The percentage of medium level of impact on attrition was the highest (50.81) among the respondents of 0-1 year categories and the same was the lowest (22.96) among the respondents of 3 & above years. On the other hand, the percentage of the low level of impact on attrition was the highest (35) among the respondents of 0-1 and 1-2 years experience categories and the same was the lowest (30) among the respondents of 3 & above year's category. In order to find the relationship between the experience of the respondents and the impact on attrition, a chi-square test was used and the result of the test is shown in the following table.

**TABLE-18: EXPERIENCE & IMPACT ON ATTRITION  
(CHI-SQUARE TEST)**

Factor	Calculated $\chi^2$ value	Table value	Degree of Freedom	Remarks
Experience	4.914	7.78	4	Significant (at 1% level)

It is noted from the above Table that the calculated chi-square value is less than the table value and the result is significant at 1% level. Hence, the hypothesis "Experience of the respondents and impact on attrition" are associated does not hold good. From the analysis, it is concluded that there is a no close relationship between experience and impact on attrition.

**TABLE - 19**

**OVERALL OPINION ON THE CAUSES OF ATTRITION IN IT/ITES COMPANIES**

SL. NO.	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Career growth	93	17	0	0	0
2	Compensation	30	80	0	0	0
3	Work Environment	12	23	75	0	0
4	Supervision	29	72	9	0	0
5	Company Policy	0	43	67	0	0
6	Work Pressure	22	32	56	0	0
7	No Challenging tasks	0	0	71	27	12
8	Job Dissatisfaction	0	64	29	17	0
9	Lack of role clarity	0	0	43	67	0

10	Lack of Training programs	0	0	21	71	18
11	Subordinates	0	61	33	16	0
12	Infrastructure	0	0	41	49	20
13	Lack of Resources	0	0	16	69	25
14	Marriage	0	15	27	14	54

TABLE – 20

S.NO	CAUSES	EMPLOYEES	HR MANAGERS	d = R <sub>1</sub> – R <sub>2</sub>	d <sup>2</sup>	
		RANK (R <sub>1</sub> )	RANK (R <sub>2</sub> )			
1.	Behavior of supervisors & subordinates	3	3	0	0	
2.	Lack of Career growth opportunity	2	1	1	1	
3.	Biased treatment	4	4	0	0	
4.	Future of the organization is Uncertain	5	5	0	0	
5.	Poor compensation	1	2	- 1	1	
TOTAL						2

### RANKING OF THE CAUSES OF ATTRITION IN IT/ITES COMPANIES

FORMULA:  $R = 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)}$

SOLUTION: R = .90 There are 90% relationships between HR managers and employees opinion regarding attrition

TABLE – 21: CUMULATIVE RESULTS (CHI SQUARE ANALYSIS)

SL.N O	FACTORS	HYPOTHESIS (H <sub>0</sub> )	RESULTS
1.	AGE	There is <b>no significant difference</b> between age and causes of attrition.	Hence H <sub>0</sub> is rejected; there is <b>difference</b> between age and causes of attrition.
2.	GENDER	There is <b>no significant difference</b> between gender and causes of attrition.	Hence H <sub>0</sub> is rejected; there is <b>difference</b> between gender and causes of attrition
3.	MARITAL STATUS	There is <b>no significant difference</b> between marital status and causes of attrition.	Hence H <sub>0</sub> is rejected; there is <b>difference</b> between marital status and causes of attrition
4.	NATIVE PLACE	There is <b>no significant difference</b> between native place and causes of attrition.	Hence H <sub>0</sub> is accepted; there is <b>no significant difference</b> between native place and causes of attrition.
5.	EXPERIENCE	There is <b>no significant difference</b> between experience and causes of attrition.	Hence H <sub>0</sub> is accepted; there is <b>no significant difference</b> between experience and causes of attrition.

### CONCLUSION

The key organizational (HR) issue being faced today by all the companies is attrition, which prevails in the IT/ITES Industry today. The following facts are identified as findings of the study. In general there are four major reasons for attrition in organizations, they are Business related factors, System related factors, Supervisor related factors, and Individual personal related factors. The highest percentage of attrition is in voice based processing of the industries. Career growth, compensation and supervision are the most important reasons which contribute to attrition. Due to monotonous nature of job, employees like to change their job frequently and the average period is in two years. Conditions of attrition vary from small to big companies. Employee, employer and supervisor all are responsible for increasing turnover and Employees intend to consider another job mostly in 1-3 years. High cost like training cost, recruitment cost, new hire cost, lost productivity cost, cost due to personal leaving associated with attrition. Economic status of the organizations is playing a major role in controlling the attrition.

Here all companies felt that exit interview is the best way to control or maintain attrition rate in companies. Marketing departments of organizations speak on customer relationship management and their importance for the same. No organization can survive without giving importance to its employees. They are the

first customers and their requirement should be identified and fulfilled. Like CRM, Employee Relationship Management (ERM) is the mantra an organization should follow to retain their employees. Fulfilling the reasonable expectations of employees should be a continuous process.

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