

# STUDY ON ATTRITION OF ON ROLL EMPLOYEES DURING FY 2020-2022 DURATION DURING THE COVID 19 PANDEMIC IN MUMBAI IN SERVICES SECTOR

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## Abstract

The study examines the impact of the COVID-19 pandemic on organizations and individuals, focusing on the services sector in Mumbai. It investigates the voluntary attrition of full-time on-roll employees from 2020 to 2022, aiming to identify key factors contributing to employee resignations and propose remedial measures. It adopts a quantitative approach by administering a structured survey with Human Resources Business Partners (HRBPs) representing employee groups ranging from 150 to 400 individuals. Findings suggest that the pandemic has led to increased vulnerability for employees and survival measures for organizations. The research highlights the importance of strong connections between employees and companies and recommends that managers shift their leadership styles to focus more on building culture and connections. Implications include the need for organizations to address attrition effectively to retain talent and ensure long-term success.

**Keywords:** Covid, Attrition, Organizations Interventions, Services Sector.

## 1. Introduction

The COVID-19 epidemic has significantly impacted both companies and individuals, putting a strain on them in intimate ways. At home, individuals have had to tend to unwell family members or manage their sickness. Many individuals have had to work remotely while managing their children's online education and family duties. These shocks have caused individuals to gravitate towards businesses that offer assistance and allow them to keep working. Talent has become accustomed to remote management, reducing the necessity for physical premises. Even in the short term, corporations' perspectives on 'cultivating culture' or employee 'identification' have shifted. Individuals, including employees, entrepreneurs, and children, damaged their Peloton treadmill while using it for home workouts. The crisis expedited the transition to remote work. Employers, employees, entrepreneurs, and even children have to adapt and modify their identities.

Organizations implemented survival techniques because of the pandemic, which was making employees more vulnerable. Managers adopted leadership strategies that emphasized culture and relationships to retain specific skill groupings. In the IT industry, attrition is expected to exceed 1 million. With the increasing number

of job seekers, organizations also have a responsibility to reduce employee turnover. HR departments must urgently establish a clear definition of attrition and pinpoint causes before proceeding with any actions. Attrition refers to the reduction in the number of employees during a certain timeframe as a result of retirement, resignation, or death. What are the reasons for employee attrition? Identify the underlying reason for employee turnover before taking action.

These elements affect their decisions to leave their current employment for a superior one. Modern employees exhibit a propensity to switch employment more rapidly than workers in previous generations. By doing this, individuals often switch jobs because of different prospects for career progression, improved working conditions, or a more adaptable work-life balance.

The research was conducted at a Mumbai-based firm in the services industry to study the voluntary attrition of full-time employees from 2020 to 2022. The causes of employee turnover and the factors influencing employee characteristics have been well-researched. This article focuses on identifying the causes of high attrition rates and proposes practical strategies to decrease employee turnover within a firm.

## 2. Literature Review

The COVID-19 pandemic has been an unprecedented event, requiring a thorough examination of its impact on organizations and employees worldwide. This study focuses on the unique challenges posed by this outbreak, with a particular emphasis on its gender-based impacts. Drawing insights from various sources, including the Deloitte Global Human Capital Trends Study, which highlighted the importance of employee wellbeing in 2020, this research underscores the critical factor of gender-specific implications resulting from the global health crisis. Organizations, particularly those in the healthcare technology sector (HTO), are facing significant challenges with employee attrition. A recent study on voluntary attrition at HTOs revealed a 5% increase over the past decade, with the current average rate standing at 31%. The statistic highlights the urgent need for robust strategies to mitigate attrition within healthcare technology organizations.

Batta and Kar (2023) identify technostress as a significant contributor to employee attrition in IT/ITeS firms; they suggest that organizations can mitigate this by evaluating Information and Communication Technology (ICT) usage levels. Implementing appropriate measures--thus creating balance--is essential, emphasizing the criticality of managing technostress for retaining employees within the sector of IT. Chung (2020) proposes various strategies to mitigate attrition, such as implementing rewards and recognition programs; fostering a positive work environment--marked by flexible working arrangements, and critically evaluating Information Communication Technology usage. Indeed, the study underscores that reducing technostress is pivotal for organizations grappling with attrition challenges. Moreover, studies underscore the significance of job satisfaction, career growth opportunities, and work-life balance in curbing turnover within the Indian IT sector and hospitality industry.

Purandare and Sil (2020) conducted research on human resource management practices during the pandemic, revealing that employee empowerment, compensation satisfaction, employee training, and appraisal system satisfaction significantly impact IT firms' employee retention. This highlights the crucial need to address these factors for effective employee retention, especially during challenging times.

Pranavasree's study (2022) emphasizes the importance of four critical aspects for employee retention in the IT industry during the COVID-19 era: a positive working environment, flexibility in work arrangements, job security (an ongoing concern even outside pandemics), and access to healthcare facilities. These findings suggest that organizations in the IT sector should prioritize these aspects to enhance employee retention. Sharma's study focused on teleworking during COVID-19 and revealed a paradoxical effect: while it increased employee

productivity, it also negatively affected the emotional, social, and physical health of workers. This highlights the need for balanced strategies in telework to mitigate potential detriments to employees.

Bhargava et. al. (2021) researched job satisfaction across various generations, revealing that each generation possesses unique work preferences and requirements. This implies a crucial need for organizations: they must customize their strategies to effectively retain employees from diverse generational backgrounds. According to Chatterjee's (2022) study on workforce engagement - by incorporating these strategies, companies can enhance not only employee satisfaction but also performance levels; thus underlining the reciprocal relationship between both factors. This highlights the importance of aligning employees' goals with organizational goals to enhance retention.

Vigneshwaran et. al. (2022) conducted a study highlighting the importance of creating a supportive work environment for women employees in the insurance sector to improve their retention rates. Similarly, Thangamuthu & Ramakumar (2022) emphasize the critical role of rewards and recognition, positive workplace conditions, and growth opportunities in addressing attrition in IT companies. These factors not only impact staff turnover immediately but also contribute to long-term sustainability within these organizations. Organizations, especially those in the hospitality and IT industries, are facing significant challenges with employee attrition. A study by Chung et. al. (2023) identified several key factors contributing to attrition in the hospitality industry, including odd working hours, an imbalance in work-life equilibrium, conflicts with colleagues and management, limited personal development opportunities, and high workplace pressure. Health problems and family issues also play a significant role in employees' decisions to leave their current positions. These factors highlight the complexity of attrition in the hospitality sector, as employees face multiple challenges that directly impact their job satisfaction and retention.

Sisodia et. al. (2017) emphasize a major concern in the Indian IT industry: high attrition rates. Their research underscores that frequently, young talent within this sector chooses not to remain with one organization for more than a year; hence, escalating turnover rates become an issue of significance. The motivations behind such consistent job-switching - the desire for superior working conditions; engagement in challenging projects; access to attractive perks and competitive salary packages - are often supplemented by support towards higher studies. IT companies are implementing a variety of strategies to tackle these challenges, aiming not only to retain talent but also to ensure the industry's growth prospects.

These studies highlight the importance of understanding the specific factors contributing to attrition in different industries and regions. By addressing these

factors, organizations can develop effective retention strategies to retain talent and improve employee satisfaction. Despite the insights provided by existing studies, there are several gaps in the literature. There is a lack of research on the specific strategies that are most effective in reducing attrition rates in the hospitality and IT industries. Additionally, there is limited research on the long-term effects of the COVID-19 pandemic on attrition rates and retention strategies in these industries.

### 3. Research Methodology

The study used a quantitative research method. It focuses on acquiring and organizing data to assess the overall impact of COVID-19 on organizations and the steps taken to overcome these difficulties. Human Resources stakeholders in Mumbai's services industry provided primary data. The sampling technique is intended to cover a variety of industries, including FMCG, real estate, banking, and finance. Data was collected utilizing a questionnaire-based approach, with Human Resources Business Partners (HRBPs) representing employee groups ranging from 150 to 400 individuals. Responses were captured using a linear rating scale and assessed for relevance. The questionnaire comprised of 18 questions meant to gather information on various elements of attrition and organizational reactions to the epidemic. In addition, interviews with chosen HR Business Heads were conducted to enhance the survey findings. The investigation focuses on identifying common trends and solutions to reduce attrition.

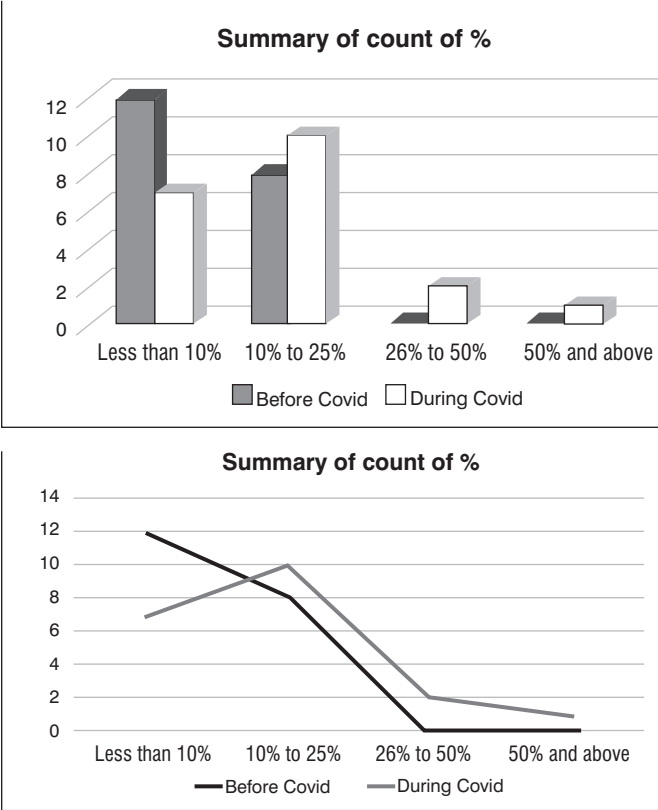
### 4. Data Analysis

#### 4.1. Count of the percentage of attrition in 20 companies of the different sectors in Mumbai:

**Table 1. Count of the percentage of attrition in 20 companies of the different sectors in Mumbai**

Summary (in %)	Less than 10%	10% to 25%	26% to 50%	50% and above
Before Covid	12	8	0	0
During Covid	7	10	2	1

Table 1 shows that before COVID-19, the majority of enterprises in Mumbai had attrition rates for less than 10%. However, attrition rates increased significantly over the COVID-19 period, with the majority of examined enterprises reporting rates ranging from 10% to 25%. Indicating that the pandemic had a substantial impact on staff retention, resulting in greater turnover rates across many industries in Mumba



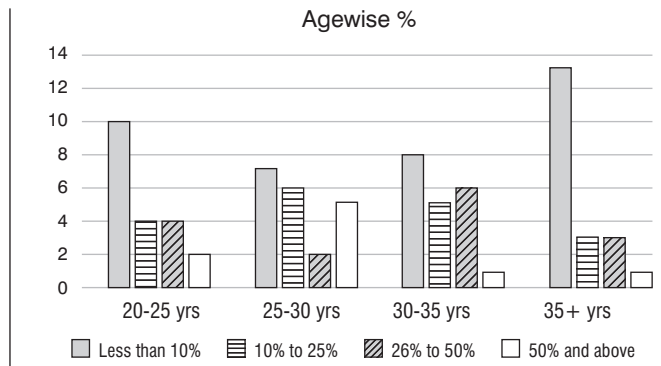
**Fig. 1. Summary of Count of %**

#### 4.2. Age Wise Attrition:

**Table 2: Age Wise Attrition**

Age Wise	20-25 yrs.	25-30 yrs.	30-35 yrs.	35+ yrs.
Less than 10%	10	7	8	13
10% to 25%	4	6	5	3
26% to 50%	4	2	6	3
50% and above	2	5	1	1

The analysis of age-wise attrition rates (Table 2) reveals that employees in the age groups of 30-35 years and 35+ years exhibited the lowest percentage of attrition, while those in the 25-30 age group had the highest percentage of attrition. This suggests that younger employees, possibly with less experience or tenure, were more likely to leave their jobs compared to their older counterparts. The findings imply a potential need for organizations to focus on retention strategies tailored to younger employees to mitigate attrition in this demographic. Furthermore, the higher attrition rates among younger employees could be attributed to factors such as career advancement opportunities, work-life balance, or job satisfaction, indicating areas that organizations may need to address to improve retention among younger employees.



**Fig. 2. Age Wise %**

### 4.3 Hypothesis Testing: Factor Analysis and Anova

**Null Hypothesis:** There is no significant difference between the attritions pre-covid and during COVID time.

The hypothesis testing was performed using factor analysis and ANOVA to verify if there was a significant difference in attrition rates before and after the COVID-19 epidemic. The null hypothesis, which indicated that there is no significant difference between attritions before and during the COVID period, was rejected based on the ANOVA data. The p-value of 0.01991 was less than 0.05, showing that attrition rates differed significantly between the two time periods.

The factors before and during COVID-19 were determined to be independent, implying that there was no association between attrition rates in these two time periods. The research also found that the percentage of attrition showed the greatest volatility in the less than 20% sector, validating the premise that there was a substantial difference in attrition rates between less than

**Table 3. Anova: Two-Factor Without Replication**

Summary	Count	Sum	Average	Variance
Before Covid	4	20	5	36
During Covid	4	20	5	18
Less than 10%	2	19	9.5	12.5
10% to 25%	2	18	9	2
26% to 50%	2	2	1	2
50% and above	2	1	0.5	0.5

20% and more.

The findings suggest that there was a significant difference in attrition rates before and during the COVID-19 pandemic. This highlights the impact of the pandemic on workforce discs and the need for organizations to implement effective retention strategies during times of crisis.

**Table 4. Variation**

Source of Variation	SS	df	MS	F	P-value	F crit
Rows	0	1	0	0	1	10.12796
Columns	145	3	48.33333	11.37255	0.01991	6.591382
Error	17	3	5.666667			
Total	162	7				

The variation table contains data on SS, df, MS, F-value, and p-value for the rows and columns in the ANOVA analysis. The SS for the rows is 0, with 1 degree of freedom and an MS of 0, suggesting no substantial difference among the different levels of attrition. The sum of squares (SS) for the columns, representing various time periods (before COVID and during COVID), is 145 with 3 degrees of freedom and a mean square (MS) of 48.33333.

The F-value is 11.37255, and the p-value is 0.01991, indicating statistical significance at a level below 0.05. There is a notable disparity in attrition rates between the two time periods. The error term signifies the variability within each group, with a sum of squares (SS) of 17, degrees of freedom (df) of 3, and mean square (MS) of 5.66667.

The total sum of squares (SS) is 162, with 7 degrees of freedom. The crucial F-value for a significance level of 0.05 is 6.591382. We reject the null hypothesis and conclude that there is a substantial difference in attrition rates between the two time periods since the estimated F-value for the columns exceeds the F-critical value.

### 5. Results and Discussions

The research covered sectors such as media, FMCG, real estate, banking, and finance. The top three major causes of voluntary attrition identified were related to pay (salaries being cut/not paid/rising inflation), work-life balance/increasing workload due to peer employees quitting, and employees shifting to their hometowns to provide support to their families. The top three major causes of voluntary attrition identified were related to pay, environmental factors, salaries being cut/not paid/rising inflation, and work-life balance/increasing workload due to peer employees quitting.

COVID-19 highlighted the importance of integrating worker well-being into work design at individual, team, and organizational levels. Seven in 10 executives reported that their organization's shift to remote work had a positive impact on well-being. The percentage of on-roll employees who resigned before the COVID period was less than 10%, while during the COVID period, it was more than 10 to 25%. Attrition across age groups of >20 years to 35 years remained at 10 to 25%, but it was less than 10% for the age group of 35 years and above.

Male employees experienced higher attrition com-



pared to female employees. The top three functions with the highest attrition were sales, supply chain, and IT - decoder/developers, while the functions with the lowest attrition were finance, HR, and commercial. Remedial measures included the introduction of work-from-home/flexible working conditions, policy changes, and COVID awareness sessions.

After the COVID-19 period, organizations focused more on employee well-being, and employees adapted to flexible timing and demanded work-from-home options. The impact of these remedial measures resulted in a stable workforce, reduced attrition, and a positive work environment. Aspirants or candidates now inquire about flexible working, hybrid working, and job stability during interviews in terms of organizational policies.

Remedial measures included the introduction of work-from-home/flexible working conditions, career advancement opportunities, and training for upskilling employees. The impact of these measures resulted in a stable workforce, reduced attrition, and positivity at work. Aspirants or candidates are now asking about flexible working, insurance coverage, and business outlook and performance during interviews in terms of organizational policies.

## 6. Conclusion

There have been challenging times for both the organization and the employees during the COVID-19 period. The organization had to adapt to newer working styles and interventions to move from Offline to Online mode. Meetings in video conference mode have become a part of our journey since then, as they got the necessary push during the restricted movement of employees across locations, and having online meetings is a need of the hour. COVID-19 brought a rapid transformation in the technological landscape in moving things rapidly, from having all the platforms online mode to ordering groceries to reaching out for medicines to having them delivered at the door. The same has impacted tremendously the employees working in these Organizations in terms of their working style; the organizations to develop newer policies to support the New Normal. The research concludes that the COVID-19 impact was the primary reason for employees to quit their jobs and switch to other companies that supported better Flexi working and hybrid working, and employees are now seeking Job Stability. Employees are looking for organizations that are more employee-friendly. Having policies that are focused on Employees'- being., Policy changes done during COVID-19 remain like Work from Home., Employees adopting and are seeking/demanding work from home. Employees are duly seeking flexible timing options to remain at the workplace and while working online from home; there has been more focus on higher insurance coverage for employees.

## 7. Research and Managerial Implications

The study made herein shares scope for various vital insights such as attrition details during the Pandemic, its impact on Gender, Tenure study of employees leaving the organization, and showcases the importance of measures taken by organizations to mitigate the risk of losing the employees and initiatives taken to do the same. It gives inter-relation with the measures being taken to draw the facts about what the employees are seeking in the organization now to draw out their decision-making points on whether to take up the new jobs and which focus on employee-related policies such as the example that for Insurance coverage. The strategies vary from organization to organization so that the same is streamlined to their way of working and coping with the situational demands. It also shared how the Female workforce was impacted by the same. As we all know, the challenging times were pressed upon us suddenly, and the world turned into working closed doors. The interventions thus had to be different and streamlined, looking at the need of the hour, which we all had an earlier experience.

The organization can look at having the perspective of experiences and derive various interventions to support employees. Since now there is a precedence of the impact of COVID-19 on our daily lives, Managers can understand better, empathize better with the employees, and draw out their decisions for addressing the said impact. It can also be looked at as having measures to support employees with various policies that support their well-being and take care of the family when in need, such as coverage in medical insurance. Look at providing various support mechanisms and platforms to reach out to employees to address their needs and concerns.

## 8. Scope for Future Research

The analysis drawn out from the same can be used by the Human Resource Professionals to derive strategies and interventions to address the situational needs. The same can be analyzed further with other sectors as well and also look at timelines beyond the Pandemic to understand the implications it has left on the employees and what the organizations have been taking interventions. Based on the research done herein, further research can be looked at for covering overall industries, and different sectors in understanding their interventions as the same can be brought to light since the Pandemic had an effect on everyone and all the organizations had to face the same. The same can also be looked at taking initiatives for different locations as the impact and the implications at different locations can be different and the interventions being derived can be different in terms of addressing the local challenges. Looking at different, timelines, overall impact across industries can be done.

## 9. Limitations of the Study

The data points collected were only for the Services Sector in Mumbai, the same can be extended to understand and analyze the data for other sector Organizations in the said field. The study throws light on the aspects of attrition data points and the said interventions, and initiatives which the Organizations have taken during the COVID-19 Pandemic, however the same can be looked at at Industrial Recession cycles and global Social impacting situations which hit adversely the

Organizations and their employees. The conclusions in this study give broad insights into the areas of actions being taken and how the measures have had an impact on working-class employees, the same can be extended from an entrepreneurial point of view and how this has caused organizations to rework their strategies to cope with such situations. A study on this would certainly help in understanding both sides of the impact which such pandemic hits all of us.

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