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Understanding the Ergonomics of Attrition

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ABSTRACT

Although the paradigm of problems and their solutions are vastly diverse in business organizations, yet this paper focuses on two specific but important issues relating employee empowerment to their efficiency that are tied to higher attrition rates in some companies that are of much concern to senior managements. The causes are modelled and explained. The causes often relate to faulty and inadequate employee empowerment and motivation systems in place. This paper attempts to address two unique problems associated with workforce learning and organizational empowerment that could be solved using knowledge management approaches. These are: i. What causes high attrition and reduced performance? ii. What changes in organizational learning structures should be implemented to address these problems? A mathematical model has been designed based on which axiomatic inferences have been derived to explain the problems and seek strategic solutions for the same. Our findings suggest that organizations must do more to support and promote employee empowerment by looking categorically into the problem issues that affect overall organizational efficiency. We hope our model successfully helps to elucidate the problem explained insofar in this research by addressing the core issues that define such problem statements. Organizations should strive to develop strategic tools to handle problems of employee attrition that are often the result of lack of oversight, and implementation of poorly executed strategies.

Keywords: High Attrition, ITeS Sector, Employee Turnover, Job Satisfaction, Workforce Motivation

Introduction

In recent times following the Covid-19 Pandemic, the Indian corporate sectors are witnessing an alarmingly high rate of attrition, mostly associated with the ICT companies who are struggling hard to deal with this issue. The problem of employee attrition is not new—as it continuously plagues

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almost all sectors of an economy, but more often, very high attrition rate is observed critically in the IT sectors. Previously, high attrition in the Indian BPO sector have been effectively studied by Mishra (2007), and by Pandey and Kaur (2011), among others. Whereas, the recurrent trends in attrition in the Indian IT/ITes industry have been examined by (Pandey & Kaur, 2011). This paper focuses on two specific but important issues relating employee attrition and several innovative ways in dealing with it. It also deals with the issue of employee empowerment and how to retain the talent that is most essential for a company to operate. We are well aware of several incentive schemes to retain and attract talents, but beyond these, this paper suggests few novel suggestions to overcome the problem of attrition in business organizations.

It is natural for employees to leave a company for better opportunities when such are available—although it depends on the individual decision of employees to stay or leave. It is also ‘natural’ for workers to *retire*, or *leave* a job for a variety of reasons, i.e., due to *superannuation* or for other reasons, which can be due to voluntary resignations, among others. In essence, attrition accounts for the total number of employees leaving a job for a variety of reasons, the reasons of which can be *voluntary* or *involuntary*. But sometimes, the rate of shrinkage in the number of workers working in a company tends to be high—owing to a high employee turnover rate. Or, in times of economic and business uncertainties, workers face layoffs or gets fired. The recent spike of employees leaving their jobs in the IT and the ITeS sectors in India has been quite alarming.

It shall be born in mind that employee efficiency is tied to their performance levels, which in turn is determined by a number of factors. Today, higher attrition rates in most companies have become a major concern for most senior managements. The causes may be specific or nonspecific—but they are tied to a high degree of worn-out seen among the employees that negatively affect their motivation level and output. Stress is an important factor of attrition too, for the reason that workers face an increasing amount of stress to outperform and reach corporate objectives. The stress is also on account of the race to meet certain deadlines, i.e., sales target and volume, among others. The rapid progression and development in the technological frontiers and the increasing demand for high end products and services calls for advanced capabilities in the incumbent employees relevant to what is required to meet organizational goals, targets, and objectives. All these factors are causing an increase in attrition rates among the incumbent employees. In this paper, I discuss and model these issues and attempt to provide simple but effective measures to deal with the problem of workforce attrition. The causes often relate to faulty and inadequate employee empowerment and motivation systems in place.

How companies are adapting to high attrition levels?

The problem of high attrition is always a concern for the likelihood of future lower productivity as it tends to wear out and exhaust workforces in their ability to maintain their respective performances and output levels. Attrition is also the reason for the continuous hunt for new, productive talents that will replace the worn-out. But companies have in place very effective means of handling employee attrition too. These mostly concern with effective reward systems, motivation schemes, and enticements by means of which corporates strive to retain talents and rejuvenate the exhausted.

It is so for the reason that a high level of employee attrition is also associated with the problem of retention of employees as well (Agarwal & Mehta 2014).

However, companies do face the problem of high attrition rate that have become a source of perennial concern for them, and they usually adapt to such scenarios by resetting their means of effectively dealing with such issue. Post CoVID-19 Pandemic, companies are embarking on and embracing a policy of work anywhere environment to boost the morale of their employees (Barbour et al., 2021). With rising competition and intense battle for survival of small entrepreneurs that are profoundly impacting the global business environment, companies are finding it hard to retain talents and hire new recruits (Mishra, 2007; Agarwal & Mehta, 2014). Rapid developments in the ICT is creating new avenues of growth coupled with new demand for highly skilled workers, e.g., programmers, networking engineers, data scientists, and other specialties allied to the IT sector. Therefore, there is severe shortage of skilled workers being observed across several industrial sectors—including the IT sector. Coupled with that, on account of high attrition rate, talent retention continues to be a big problem for the industrial organizations as well as for the IT industry (Srivastava, 2018). This could be due to a myriad of factors that are affecting or have a relation with job satisfaction. It is also difficult for companies to fully understand why and when employees decide to leave their jobs or quite an organization. Therefore, it also becomes difficult to understand the reasons for high attrition in the IT sector as well (David et al., 2015), although the causes have been extensively studied in the case of Malaysian IT sector (Ahmed & Yang, 2017).

Certainly, companies work hard to adapt to such ever changing work cultures and environments—as epitomised during the Covid-19 Pandemic. To tackle the problem of higher attrition among their incumbent employees, companies adopt effective measures to motivate and inspire their employees to push them to achieve and deliver high performance that's a hallmark of high-tech and the IT industry. Despite all such measures, the recent spike in resignation of employees across the IT sectors in India has rung the alarm bell for the senior managements¹ in large IT firms, since they are finding it difficult to retain talents. Some large IT companies in India have been facing high attrition problem which is a big concern for companies like TCS, Infosys, among others. This paper looks intently behind this issue and suggests several innovative measures that could help managers top devise strategies to tide over such crises.

What strategic measures deal effectively with the problem of attrition?

It could be seen that the problem of attrition is not uncommon and it is widely manifested across all levels of human life. Attrition often becomes a big concern for multinational companies that operate by leveraging human capital. Although business organization have in place some effective means as measures to deal with the problem of employee attrition—yet, sometimes, they become ineffective. So, apparently, it might seem that there could be no straightforward or *permanent* solution to the problem of workforce attrition that companies often face. However, firms take strategic measures to handle attrition when employee turnover increases at an alarming rate. Some

¹ Note: IT firms trying to win attrition war with bonus, Esops

<https://economictimes.indiatimes.com/tech/technology/it-giants-are-offering-more-benefits-to-retain-top-talent/articleshow/91710883.cms>

of the strategic measures that corporates home in to handle and manage the problem of high attrition rate include:

- i. Adequate reward systems in place
- ii. Appropriate employee appraisal system to monitor performance and output
- iii. In-house training and on-the-job learning programs for employees
- iv. Periodic Motivational Sessions to rejuvenate the minds and boost the Morales of the employees (da Cruz Carvalho et al., 2020)
- v. Brainstorming sessions, conference calls and updates
- vi. Project meetings for goal discussion, etc.

These are among some of the most effective strategies that companies home in to manage the problem of high attrition among their workforces. However, even all such measures seem to be lacking in effectively dealing with the problem of attrition. Hence, we design few novel strategies based on a model to seek for temporary, but effective solutions to this recurrent problem which companies face. We propose that the solution may lie in the methods of organizational empowerment of employees and workforce learning that would give more flexibility and space to the employees who could find their work and working environments more interesting, less tedious and wearisome. This would automatically reduce the problem of attrition among the incumbent employees.

Research problem statements

This paper attempts to address two unique problems associated with workforce learning and organizational empowerment that could be solved using knowledge management approaches. Organizations are often confronted with the problem of high attrition. While attempting to solve a problem, it is necessary to look intently into the parts that make up a whole problem issue. Solution can be designed if the real causes of a problem are sought out. In case of attrition, this isn't unusual to assume why such a problem would likely raise concerns from time to time—for the reason that both human beings and machines wear-out from overuse and stress. Even machines have their lifetimes and even they wear out too, needing replacement. This is the reason that most complex routine manufacturing tasks continues to be automated by employing robotics and automation. Industrial automation—in some respect—remains a veritable answer to the problem of employee attrition. But it must be born in mind that not all and every task can be automated—for some complex or even simple tasks require human effort and intervention. These are:

- vii. Rooting out the “real cause” of high attrition and reduced performance related to it, and
- viii. What changes in organizational learning structures should be implemented to address the problem of attrition?

It has been observed over time that if employees are satisfied with their jobs, they perform relatively well (Inuwa, 2016). Organizational *commitment* on the part of the employees is also an important factor when considering their loyalty and responsibility to their organizations. On the other hand, it is natural for human beings to wear-out and feel exhausted following a long, strenuous effort. It depends on the employees how they perceive strain and stress at the organizational level related to their profession and job profile. Employees tend to stick to their job if they love their

work, and if it provides them with the level of satisfaction that they seek for. In the next section, we propose a model to understand the problem of attrition in detail in order to propose a formidable solution for it.

Ergonomics of attrition: reasons for resignations

The reasons of high employee turnover due to attrition could be due to several aspects: for instance, layoff, firing, better opportunities, resignation, retirement, and other idiosyncratic reasons. An employee can leave a company for a variety of reasons. However, resignations could be due to several reasons enumerated below:

- ix. Lack of perceived career growth prospects
- x. Inefficient appraisal systems in place that fails to fully appreciate individual efforts and contributions
- xi. Indifferent attitude of the management towards its staff
- xii. Lack of long term growth prospects
- xiii. Lack of provisions to learn while at work, i.e., organizational barriers to learning
- xiv. Poor quality of HR practices
- xv. Bad, incompetent leadership
- xvi. Lack of motivation at work due to uninspiring leadership
- xvii. More work and less pay; i.e., excessively rigid work schedule with very little room for moderation
- xviii. Too much work pressure but too little appreciation
- xix. Poaching that offers better opportunities in other companies
- xx. Failure of the organization to stick to corporate ethical practices and guidelines
- xxi. Appalling work environments, and
- xxii. Employees losing their interest in their job. This—in turn—may be due to a variety of reasons.

Well, there may more reasons than those enumerated above for which employees may leave their jobs. We have, however, traced one important factor that is often unaccounted for being one of the primary reasons of high attrition. This factor, according to us, is the lack of effective communication and inadequate mechanism of motivational systems required to periodically rejuvenate stressed employees.

Model and methodology

A simple mathematical model has been designed based on which axiomatic inferences have been derived to explain the problems to seek strategic solutions for managing attrition. By such a model, it aims to create a diversified system of measures that could effectively deal with the problem of rising attrition levels among the employees across different sectors of an economy. The approach to such a solution is based on effective strategies aimed at empowering employees by means of organizational learning strategies deemed most effective in training and retaining a talent pool. It shall be recalled that high costs of retention and recruitment eat through corporate profitability.

Now, let us define several variables of interest that constitute the building block of our structural model to understand the *ergonomics* of attrition. The primary variables that define such a structural model must include those factors that help define the attributes of workforce engagement and streamlining.

Proposition 1: The increased ratio of the number of incumbent employees who are eager for motivational or other capability building/brainstorming sessions to the number of those who do not care to enrol for such programmes depict a work environment that lacks full buoyancy.

Assertion: This could reveal that there could be as many employees who being part of a team and yet they are not eager to participate fully in such in-house programs, which further indicate that there are could be a number of potential workers who are either not happy with the program, or show much indifference on account of their difference of opinion with the company's management and their policies.

These are perhaps the candidates who most probably need more attention from the senior managements. These employees could be the one who show the initial signs of leaving their jobs. This could be mathematically represented by a simple formula:

$$y = \frac{p_n}{1-p_t} * \log\left(\frac{K_e}{K_{i+t}}\right) \quad \text{eq. 1}$$

Wherein, p_n indicates the total number of employees enrolled for an in-house training/motivational session/program to the number of incumbent members that do not enrol for such programs—given by the ratio $\frac{p_n}{1-p_t}$. Again, the variable K_e represent the total number of employees working as a team under a team member as a ratio of K_{i+t} , or the number of employees who have left the job/team or have resigned from the company. An increase in the ratio could offer a short term or long term time series trend in depicting the overall scenario of the level of attrition in a company. Often, it has been observed in companies where attrition rate is above industry average, that there lacks efficient understanding of employee psychology related to the performance frontier. Also, workforce attitude monitoring activities are deficient or entirely lacking in small technology and high-tech firms who find such measures impracticable. However, if such a system exists, it would be easier to track employee attitude to work and engagement.

Results and discussion

In this paper, we stress for the need for effective and advanced employee aptitude and attitude monitoring system that would tend to reduce high levels of attrition. Such a system in place would also be an indicator of workforce engagement in organizational activities, and could help pinpoint the need for more care and attention required for those who fails to conform to organizational standards and practices. Such a monitoring system would provide an early indication sign of potential attrition among the incumbent employees. More detailed research is required to examine the value and utility of such a system that could provide as a strategic tool more efficient in dealing with the perennial problem of attrition that most IT companies often have had to face.

The problem of attrition and retention of employees are apparently recurrent to every industrial sectors of an economy. Whether it concerns the corporate or the government sectors, high employee attrition rate is a big concern for senior managements across various industries, e.g., IT and ITeS,

Healthcare, manufacturing and the Services industries. In the above model, defined with the help of a single equation how to compute and derive insightful information regarding the possibility of a high level of attrition in a company by simply looking at the number derived as a ratio over time.

Conclusion

The research is aimed to understand the dynamics of firm-level attrition among the employees that have a bearing on corporate profitability and employee output. It furnishes one simple strategy for overseeing employee engagement that may provide valuable insights concerning attrition levels among the employees. By adopting this simple workforce engagement strategy, companies can track in a much better way how far employees are satisfied with their jobs. Workforce engagement is a dynamic process that help understand how far employees are devoted to their goals, tasks by aligning themselves with organization's goals and objectives. This research aims to underline that if companies strive to understand employee psychology in a better way, which is related to their performance frontier, by tracking their engagement in organizational events and in-house programs, they could well in advance take measures to identify problems and handle attrition. Further research is called for on this frontier to study in more detail how the dynamics of employee engagement could help managements understand the problem of employee attrition in a better way.

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