Quantification of Employee Satisfaction to Reduce the Attrition Rate

T.Suneetha¹, P.S.S.Nitin², V.Tanuja³, S.Venkata Raju⁴

¹Student, Department of Business Administration, V.R.Institute of PG Studies, Nellore, Andhra Pradesh, INDIA
²Assistant Professor, Dept. of Computer Science & Applications V.R.Institute of PG Studies, Nellore, Andhra Pradesh, INDIA
³Assistant Professor and HOD of Comp. Science & Applications, V.R.Institute of PG Studies, Nellore Andhra Pradesh, INDIA
⁴Director, Shubh Soft Solutions Pvt Ltd. Level 14, Concorde Towers, UB City, 1 Vittal Mallya Road, Bangalore, INDIA

ABSTRACT

The quantification method has been developed to empower the decision making process of measuring satisfaction in retaining the employees in corporate companies to reduce the attrition rate. The “Satisfaction factor” which forms the basis for evaluating employee satisfaction is computed on the survey performed. The case studies have been performed on several employees with a special focus on IT industry. The evaluated Satisfaction Factor is proven to be a useful tool to take necessary measures for improving the employee satisfaction to reduce the attrition rate further. The paper highlights the superiority of the developed “Satisfaction Factor” over traditional methods. The paper also focuses on improving the credibility of the company among the employees.

Keywords— Quantification; Employee Satisfaction; Satisfaction Factor; Attrition Rate, IT Industry

I. INTRODUCTION

Employee satisfaction is mostly defined as a response to an evaluation process. Specifically, there is an overriding theme of employee satisfaction as a summary concept; affective response; overall evaluation; psychological state; global evaluative judgment; summary attribute phenomenon; or evaluative response[1]. However, there is disagreement concerning the nature of this summary concept. Most of the executive management in IT industry believe that employee satisfaction as either a cognitive response; or an affective response[6].

The lack of a consensus definition for satisfaction creates three serious problems for employee satisfaction research: selecting an appropriate definition for a given study; rationalizing the definition; and interpreting and comparing empirical results. These three problems affect the basic structure and outcomes of marketing research and theory testing.

The definitions of satisfaction are consistent with employees' views. This is critical since, ultimately, we must understand employees' meanings of satisfaction and employees must understand what we mean when we use the term, satisfaction.

Consistent with the procedures of grounded theory, survey is designed to verify, refute, and further refine the emerging components of employee satisfaction. Survey provides the data needed for the effective decision making. The prominent techniques for the efficient decision making are:

Paired Comparison Analysis
Grid Analysis
Pareto Analysis
Decision Trees
Force Field Analysis
PMI
Six Thinking Hats
Cost/Benefit Analysis

Many decision makers have a tendency to seek more information than required to make a good decision. When too much information is sought and obtained, one or more of several problems can arise:

A delay in the decision occurs because of the time required to obtain and process the extra information. This delay could impair the effectiveness of the decision or solution.

Information overload will occur. In this state, so much information is available that decision-making ability actually declines because the information in its entirety can no longer be managed or assessed appropriately.

When too much information is taken into memory, especially in a short period of time, some of the information will be pushed out. Most of the decision making techniques evolve qualitative analysis which might vary based on individual perception. Keeping in view of the requirement for a stable and accurate decision making, quantification of survey analysis is a sine-qua-non.

Attrition rate describes the rate at which employees leave a company. High attrition rates are a
problem in many industries, especially in the IT industry [7]. Employee strength doesn't always give the company's status. The Corporate companies use different calculations and formulas to determine attrition. Information regarding the attrition rates in different companies can be difficult to find since companies tend to dislike making that information public. The attrition rates within a company are important for data analysis purposes and hence the computation of attrition rate takes place in every company to further take remedial measures.

II. RESEARCH METHODOLOGY

A survey was conducted among various categories of employees with each member having contact number and address on file.

Employees were asked to respond on a 10 point scale with respect to their satisfaction levels at their work places. SWOT analysis has been performed in keeping only the relevant questions. The survey was conducted with the help of a structured questionnaire using ten-point semantic-differential scale. The satisfaction factor is evolved to assess each component of satisfaction more accurately and further to assess overall satisfaction. The scales were anchored at the end-points with the extremes "extremely satisfied" and "extremely dissatisfied."

A pilot study was carried out on 50 members to assess the competency of the questionnaire. Based on the pilot study, the questionnaire was redesigned and the final questionnaire is shown in Fig.1. A total of 1000 respondents were considered for the study to evolve the results as included in this paper.

The mean for each component in the questionnaire is calculated and is further used for weighted calculation of “Employee Satisfaction Factor”. The Employee satisfaction factor is the ratio of sum of the weighted means and the number of components in the questionnaire.

\[
\text{Employee Satisfaction Factor} = \frac{\sum_{i=1}^{n} w_i m_i}{N}
\]

Where

- \(w_i = 10\) for \(m_i > 9\)
- \(w_i = 9\) for \(7 < m_i < 9\)
- \(w_i = 8\) for \(5 < m_i < 7\)
- \(w_i = 7\) for \(m_i < 5\)

\(m_i = \text{mean}\)

\(N = \text{The number of components}\)

III. RESULTS

The evolved satisfaction factor provides to quantify the data obtained from the survey. The Satisfaction Factor measurements reveal three different scenarios of the industry.

Scenario1(Status Quo): The Employee satisfaction Factor having the value above 75 indicates the good governance and performance of the organization.

Scenario2(Needs minor improvement): The satisfaction Factor having the value between 60 and 75 indicates the moderate performance of the organization.

Scenario3(Needs overall improvement): The satisfaction Factor having the value below 60 indicates the poor performance of the organization.

IV. CONCLUSION

The developed quantification tool is effective and easy to implement for the remedial steps by monitoring the performance of the organization at every level. The satisfaction Factor helps in computerized analysis of all the surveys. This can be extended to any type of organization where employee satisfaction plays a vital role.

REFERENCES


