

# Predictive Analysis in Employee Retention

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## Introduction

Ever since liberalization and globalization in India there has been a significant impact on human resource management. Companies across the globe are using strategic tools to meet their competitors. Changing workforce, downsizing, corporate restructuring, globalization has made organizations pool large number of qualified manpower in making India an outsourcing hub globally. Today's model of HR is based on a lot of factors as depicted below

Success Factors	Flexibility, Agility, Speed
Organizational Style	Empowered, Learning, Vibrant
Employees	Fully evolved, completely satisfied, matured human beings
Motivational methods	People drive themselves
Role of HR	As a change agent, As a innovator, As a strategic partner

*Source : Dr Seema Sanghi, editorial in Ahhigyan*

High attrition rates are causing a serious concern relating to retention of talent in the long run for IT companies hence the industry has revolutionized performance and compensation management. Considerable investment is necessary in training and building a strong workforce within the organization. A lot of IT companies such as Infosys, Wipro, Satyam and TCS have adapted team building, interpersonal skills, sensitivity training, in-house programs, e-learning and outsourcing.

**According to Business today and the Economic times** – Infosys follows the below mentioned HR practices to retain its workforce

- The company refers to the workforce as “Our People”
- Infosys has created 1773 rupee millionaires and 213 dollars millionaires through stock options

- The company has a Dominos outlet, a Coffee Day Bar, a Kathi-roll Joint, a MTR outlet, a 500-sqft gymnasium with sauna, a 5000sq.ft swimming pool, a conquered aerobics room, Asia's largest video wall, a miniature golfing green and a full-fledged medical center.
- The company works towards identifying top 15% of its employees.

*Source: Business today and Economic times*

## **Review of literature**

Kulshreshtha and Kumar (2005), Stated that the employers are realizing that there are many variables that determine an employee's stay at a company. They are not motivated by hygiene factors like salaries alone but they look for other softer rewards like a challenging job, clarity of work, catering to training needs. In their work they found that employees who perform better and are intelligent enough to have more external employment opportunities are available compared to average or poor performance employees and thus they are likely to leave

According Pettman (1975), it was stated that if timely and proper measures are taken by the organizations so of the voluntary turnover in the organization can be prevented.

Green and Mc Intosh (2002)2 "IS THERE A GENUINE UNDER-UTILISATION OF SKILL AMONGST THE OVER QUALIFIED?" Found that the less than me half of people identified in the 2001 skill survey as over qualified for the jobs were also over-skilled. They also found that education –job mismatches do not correspond closely with skill –job mismatches

**Key words:** Corporate Restructuring, downsizing, success factors – agility, strategic partner, revolutionized performance

## **Objectives of the Study**

1. To Study the impact of motivational factors on employee retention
2. To study the effect of environment factors on employee retention
3. To evaluate the impact of age on the level of employee satisfaction.

## **Limitations of the Study**

1. The study is restricted to only selected software companies
2. Lack of cooperation by some employees and time taken to answer the questionnaire was a limiting factor
3. Lack of knowledge of employees on various issues was also a limitation

### Methodology

The data was collected by means of a Google form questionnaire which contained profile of the employees, demographic factors, as well as questions relating to motivational factors work environment and job satisfaction. A Survey of 50 employees was taken through simple random sample method. The data collected is analyzed by using statistical package for social sciences (SPSS). One way Anova was followed to evaluate the study.

### Motivation Factors

a) To Study the impact of motivational factors on the retention of employees in the organization  
Anova: Single Factor

#### SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Salary Structure in the organization	65	180	2.76923077	0.961538462
Performance Appraisal within the company	65	185	2.84615385	0.788461538
Approachability of Superior is easy	65	174	2.67692308	0.722115385
Scope for growth and development	65	181	2.78461538	0.890384615
Teamwork and coordination	65	178	2.73846154	0.821153846

#### ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	1.00307692	4	0.25076923	0.299701218	0.87804968	2.399864555
Within Groups	267.753846	320	0.83673077			
Total	268.756923	324				

**Null Hypothesis(ho)** =there is no significant difference in the impact of motivational factors on employee retention

**Alternate Hypothesis(ha)** =there is a significant difference in the impact of motivational factors on employee retention

## INTERPRETATION

The Calculated Value (CV) is 0.299701218, the Table Value(TV) is 0.05 (standardised alpha level). Since Calculated Value is greater than Table value (CV> TV) we have evidence to reject the null hypothesis and accept the alternate hypothesis. Hence it is proved that there is a significant impact of Motivational factors like Salary, Performance appraisal, Approachability of superior Teamwork on employee retention. Good Motivation is evidenced by voluntary performance with regulations and orders and willingness to cooperate with others in the accomplishment of organizational objectives.

### Work Environment

b) To study the influence of work environment on the retention of employees

#### Anova: Single Factor

##### SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Cleanliness/Hygiene maintained in the organization is good	65	195	3	0.71875
Employees are treated with Respect	65	189	2.907692308	0.741346154
Transport/Parking Facilities	65	193	2.969230769	0.780288462
Work life Balance	65	186	2.861538462	0.902403846
Rewards & Recognition	65	189	2.907692308	0.866346154

##### ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	0.787692	4	0.196923077	<b>0.245592997</b>	0.912223	2.399865
Within Groups	256.5846	320	0.801826923			
Total	257.3723	324				

**Null Hypothesis(ho)** =there is no significant difference in the impact of work environment on employee retention

**Alternate Hypothesis(ha)** =there is a significant difference in the impact of work environment on employee retention

**INTERPRETATION**

The Calculated Value (CV) is 0.245593, the Table Value(TV) is 0.05 (standardised alpha level). Since Calculated Value is greater than Table value (CV> TV) we have evidence to reject the null hypothesis and accept the alternate hypothesis. Hence it is proved that there is a significant impact of work environmental factors such as Cleanliness and Hygiene in the organization, employees are treated with respect, Transport and parking facilities and work life balance. Welfare measures benefit the employees, employers and society at large. Employees should work with passion and feel a profound connection to their organization. This would drive them to greater innovation which would move the organization forward

**Job Satisfaction**

c) To evaluate the relationship of job satisfaction with the retention of employees

<i>Job Satisfaction</i>	<i>Openness and trustworthy work Environment</i>	<i>Freedom to take authority and responsibility</i>	<i>Morale of the company is high</i>	<i>Degree of freedom to execute a job</i>	<i>Grievance handling procedure</i>
Openness and trustworthy work Environment	1				
Freedom to take authority and responsibility	0.103928749	1			
Morale of the company is high	0.028929941	0.021207395	1		
Degree of freedom to execute a job	0.194730264	-0.111251104	0.052356195	1	
Grievance handling procedure	0.089958826	0.012523363	0.055711835	0.040630013	1

**Null Hypothesis(ho)** =there is no significant difference in the impact of job satisfaction on employee

retention

**Alternate Hypothesis(ha)** =there is a significant difference in the impact of job satisfaction on employee retention

**INTERPRETATION**

The Calculated Value (CV) is **0.56863**, the Table Value(TV) is 0.05 (standardised alpha level). Since Calculated Value is greater than Table value (CV> TV) There exists a positive correlation. Hence there is a relationship between job satisfaction and employee retention. A satisfied employee has a feel of job stability and comfortable work life balance. The employee is satisfied with the job. They realize that their job facilitates them in achieving their needs and valves directly or indirectly.

Anova: Single Factor

SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Openness and trustworthy work Environment	65	188	2.892307692	0.660096154
Freedom to take authority and responsibility	65	191	2.938461538	0.714903846
Morale of the company is high	65	181	2.784615385	0.984134615
Degree of freedom to execute a job	65	178	2.738461538	1.008653846
Grievance handling procedure	65	189	2.907692308	0.866346154

**ANOVA**

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	1.926153846	4	0.48153846	<b>0.568638583</b>	0.685583954	2.399865
Within Groups	270.9846154	320	0.84682692			

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Total	272.9107692	324
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## Conclusion

The above mentioned results show how predictive analysis could be used to attract fresh talent within the organization and how to retain employees by giving them adequate benefits.

Organizations should know that stress in working place has to be removed. this has proved to be a source of motivation for employees. Apart from these factors there are diverse workforces and the management should create an atmosphere where people from diverse culture and various social groups are involved in shaping the vision and mission of the organisation. These diverse groups are going to bring in bilingual and bicultural skills in the workplace which is going to push the organization to greater heights.

An organization will have to face difficulties if there is absence of human resource planning. SAIL Steel authority of India had 170000 employees as against 100000 employees a clear problem of overstaffing. The company had to resort to downsizing of employees that lead to insecurity among employees. This led to the problem of implementing performance appraisal and improvement practices due to job insecurity created by downsizing of employees.

**APRODUCTIVE WORK FORCE LEADS TO A HEALTHY ORGANISATION.** An organization has to leverage the potential of employees optimally, invest in the workforce, give the correct environment to grow and develop the employees. Quality of life rather than quantity equity, justice, plurality uniformity and diversity are the key terms to increase employee productivity and employee commitment. The HR department has become the center for all organizations today as all companies are facing issues relating to retention and management of diverse workgroups. Technological advancements such as AI, robotics and sensors are referred to as augmented workforce but there is something that needs a human touch and empathy that keeps the organization moving on. The attitude and performance of employees are based on the social group, unless the management recognizes these groups' human relations cannot be improved. Thus a satisfied employee is with the organization for many years and there by the organization grows and develops.