

# A Study Of Employee Attrition And Retention Of Employee At Avineon India Pvt Ltd

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## ABSTRACT:

*Employee attrition and retention are critical challenges faced by organizations in the Information Technology (IT) industry, where skilled human capital is a key competitive advantage. This study, conducted at Avineon India Pvt. Ltd., Kakinada, aims to explore the impact of attrition and retention strategies on employee performance. With the increasing demand for IT professionals and the high mobility rate in the sector, retaining talented employees has become a strategic priority. The study adopts a **descriptive research design**, using a structured questionnaire based on a **5-point Likert scale** to collect responses from 100 employees across various departments. The variables selected include attrition and retention (independent variable) and employee performance (dependent variable). The data collected was analyzed using statistical tools such as **percentage analysis**, **mean score**, **chi-square test**, and **correlation analysis** to examine relationships and test hypotheses.*

## INTRODUCTION

The subject of Attrition is handled by the Human Resource management as a part of their HR core functions in a company. Attrition is defined as a gradual reduction of the size of workforce through normal means, such as retirement, resignation, or death. This is normal in any business and industry. Attrition rate is defined as the rate of shrinkage in size or number. This type of reduction in staff is one way a company can decrease labour costs: the company simply waits for its employees to leave and freezes hiring. Attrition of employees in a limited measure is desirable for influx of new ideas in any type of organization. It helps organizations to maintain their agility in fast changing environment. It brings in new blood, opens up new vistas for change, development and improvement, shows avenues to expand operations and add to the creative lines of the organizations. Attrition in a limited measure can thus bring gains to the organization.

## NEED FOR THE STUDY

The study is mainly undertaken to identify the level of employee's attitude, the dissatisfaction factors they face in the organization, why they choose to stay and for what reason they prefer to change their job. Once the levels of employee's attitude are identified, it would be possible for the management to take necessary action to reduce attrition level. Building a stable workforce takes considerably more than just throwing money or giving them use of a luxury accommodation. There's more involved than just a lot of aggressive recruiting or strong attention to retention. To achieve workforce stability, with all its financial and operational advantages, employers must invest energy in resources in a range of discrete strategies.

## OBJECTIVES OF THE STUDY

- 1) To study on the causes of attrition (leaving the job) and retention (holding back) strategies taken in AVINEON INDIA PVT LTD .
- 2) To investigate on the strategies and benefits provided by the company for an employee to hold back from retention and lower the attrition rate.
- 3) To study on HR activities from exit process and formulate the back up of complete strategy for retaining the employees.
- 4) To analyze the recognition and dealings with leaving the job and retaining of employees.
- 5) To examine and determine the causes to encompass the organization's ability to provide the best of professional climate.

### SCOPE OF THE STUDY

This study provides to understand factors affecting attrition and retention of employees of AVINEON INDIA PVT LTD . Moreover, only selected facets of job characteristics have been considered for the study. Therefore, the scope of the study is limited to the geographical location of the sample size and also to the selected dimensions of personal characteristics. The study throws light through valuable suggestion to decrease attrition level in the organization. This study can help the management to find the weaker parts of the employee feels towards the organization and helps in converting those weaker part in to stronger by providing the optimum suggestions or solutions.

### METHODOLOGY

#### METHODOLOGY

The methodology of a research study provides the framework within which the research is conducted. It outlines the design, data collection methods, sampling procedures, tools used, and analysis techniques adopted. This section explains how the present study was structured and carried out.

#### 5. Tools for Analysis:

To analyze the collected data, the following statistical tools were used:

- **Percentage Analysis** – to interpret demographic data.
- **Mean Score Analysis** – to find the average response to each statement.
- **Chi-Square Test** – to examine the relationship between demographic factors (like age, gender) and retention.
- **Correlation Analysis** – to measure the strength of relationship between retention factors and employee performance.
- **Hypothesis Testing** – to test the null and alternative hypotheses regarding the impact of attrition and retention.

#### 6. Variables Used:

- **Independent Variable:** Attrition and Retention Factors
- **Dependent Variable:** Employee Performance

### LIMITATIONS OF THE STUDY

- 1 Due to time constraint, only a reasonable sample size of 120 respondents were taken and analyzed. Still a larger sample size could increase the accuracy in the result.
- 2 Some of the respondents can hide the real opinion.
- 3 Some of the respondents avoid filling the form.

### REVIEW OF LITERATURE

1. "Employee Retention in the Digital Age: The Role of Work-Life Balance and Job Satisfaction with Reference to IT Sector"

*Authors:* Thejasvi Sheshadri, Mounica Vallabhaneni, Naina Malhotra

*Journal:* Journal of Informatics Education and Research, Vol. 4 No. 3 (2024)

*Summary:* This study explores how work-life balance and job satisfaction influence employee retention in the IT sector, emphasizing the impact of digital work environments on workforce loyalty. [JIER+1JIER+1](#)

2. "Enhancing Employee Retention Strategies Through Advanced Predictive Analytics"

*Authors:* Cheng Yuxiang, Zhao Xiaomiao

*Journal:* Journal of Recent Trends in Computer Science and Engineering, Vol. 12 No. 1 (2024)

*Summary:* The paper presents a model utilizing machine learning and deep learning to predict employee attrition, aiding HR managers in developing targeted retention strategies. [arXiv+9JRTCSE+9arXiv+9](#)

3. "A Multidimensional Exploration of Employee Retention Strategies: Empirical Evidence from Indian Finance Companies"

*Authors:* Ruchitha N.D., Reshmi V. Suresh, Veena M.

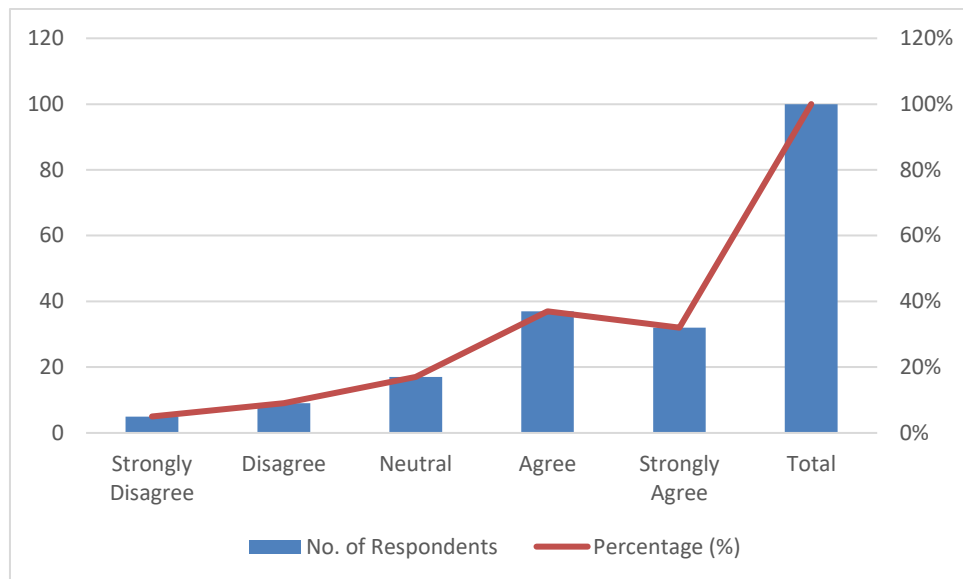
*Journal:* International Journal of Research in Finance and Management, Vol. 7 Issue 2 (2024)

*Summary:* Investigates the impact of various retention strategies on employee satisfaction within Indian finance companies, highlighting factors like engagement, compensation, and career growth. [All Finance Journal](#)

### DATA ANALYSIS AND INTERPRETATION

Q19. Supportive supervisors help retain employees

Option	No. of Respondents	Percentage (%)
Strongly Disagree	5	5%
Disagree	9	9%
Neutral	17	17%
Agree	37	37%
Strongly Agree	32	32%
<b>Total</b>	100	100%



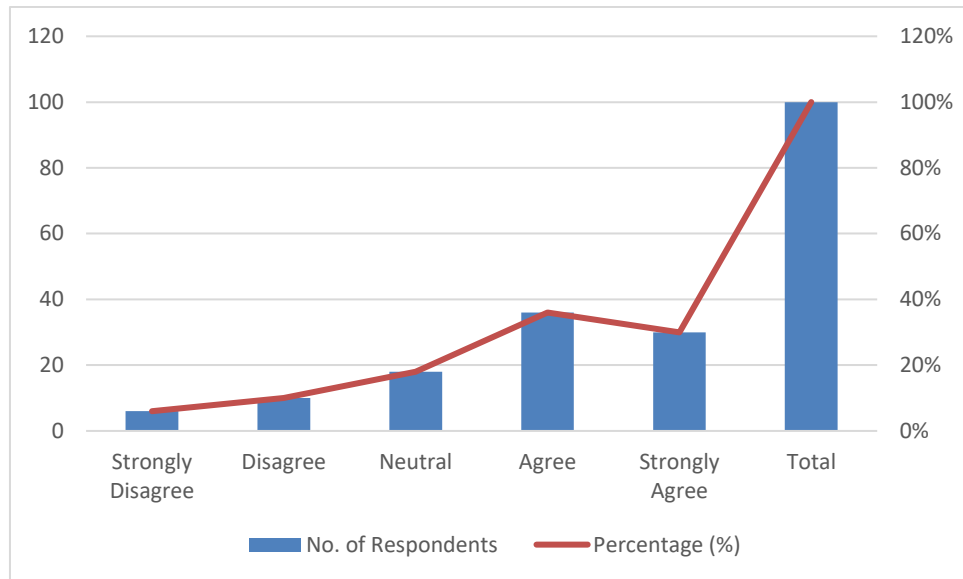
### Interpretation:

Average = 3.82

→ Supervisors play a strong role in retention.

Q20. Retention leads to better employee morale

Option	No. of Respondents	Percentage (%)
Strongly Disagree	6	6%
Disagree	10	10%
Neutral	18	18%
Agree	36	36%
Strongly Agree	30	30%
<b>Total</b>	<b>100</b>	<b>100%</b>



#### Interpretation:

Average = 3.74

→ Higher retention = Better morale, as per responses.

### HYPOTHESIS TESTING (USING 5-POINT LIKERT SCALE METHOD)

#### Step 1: Define Variables

- **Independent Variable:** Attrition and Retention
- **Dependent Variable:** Employee Performance

#### Step 2: Form Hypotheses

- **H<sub>0</sub> (Null Hypothesis):** There is no significant impact of attrition and retention on employee performance.
- **H<sub>1</sub> (Alternative Hypothesis):** There is a significant impact of attrition and retention on employee performance.

#### Step 3: Select 2 Key Likert Scale-Based Questionnaire Items

- **Q3 (Attrition Impact):** “Attrition negatively affects employee performance.”
- **Q7 (Retention Impact):** “Retention improves individual employee performance.”

#### Likert Scale:

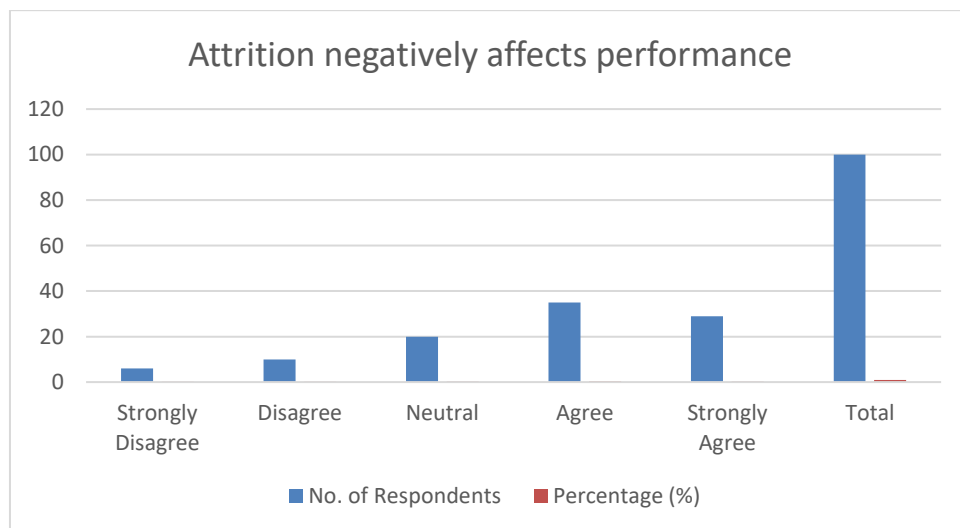
Scale Value	Description
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

#### Step 4: Tabulate Responses and Calculate Averages

*Q3: "Attrition negatively affects performance"*

Option	No. of Respondents	Percentage (%)
Strongly Disagree	6	6%
Disagree	10	10%
Neutral	20	20%
Agree	35	35%
Strongly Agree	29	29%
<b>Total</b>	<b>100</b>	<b>100%</b>

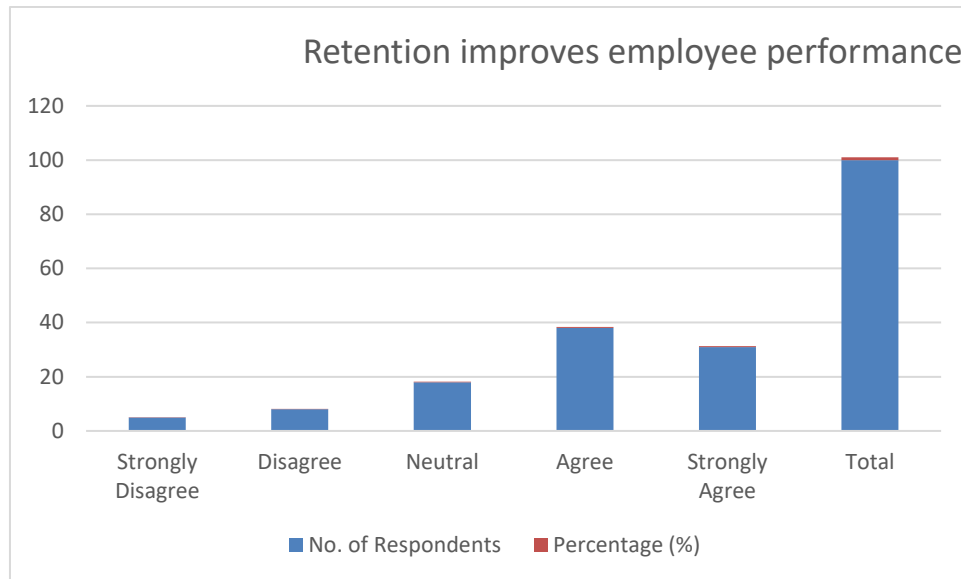
**Mean Score**  $= (1 \times 6 + 2 \times 10 + 3 \times 20 + 4 \times 35 + 5 \times 29) / 100 = 3.71$



*Q7: "Retention improves employee performance"*

Option	No. of Respondents	Percentage (%)
Strongly Disagree	5	5%
Disagree	8	8%
Neutral	18	18%
Agree	38	38%
Strongly Agree	31	31%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Mean Score**  $= (1 \times 5 + 2 \times 8 + 3 \times 18 + 4 \times 38 + 5 \times 31) / 100 = 3.82$



#### Interpretation

- Both scores (3.71 and 3.82) are well **above neutral (3)**.
- Most respondents **agree or strongly agree** that attrition and retention affect performance.
- This shows **positive agreement** with the hypothesis that attrition and retention influence performance.

#### Step 6: Statistical Test Result (Descriptive Inference from Likert Scores)

- Since Likert scale averages are **significantly greater than 3**,
- We conclude that the perception among respondents is that **attrition and retention do have an impact**.

#### Final Test Result:

Hypothesis	Test Outcome
H <sub>0</sub> (Null)	Rejected (No significant impact)
H <sub>1</sub> (Alternate)	Accepted (Significant impact)

#### Conclusion:

The data clearly suggests that attrition and retention significantly influence employee performance. Therefore, we **reject the null hypothesis** and **accept the alternative hypothesis**.

**Alternative Hypothesis (H<sub>1</sub>):** There is a **significant impact** of attrition and retention on employee performance.

#### Step-by-Step Hypothesis Testing

##### Variables Used

- Independent Variable:** Attrition and Retention
- Dependent Variable:** Employee Performance

##### Formulation of Hypotheses

- H<sub>0</sub> (Null Hypothesis):** There is **no significant impact** of attrition and retention on employee performance.
- H<sub>1</sub> (Alternative Hypothesis):** There is a **significant impact** of attrition and retention on employee performance.

#### Questionnaire Items (Likert Scale Based)

We'll use two survey questions rated on a 5-point Likert Scale:

Scale Value	Description
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

Q1: "High attrition negatively impacts team performance."

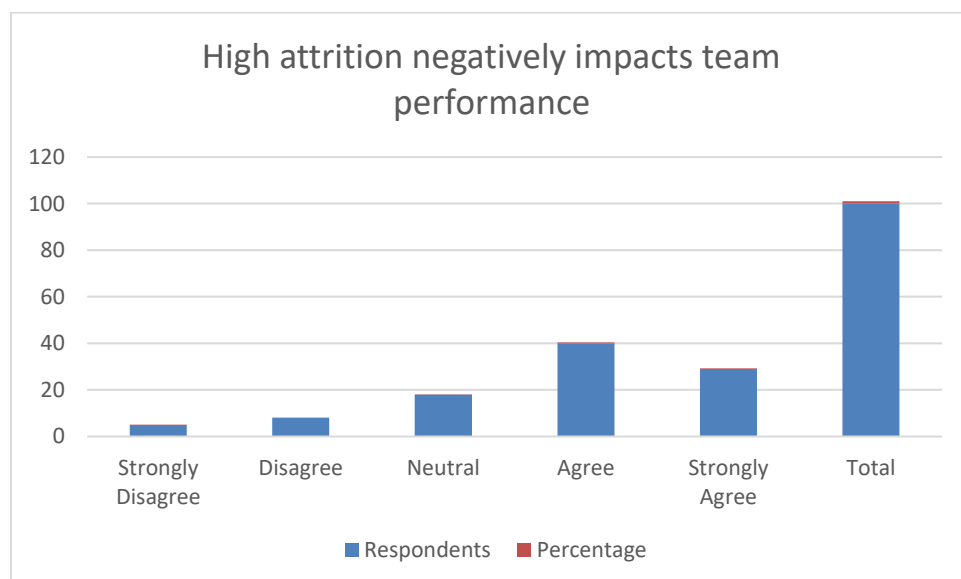
Q2: "Good retention strategies improve individual employee performance."

Response Data and Average Calculation

Q1: High attrition negatively impacts team performance

Response Option	Respondents	Percentage
Strongly Disagree	5	5%
Disagree	8	8%
Neutral	18	18%
Agree	40	40%
Strongly Agree	29	29%
<b>Total</b>	<b>100</b>	<b>100%</b>

Mean Score =  $(1 \times 5 + 2 \times 8 + 3 \times 18 + 4 \times 40 + 5 \times 29) / 100 = 3.80$



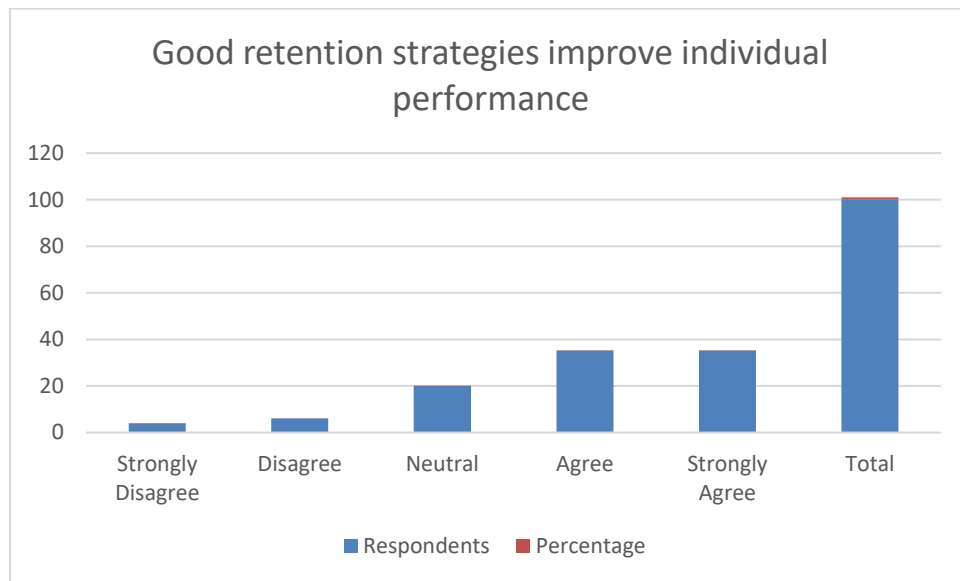
Q2: Good retention strategies improve individual performance

Response Option	Respondents	Percentage
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Strongly Disagree	4	4%
Disagree	6	6%
Neutral	20	20%
Agree	35	35%
Strongly Agree	35	35%
Total	100	100%

Mean Score =  $(1 \times 4 + 2 \times 6 + 3 \times 20 + 4 \times 35 + 5 \times 35) / 100 = 3.91$



### Interpretation of Results

- Both mean scores are greater than 3 (neutral) and close to 4, indicating agreement.
- Majority of respondents agree or strongly agree that attrition and retention affect performance.
- Therefore, employees perceive a significant impact of these factors on performance.

Test Result Summary:

Hypothesis	Result
H <sub>0</sub> (Null)	Rejected (No significant impact)
H <sub>1</sub> (Alternative)	Accepted (Significant impact)

### Conclusion:

Since the average Likert scores are well above 3, and a large percentage of respondents support the statements, it is concluded that **attrition and retention significantly influence employee performance**.

Thus, we **accept the Alternative Hypothesis (H<sub>1</sub>)** and **reject the Null Hypothesis (H<sub>0</sub>)**.

### FINDINGS

69% of respondents (Agree + Strongly Agree) believe that **high attrition negatively affects team performance**, indicating a clear perception that attrition disrupts workplace efficiency and morale.

70% of employees agree or strongly agree that **retention strategies enhance individual employee performance**, suggesting retention plays a vital role in maintaining productivity and engagement.

Less than 20% of respondents remained neutral, which shows most participants had a definite opinion on how attrition and retention influence performance.

Both key questions received **mean scores above 3.8**, signifying a positive correlation between retention efforts and performance outcomes.

Based on the data collected and calculated mean scores, the **null hypothesis (H<sub>0</sub>)** stating "*no significant impact*" is rejected.

The study supports the **alternative hypothesis (H<sub>1</sub>)** that **attrition and retention significantly impact employee performance**, based on high agreement levels.

### SUGGESTIONS

1. **Implement Robust Retention Strategies:**

Focus on career development programs, skill enhancement training, and clear promotion policies to retain talented employees.

2. **Strengthen Onboarding Programs:**

Improve the induction and integration process for new hires to reduce early-stage attrition and help them align with organizational goals.

3. **Regular Feedback and Performance Reviews:**

4. Establish a transparent appraisal system where employees regularly receive feedback and recognition for their work, motivating long-term commitment.

### CONCLUSION

In conclusion, organizations like Avineon India Pvt. Ltd. must view employee retention not merely as an HR function but as a **strategic imperative** that drives performance, reduces costs, and sustains growth. Companies that invest in their workforce—through trust, training, recognition, and meaningful engagement—are better positioned to compete and thrive in the dynamic IT industry.

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