



# A STUDY ON EMPLOYEE TURNOVER AND RETENTION IN CLOUDLOGIC TECHNOLOGY PONDICHERRY

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## ABSTRACT:

*Employee turnover is a serious issue which is prevailing and it is the scaling down of employees in the organization. This may be voluntary and it occurs because of resignation, retirement, or death of an employee. The employees try to leave the organization due to many reasons like he is attracted towards higher package, increasing the status of their positions in some other company or he may want to change his profession and start a new business and there is a lot of career growth opportunities incorporated. This situation is mostly common among the young professionals who are under the training session and they try to compare with the other organizations and easily jump to it within a one-year span. This paper aims to explain why Indian IT sector like cloud logic technology is facing employee turnover and some of the retention strategies to avoid or reduce the turnover rate.*

**Keywords: Employee Turnover, IT industry, Retention Strategies.**

## INTRODUCTION:

Employee turnover is defined as when an employee voluntarily leaves the organization by handing over his resignation or he may leave the organization because of his retirement or an unusual occurrence of his death probably. The rate of shrinkage of number of employees in an organization is known as turnover. The causes of employee turnover in Indian IT sector may be either voluntary or involuntary.

Retaining employees is a critical and ongoing effort. One of the biggest challenges every organization is facing in retaining skilled and highly experienced employees and it always stick with the manager's responsibilities.

Retention is defined as the process by which a company ensures that its employees don't quit their jobs. Every company and industry has a varying retention rate, which indicates the percentage of employees who remained with the organization during a fixed period.

The ultimate aim of Employee Retention is to make both the stakeholders, i.e., employees and employer happier. It facilitates loyal employees sticking to the company for a longer duration, which in turn will benefit both the stakeholders.

### CAUSES OF EMPLOYEE TUROVER:

**No innovation:** Meaningful work is a necessary condition for job satisfaction. Many employees long to contribute to society, solve complex problems, and affect change. Generating new ideas and ushering in the future is an enticing prospect. When companies fail to innovate and evolve, bright employees feel stagnated. Top talent may leave organizations for the chance to engineer a new product, found a company, or launch a service.

**Being overworked:** If you are paying your employee decent salaries, then people should be ready to work hard for that money. However, the moments where staff turnover is highest are often tied to employee burnout.

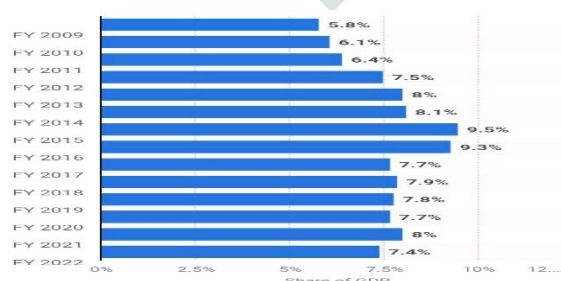
### RETENTION STRATEGIES:

**Increase Positive Feedback:** Employees need feedback to develop and perform their best job – both positive and negative criticism. Positive feedback should often be offered to employees to stimulate them and give them the determination they need to achieve their best job.

**Give Your Employees A Chance to Advance:** Most companies do not give their staff opportunities for further education or training. Lack of advancement opportunities can cause employees to become dissatisfied with their work and less likely to stay in their positions.

### ORIGIN OF IT INDUSTRY:

The IT industry originated in India in 1947, when the mainframe manufacturer, Burroughs, asked its India sales agent, Tata consultancy services (TCS), to export programmers for installing system software for a U.S client. IT industry originated under unfavorable conditions in India. The private sector and MNCs in Indian market has shown tremendous growth in last previous years, ample of job opportunities is available now so the employees quit the job easily. The IT industry accounted for 7.4% of India's GDP in FY22, and it is expected to contribute 10% to India's GDP by 2025.



## GROWTH OF EMPLOYEE TURNOVER & RETENTION IN INDIA'S IT INDUSTRY:

Tata Consultancy Services (TCS), Infosys, and Wipro - the top three IT behemoths in India - raised their net hirings to over 50,000 in the first quarter of the financial year 2022-23 as a result of high attrition, as per their financial results. The Indian IT sector has been dealing with an all-time high attrition rate – averaging around 25 percent. The Indian IT services industry has been badly affected by high rate of attrition, which started to climb steadily since the quarter ended June 2021 (Q1 FY22) with a total of 4.89 lakh employees leaving the top eight companies, including Tata Consultancy Services, Cognizant, Infosys and Wipro, in the last five quarters.

### IMPACT OF EMPLOYEE TURNOVER:

- A high employee turnover indicates failure on the company and the company's internal strength and weakness gets highlighted.
- High turnover brings decreased productivity and people leaving cause others to work harder.

### IMPACT OF RETENTION:

- If the policies and procedures are in a clear and structured form there is lot of possibility to retain employees due to job satisfaction and thereby their performances are better.
- Through the concept of decentralization, the employees will be in a position to take decisions in the affairs of the company and this will reflect in achievement of the organization as well as individuals goals.

### REVIEW OF LITERATURE:

**Tripathi & Srivastava, (2020):** IT workers who are less satisfied with their jobs are more likely to voluntarily leave their organizations. The relationship between job satisfaction and turnover intention may be explicated from the perspective of Mobley's.

**Kamalaveni & Vetrivel (2019):** Retaining helps human resource planning by anticipating the gap between future workforce demand and supply based on the organization's goals.

**Kossivi, B., Xu, M. and Kalgora, B. (2016):** This research closely looked at the following broad factors: development opportunities, compensation, work-life balance, management/leadership, work environment, social support, autonomy, training and development. emphasize on.

**Christeen (2015):** He identified eight retention factors: management, conducive environment, social support and development opportunities, autonomy, compensation, crafted workload, and work life balance. In his opinion, the “crafted-sculpted workload” falls under management and leadership because it is the responsibility of management to allocate work according to the abilities of the job holder and he identified it as a determining factor.

**Ms. S. Janani (2014):** According to her study, she identified push factor and pull factor that affect employee turnover intentions. Push factors include benefits and facilities, size of organization, location of organization, nature and kind of organization, communication system in organization and pull factors are high salary, career advancement, new challenges and interesting job.

### OBJECTIVE OF STUDY:

#### Primary Objective:

To study on Employee turnover and retention in cloud logic technology.

**Secondary Objective:**

- To analyze the factors that leads to employee intention to leave the organization. To identify factors that build employees engagement or commitment.
- To study the retention strategies followed in cloud logic technology. To measure the challenges faced by the organization to retain employees.

**RESEARCH DESIGN:**

The Research design undertaken for the study is Descriptive one. This involves observing and describing the behavior of a given population.

**ANALYTICAL TOOLS:****• CORRELATION:**

In general, a correlation study is a quantitative method of research in which you have 2 or more quantitative variables from the same group of participants, & you are trying to determine if there is a relationship (or co variation) between the 2 variables.

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

**• CHI-SQUARE TEST:**

A statistical method assessing the goodness of fit between a set of observed values and those expected theoretically.

$$\chi^2 = \frac{\sum (O_i - E_i)^2}{E_i}$$

**• ANOVA TEST:**

Analysis of variance is a group of statistical model to test the means of various groups is equal.

**FOR EMPLOYEE TURNOVER:****Null hypothesis (H<sub>0</sub>):**

There is no significant association between organizational instability and quitting job behavior.

**Alternate hypothesis (H<sub>1</sub>):**

There is a significant association between organizational instability and quitting job behavior.

**TABLE: Association between Organizational Instability and Quitting Job****Chi-square Test:**

	Value	df	Asymp. Sig. (2-sided)
<b>Pearson Chi-Square</b>	<b>32.903a</b>	<b>12</b>	<b>.001</b>
<b>Likelihood Ratio</b>	<b>33.054</b>	<b>12</b>	<b>.001</b>
<b>Linear-by-Linear Association</b>	<b>4.966</b>	<b>1</b>	<b>.026</b>
<b>N of Valid Cases</b>	<b>120</b>		

13 cells (65.0%) have expected count less than 5. The minimum expected count is .27

**INTERPRETATION:** Since the P value obtained lies within the significant level the alternate hypothesis is accepted and hence there is a significant association between organizational instability and quitting job behavior.

**FOR EMPLOYEE RETENTION:****Null hypothesis (Ho):**

There is no significant association between challenging job and work life balance.

**Alternate hypothesis (H1):**

There is a significant association between challenging job and work life balance.

**TABLE: Association between Challenging job and Work Life Balance****Chi-square test**

	Value	Df	Asymp. Sig. (2 sided)
<b>Pearson Chi-Square</b>	<b>45.709a</b>	<b>16</b>	<b>.000</b>
<b>Likelihood Ratio</b>	<b>46.217</b>	<b>16</b>	<b>.000</b>
<b>Linear-by-Linear Association</b>	<b>9.320</b>	<b>1</b>	<b>.002</b>
<b>N of Valid Cases</b>	<b>120</b>		

17 cells (68.0%) have expected count less than 5. The minimum expected count is .30.

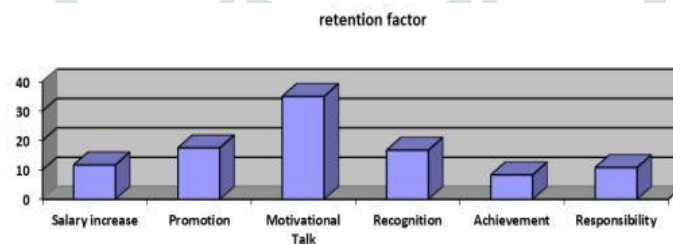
**INTERPRETATION:**

Since the P value obtained lies within the significant level the alternate hypothesis is accepted and hence there is a significant association between challenging job and work life balance.

**DATA ANALYSIS AND INTERPRETATION:****TABLE: RETENTION FACTOR**

S. No	RETENTION FACTORS	NUMBER OF RESPONDENTS	PERCENTAGE
1	Salary increase	14	11.7
2	Promotion	21	17.5
3	Motivational Talk	42	35
4	Recognition	20	16.7
5	Achievement	10	8.3
6	Responsibility	13	10.8
	Total	120	100

Source: Primary Data

**CHART: RETENTION FACTOR****INTERPRETATION:**

The above table shows that 11.7% of respondents retain for increase in salary, 17.5% of employees for promotion, 35% for motivational talk, 16.7% of employees for recognition, 8.3% of employees for achievement and 10.8% of employees retain for their responsibility.

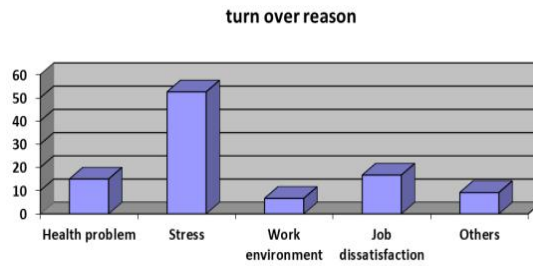
**TABLE: TURNOVER REASON**

S. No	TURNOVER REASON	NUMBER OF RESPONDENTS	PERCENTAGE
1	Health problem	18	15
2	Stress	63	52.5
3	Work environment	8	6.7
4	Job dissatisfaction	20	16.7
5	Others	11	9.2
	Total	120	100

Source: Primary Data



**CHART: TURNOVER REASON**



**INTERPRETATION:**

The above table shows that 15% of respondents turnover for health problem, 52.5% of employees for stress, 6.7% for work environment, 16.7% of employees for job dissatisfaction, 9.2% of employees specified for family oriented issues.

**TABLE: NEW JOB PREFERENCE**

S.No	EXPERIENCE IN YEARS	NUMBER OF RESPONDENTS	PERCENTAGE
1	Career Plan	40	33.3
2	Improvement in Position	61	50.8
3	Location	11	9.2
4	No improvement in Position (Increase in benefits)	8	6.7
	Total	120	100

**Source:** Primary Data

**CHART: NEW JOB PREFERENCE**



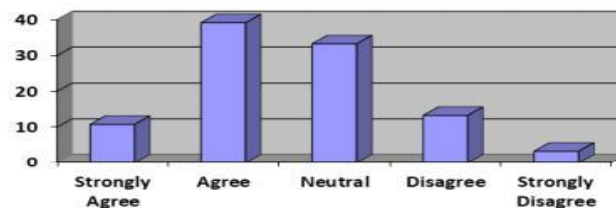
**INTERPRETATION:**

The above table shows that 33.3% of respondents prefer career plan, 50.8% of employees for improvement in position, 9.2% for location, 6.7% of employees prefer for no improvement in position (increase in benefits).

**TABLE: QUITTING JOB BEHAVIOR**

S.NO	LEVEL OF AGREEMENT	NUMBER OF RESPONDENTS	PERCENTAGE
1	Strongly Agree	13	10.8
2	Agree	47	39.2
3	Neutral	40	33.3
4	Disagree	16	13.3
5	5 Strongly Disagree	4	3.3
	Total	120	100

**Source:** Primary Data

**CHART: QUITTING JOB****INTERPRETATION:**

The above table shows that 10.8% and 39.2% of employees strongly agree and agree that they often think about quitting job, 13.3% and 3.3% of employees disagree and strongly disagree that they never think about quitting and 33.3% of employees remain neutral

**FINDINGS:**

- It is observed that majority 35% of employees retain for motivational talk by superiors.
- It is observed that majority 52.5% of employee's turnover due to stress.
- The study reveals that majority 50% of the respondents agree that they think about quitting their job.
- It is observed that majority 50.8% of employees will prefer improvement in position.
- Majority 64.16% of the respondents are not frustrated to do monotonous work.

**SUGGESTION:**

- Select the right employee in the first place through competency mapping.
- Offer an attractive, competitive, benefits package with components like insurance, flexible hours.
- Provide opportunities for people to share their knowledge on the job through Training sessions, presentations, mentoring others and team assignments.



**CONCLUSION:**

An organization faces day to day challenges in many activities, one of which really impact is reducing turnover and retaining potential employees within the organization. They think that increase in salary will help to overcome this difficulty, but there are many factors which are motivating them for satisfaction. This study shows that employee retention in the age group 26-30 years is one of the biggest challenges by providing job security. All the above mentioned factors will have a greater impact in reducing turnover and retaining them. Moreover, exit interviews should be done by the organization to obtain the employees feedback which can be implemented in company policy to bring about a change in Cloud Logic Technology.

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