A STUDY ON IMPACT OF EMPLOYEES PERFORMANCE AND REWARDS ON EMPLOYEES' ATTRITION LEVEL IN IT INDUSTRY" (IBM) BANGALORE

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ABSTRACT

The purpose of this study is to investigate the relationship between employee performance, rewards, and attrition levels in the IT industry, with a particular focus on IBM in Bangalore. The study's goal is to investigate how employee performance and rewards affect employee retention rates. Data was gathered through surveys and interviews with IBM employees from various departments. According to the findings, there is a significant relationship between employee performance and rewards and employee attrition levels. Furthermore, the study emphasizes the importance of effective reward systems in retaining top-performing IT employees. These findings can help human resource managers design effective reward systems to improve employee retention rates in the IT industry.

Key word: Employees performance, Rewards, Attrition level.

I. Introduction

The term "attrition" describes a worker's downward progression within an organisation. For a variety of reasons, including advancement within another organisation, changing careers, or pursuing higher education, employees may quit a company. "People leave jobs primarily to go to a firm with a superior organisational culture and value, career chances, income, and perks," claims Alex Gray in the World Economic Forum [1]. When your staff reduces over time because of unavoidable circumstances like people leaving for personal or professional reasons, this is known as employee attrition. When an employee leaves their current position for a variety of reasons, this is known as attrition. It happens when an employee leaves a company where they were paid for their efforts. It denotes a reduction in the workforce due to retirement, resignation, or death. Employees leave when their expectations for compensation for the services they receive are not met by the company. Employee attrition rates in any company are influenced by a variety of factors, some of which can be attributed to both the employer and the employees. Pay, benefits, attendance, job performance, and other workplace factors have a significant impact on employee turnover. Employee Attrition Rate? The Indian IT industry recorded **25.2 per cent** employee attrition in FY22. Attrition occurs when an employee leaves his or her current job for a variety of reasons. It is the termination of an employee's membership in an organisation where he or she received monetary compensation for the work performed. It is a decrease in the number of employees because of retirement, resignation, or death. Employees leave because the organisation fails to meet their expectations in exchange for the services they receive. Employee attrition rates are affected by a variety of factors, which can come from both the employer and the employees. The importance of wages, benefits provided by the employer, attendance, and job performance in determining employee turnover.

The corporation itself, IBM, performed the poll to determine the company's attrition rate, and data from that survey was used in this study. No of their location, sector, or size, all organisations must deal with the issue of attrition. A company's costs associated with employee attrition include those associated with business interruption, employing new employees, and training new employees. As a result, understanding and reducing worker attrition are of major business importance.

II. Literature Review

1. Ms.Shivani Arora, Shalini Rawat, Pooja Bisht & Prakash Srivastava (2021) A Study on Attrition Rate In Bpo Industry: A Case Study Of Chennai Stated that the expectation and satisfaction level of employees in BPO will not be same when it is considered to the employee's performance. The various reasons for attrition among employees in selected BPO. A proper and open system of performance evaluation and professional training may be the solution to the problem. The self-esteem is also considered has one of the most important needs of any human being. As this results in the addressing the need may be a solution to the problems.

2. Kiran Mayi Immaneni & Dr. Vedala Naga Sailaja (2019) A Study on Factors Effecting the Employee's Attrition in Hotel Industry with Reference Hyderabad Scholler is explaining that factors that affecting the employee attrition in hotel industry. He focused on the Reduced work timing and followed by the offering the Incentives / Recognition of employees for their contribution so that the attrition will be cutdown to some extent.

3. D N Venkatesh (2017) Study on Impact of Employee Training & Development on Attrition– "Hospitality Industry, Goa" The author is analysing that the training and the development is the most important thing in hospitality industry. To evaluate the relationship between staff training and employee commitment and turnover in the industry. Employees in the hospitality industry benefit greatly from training because it increases their competency and leads to better performance. The study demonstrated that hospitality organisations can reduce employee attrition by investing in training and development.

4. Dr. V. Antony Joe Raja & R. Anbu Ranjith Kumar (2016) A Study to Reduce Employee Attrition in It Industries This study is helpful in finding out the most industries are retaining employees where in other hand the employees also should get the on-the-job training which helpful in the employees' performance in the company. They understand the opinion and attitudes of the various categories of employees of IT sector towards the reduction of employee attrition in the organisations.

5. Dr. Shine David, Saakshi Kaushik, Harshita Verma & Shivani Sharma (2015) Attrition in It Sector Stated that escaping the issue of attrition is not an unattainable goal When employees are truly committed and dedicated to their work, attrition can be reduced. To reduce employee turnover, in-depth hiring or exit interviews are beneficial. The privatisation of the IT sector has resulted in a variety of reasons for attrition.

III.Objective of the study

➢ This study is to identify the impact of employee's performance which affects the attrition level in IT industry (IBM).
➢ To understand the underlying factors that retains the employee in IBM.
➢ To examine the steps taken to reduce attrition in the IT industry.
➢ To explore a solution to this significant issue.

IV.Limitations

➢ This research is limited to IT sectors only.
➢ The data which are collected are confined with employee's turnover in the firm.
➢ Secondary data is collected for selected company because time constraint.
➢ The analysis which is made are applicable only to selected IT firms.

V.Research methodology

Type of Research: Empirical Research

Sample size: 204 (IBM)

Data type: Secondary data source from Kaggle.

(https://www.kaggle.com/datasets/pavansubhasht/ibm-hr-analytics-attrition-dataset)

Tools and Techniques: Descriptive Research, Regression analysis, Correlation analysis

VI.CONCEPTUAL FRAMEWORKS

Employees performance: Employee performance refers to the employee's productivity, output generated during the work. It involves the qualitative and quotative output generated the workplace is called as employee performance. This employee performance mainly depends on the motivation at the work.

Rewards: This will also influence the attrition directly or indirectly where the employees are majorly concern about the rewards. When it comes to the IT sector the employees need the recognitions, rewards. With the rewards and appraisal employees will get some sort of satisfaction so that attrition can also reduce in the origination. According to this paper the rewards will plays a major and important role in the reducing of the employees in the organisation.

VII. DATA ANALYSIS AND INTERPRETATION

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Age	203	0	4	2.20	1.010
Gender	203	1	2	1.40	.492
Monthly income	203	1	4	1.70	.930
Environment Satisfaction	203	1	4	2.66	1.043
Performance Rating	203	3.0	4.0	3.212	.4096
Attrition	203	1	2	1.85	.356
Training Times Last Year	203	0	6	2.72	1.287
Job Satisfaction	203	1	4	2.77	1.090
Valid N (listwise)	203				

Interpretation: In the above descriptive statistics output where the table contains sample size of 203 respondents from the IBM data source which was collected in the company for measuring the attrition level in the company. The variables like age, gender, monthly income, environment satisfaction, performance rating, attrition, training, and job satisfaction are considered, and this analysis is done for knowing the reason 's for the frequent attrition level. Hear the demographics analysis is done like when it comes to the gender among the 204 respondent's the male candidates was more in numbers and the different age group of employees fall under the age group of the 31-40 years and the income level of the individual and the group of employees was between the twenty thousand only.

Regression table

SL.NO	VARIABLES	F	SIG
1	Attrition level v/s Age	1.34	0.25
2	Attrition level v/s Income	2.22	0.14
3	Attrition level v/s Training	0.07	0.79
4	Attrition level v/s Employees job satisfaction	0.03	0.86

Interpretation: The above table shows the difference between Attrition level as a Independent factor and Age, Income, Training and Employees job satisfaction is a dependent factor. It is identified from the above table then significance value for the age of the employees is 0.25; income of the employees 0.14, Training is 0.79, and the Employees job satisfaction is at 0.86 It is evident that all values are greater than 0.05 at 5% level of significant. Thus, it is concluded that null hypothesis is accepted and proven there is no difference between attrition level and age, income, Training, and Employees job satisfaction.

VIII.Findings:

- As per the study most of the employees belongs to the age group of 31-40 years which 75% and 25% of employees belong to the age group of less than 20-30 years.
- As per the study the 60% of male employees and 40% of female employees.
- The impact of age on attrition level is 1% where the age factor is affecting less in the organization, the income level which makes the impact on the attrition level with 5%, In the organisation, where it is having a 7% impact on attrition, employee training and development is more crucial.
- Financial rewards, such as bonuses and salary increase, can be effective in reducing attrition, but non-financial rewards, such as opportunities for growth and development, can also play a significant role.

IX. Conclusion: According to the survey, companies in the IT sector, like IBM, should concentrate on rewarding and recognising top performers to lower attrition rates and boost staff retention. By recognizing and rewarding employees who contribute to the success of the organization, companies can create a positive work environment that supports employee motivation and job satisfaction. The results of this study can be used by organizations in the IT industry to develop strategies to reduce employee attrition levels and increase employee retention. The study has looked at the main factors that triggers attrition of employees in the selected IT sector. They include job satisfaction, performance appraisal, and rewards. Here the organization should make the employees apprised there and then, they must be trained, for the betterment of the performance the employees should undergo with certain training programmes, which helps in the reduce of employee's turnover in the organization. To establish the sample size and gather secondary data, the study used a straightforward randomization process. The study has framed the objectives and applied the various statistical methods. To measure the attrition level in the IT industry IBM, and we analysed that the performance appraisal should be provided for the employees in the organization and increase in the upskilling of employees will reduce the turnover in the organization. A comprehensive approach that includes both financial and non-financial rewards can be more effective in reducing attrition than a focus solely on financial rewards. To effectively reduce attrition, companies must understand the specific needs and motivations of their employees and tailor their performance and reward programs accordingly.

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