

Exploring Infant Employee Attrition and Its Determinants: An Empirical Study in The NBFC Sector

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Abstract—Employee attrition during the early stages of employment, commonly referred to as infant attrition, has emerged as a critical issue in service-oriented industries, particularly within the Non-Banking Financial Company (NBFC) sector. Early employees exit increase recruitment costs and affect organizational productivity. This study aims to identify the key factors influencing employee turnover within the first six months of employment.

A descriptive research design was adopted, and primary data was collected from 150 respondents who had existed an NBFC organization during their initial tenure. The study focuses on variables such as training, leadership, work environment, stress, and compensation.

The findings indicate that dissatisfaction with training, ineffective leadership, high stress levels, and inadequate compensation are the primary drivers of early attrition. The study provides practical insights for improving onboarding, leadership practices, and employee engagement to reduce attrition.

Index Terms—Employee Attrition, NBFC, Employee Retention, Leadership, Job Satisfaction, Stress.

I. INTRODUCTION

Employee attrition continues to be a major challenge for organizations, especially in service-oriented sectors such as Non-Banking Financial Companies (NBFCs), where employee performance directly influences service delivery and customer satisfaction. A particular concern within this area is infant attrition, which refers to employees leaving the organization within the first few months of joining. Such early exits create significant challenges, including increased recruitment and training costs, disruption in workflow, and instability within teams, ultimately affecting overall organizational efficiency.

Research suggests that early attrition is often linked to gaps between employee expectations and actual workplace experiences¹. Sneha Mankikar (2013) highlights that dissatisfaction during the initial stages

of employment, especially during onboarding, plays a key role in influencing employees' decisions to leave. When employees feel that their expectations regarding job roles, support, or work environment are not met, they are more likely to disengage and exit the organization prematurely.

Employee turnover, in general, is influenced by a combination of organizational and individual factors. According to Peter W. Hom et al. (2017), aspects such as job satisfaction, commitment to the organization, and the quality of the work environment significantly impact an employee's intention to stay². A mismatch between expectations and actual job conditions often leads to dissatisfaction, which eventually contributes to turnover. Additionally, effective human resource practices play a vital role in improving retention. Studies by David G. Allen et al. (2010) emphasize that structured onboarding, continuous engagement, and a supportive organizational climate can reduce early attrition³.

Beyond internal organizational practices, broader industry trends also underline the importance of employee experience in retention. Reports published by Deloitte (2022)⁴ and Gallup (2023)⁵ indicate that disengagement, lack of support, and high workplace stress are among the leading causes of employee turnover. These insights are particularly relevant to the NBFC sector, where employees often face high performance expectations and pressure to meet targets. Such conditions can increase stress levels, especially among new employees, making them more likely to leave during the early stages of their employment.

Leadership and managerial support also play an essential role in shaping employee experiences. Employees who receive proper guidance, timely feedback, and encouragement from their supervisors tend to feel more connected and valued within the organization. In contrast, lack of support can result in

dissatisfaction and disengagement, which may lead to early exit. This highlights the importance of adopting employee-focused practices, particularly during the initial phase of employment.

In this context, the present study focuses on identifying the major factors contributing to infant attrition in the NBFC sector. By analyzing the key determinants of early employee turnover, the study aims to provide practical recommendations that can assist organizations in improving retention strategies, enhancing employee experience, and strengthening overall organizational performance.

II. OBJECTIVES OF THE STUDY

The present study aims to conduct a comprehensive examination of early employee attrition in the NBFC sector, with specific focus on employees who leave within the first six months of their employment. The study seeks to identify the underlying factors contributing to early turnover by analyzing key dimensions such as work environment, training effectiveness, managerial and supervisory support, compensation and benefits, career growth opportunities, and work-life balance.

The research is based on insights gathered through employee responses collected via structured questionnaires. Based on these insights, the study also aims to propose practical and effective strategies to reduce early attrition and enhance employee retention. The overall objective is to provide actionable recommendations that can help organizations create a supportive, engaging, and sustainable work environment.

Primary Objectives

- 1. To identify the major factors contributing to infant employee attrition in the NBFC sector.*
- 2. To analyse the key reasons influencing employees to leave within the first six months of employment.*
- 3. To suggest effective strategies and measures to reduce infant attrition and improve employee retention.*

III. LITERATURE REVIEW

Employee attrition is widely recognized as a complex and multidimensional phenomenon that affects organizational performance, workforce stability, and

long-term sustainability. It is not driven by a single factor but rather by a combination of organizational conditions and individual employee perceptions. Among the different forms of attrition, infant attrition has gained increasing attention in recent years due to its immediate impact on organizations.

According to Sneha Mankikar (2013)⁶, infant attrition refers to employees leaving an organization within a short duration of joining, often due to dissatisfaction, unmet expectations, and lack of alignment between employee capabilities and organizational requirements. This early exit is particularly costly for organizations as it leads to repeated recruitment and training expenses, along with disruption in workflow and team continuity.

A significant body of research highlights that employee turnover is closely associated with factors such as job satisfaction, organizational commitment, and the quality of the work environment. Studies conducted by Peter W. Hom et al. (2017)⁷ and Rodger W. Griffeth et al. (2000)⁸ suggest that employees are more likely to leave when they experience dissatisfaction in their roles or perceive a lack of support within the organization

These studies further emphasize that turnover decisions are not made suddenly but develop over time based on employees' experiences, attitudes, and workplace interactions. In this context, the initial phase of employment becomes highly critical, as early experiences significantly shape employee perceptions and influence their decision to stay or leave.

Employee engagement has emerged as one of the most influential factors in determining employee retention. Engagement refers to the emotional and psychological connection employees have with their organization and their work. When employees feel valued and involved, they are more likely to remain committed to the organization.

Research by Anitha Saks (2006)⁹ highlights that organizational support, effective communication, and recognition play a vital role in enhancing engagement levels. Similarly, William A. Kahn (1990)¹⁰ explains that employees are more likely to be engaged when they feel psychologically safe, meaningful, and valued in their roles.

Leadership is another critical factor that significantly influences employee retention and satisfaction. The

role of leaders extends beyond assigning tasks to providing direction, guidance, and emotional support to employees, especially during the early stages of employment.

The Path-Goal Theory proposed by Robert J. House (1971)¹¹ suggests that effective leaders enhance employee performance by clarifying goals, removing obstacles, and providing support. This approach helps improve employee satisfaction and reduces uncertainty in the workplace.

In addition, Bernard M. Bass (1999)¹² introduced the concept of transformational leadership, which focuses on inspiring and motivating employees. Transformational leaders create a positive work environment, encourage innovation, and build strong relationships with employees, thereby reducing turnover intentions.

Workplace stress and burnout have also been identified as major contributors to employee attrition. High levels of stress can negatively affect employee well-being, job satisfaction, and overall performance, ultimately leading to turnover.

The Job Demands-Resources Model developed by Arnold B. Bakker and Evangelia Demerouti (2007)¹³ explains that when job demands exceed available resources, employees are more likely to experience stress and burnout.

Further, Christina Maslach and Michael P. Leiter (2008)¹⁴ describe burnout as a state of emotional exhaustion, reduced motivation, and decreased job satisfaction, which significantly increases the likelihood of employee attrition.

In addition to these factors, compensation and career growth opportunities also play a crucial role in influencing employee retention. Employees who perceive their compensation as unfair or inadequate are more likely to feel dissatisfied and seek opportunities elsewhere.

Similarly, lack of career advancement opportunities can reduce motivation and organizational commitment, especially among young employees who prioritize growth and development in their early careers.

Overall, the existing literature clearly indicates that employee attrition, particularly infant attrition, is influenced by a combination of factors including job

satisfaction, engagement, leadership, stress, compensation, and organizational support. These factors are interconnected and collectively shape employee experiences within the organization.

IV. RESEARCH METHODOLOGY

This study adopts a descriptive research design to examine the factors contributing to infant employee attrition in the NBFC sector. A descriptive approach is considered appropriate for this research as the primary objective is to understand and systematically present employee experiences, perceptions, and reasons for leaving during the early stages of employment, rather than establishing cause-and-effect relationships. Descriptive research enables the researcher to capture real-world situations as they exist and provides a clear picture of patterns and trends in employee behavior (C. R. Kothari, 2004)¹⁵.

The study is based on primary data collected directly from respondents, ensuring that the information reflects first-hand experiences of employees who have undergone early exit. Primary data collection enhances the relevance and reliability of the study, as it allows the researcher to gather specific insights aligned with the research objectives. A structured questionnaire was used as the main data collection instrument, as it facilitates uniformity in responses and enables easier comparison and analysis across participants (Uma Sekaran & Roger Bougie, 2016)¹⁶.

The sample size for the study consists of 150 respondents who left the organization within six months of joining. This group was specifically selected because the initial six months represent a critical period in which employees form perceptions about their roles, the organization, and their long-term career prospects. A purposive sampling technique was employed to ensure that only individuals who met the study criteria—namely, those who experienced infant attrition, were included. This sampling approach is particularly useful in studies where the focus is on a specific subgroup of respondents with relevant experience.

The questionnaire was designed to capture multiple dimensions influencing employee attrition. These included training effectiveness, work environment, leadership support, compensation and benefits, stress levels, and perceived career growth opportunities. Both closed-ended and scaled questions were used to

obtain structured responses, enabling quantifiable analysis while also capturing variations in employee perceptions. The design of the questionnaire was guided by established principles of survey research to ensure clarity, relevance, and ease of response (Earl Babbie, 2010)¹⁷.

Data were collected through an online platform, which provided convenience and accessibility to respondents, especially those who were no longer associated with the organization. The online mode of data collection also helped in reaching a wider set of respondents within a limited time frame and ensured efficient data handling.

The collected data were analyzed using percentage analysis and descriptive statistical techniques. Percentage analysis was used to summarize responses and identify dominant patterns across different variables. Descriptive statistics, such as frequency distribution and comparative interpretation, were applied to organize the data in a meaningful manner and to highlight key trends related to employee attrition. This approach allowed the study to present a clear and systematic understanding of the major factors influencing infant attrition in the NBFC sector.

Validity

The validity of this study is ensured by aligning the data collection process closely with the research objectives. The study specifically targets employees who left the organization within six months, which directly corresponds to the concept of infant attrition. By selecting only relevant respondents through purposive sampling, the study strengthens its content validity, as the data collected is highly specific to the research problem (Uma Sekaran & Roger Bougie, 2016)¹⁸.

The use of a structured questionnaire further enhances internal validity. All respondents were asked the same set of questions related to training, leadership, work environment, compensation, and stress. This standardization minimizes inconsistencies in data collection and ensures that variations in responses are due to actual differences in employee experiences rather than differences in measurement (Earl Babbie, 2010)¹⁹.

Construct validity is supported by selecting variables that are well-established in employee attrition research. The factors included in the study—such as job satisfaction, leadership support, and workplace

stress—are widely recognized in prior studies as key determinants of employee turnover. This alignment with existing theoretical frameworks ensures that the study accurately measures the concept of infant attrition.

However, certain limitations must be acknowledged. The sample size of 150 respondents, while adequate for descriptive analysis, may not fully represent the broader NBFC workforce. Additionally, the use of purposive sampling may introduce selection bias, as respondents are chosen based on specific criteria rather than random selection.

Another limitation relates to the use of self-reported data. Since the responses are based on individual perceptions, there is a possibility of response bias, where participants may overstate or understate their experiences. Moreover, the online mode of data collection limits control over the response environment, which may affect the accuracy of some responses.

Despite these limitations, the study maintains a reasonable level of validity due to its focused sample, consistent data collection method, and alignment with established research constructs. As noted by C. R. Kothari (2004)²⁰, validity in descriptive studies is achieved when the research design accurately captures the characteristics of the population under study, which is ensured in this research.

Findings

The analysis of the collected data reveals a high level of dissatisfaction among employees who left the organization within the first six months of employment. The results indicate that multiple organizational factors contribute significantly to infant attrition.

A considerable proportion of respondents expressed dissatisfaction with training programs. Approximately 24.7% of employees reported being highly dissatisfied, while another 24.7% indicated dissatisfaction. This suggests that the existing training methods may not be adequately preparing employees for their roles, leading to confusion and reduced confidence during the initial stages of employment.

The work environment was identified as another major concern. Around 26.7% of respondents reported high dissatisfaction, and 34.7% expressed dissatisfaction. This indicates that workplace conditions, interpersonal

relationships, and organizational culture may not be conducive to employee satisfaction and retention

Company policies were also perceived negatively by employees. About 30% of respondents were highly dissatisfied, while 28% were dissatisfied. This highlights potential issues related to policy clarity, flexibility, or fairness, which may influence employees' decision to leave.

Support from supervisors emerged as one of the most critical factors influencing attrition. Nearly 32.7% of employees reported being highly dissatisfied, and 30.7% expressed dissatisfaction with the level of support provided by their supervisors. This suggests that lack of guidance, feedback, and communication from leadership plays a significant role in early employee exit.

Overall, the findings indicate that infant attrition is not caused by a single factor but is the result of a combination of issues related to training, work environment, organizational policies, and leadership support.

V. RECOMMENDATIONS

1. Improvement of Training Programs

Organizations should focus on revising and strengthening their training processes. Regular feedback should be collected through anonymous surveys to understand employee perceptions regarding training content, delivery methods, and overall effectiveness. Identifying recurring concerns such as outdated content, lack of practical exposure, or insufficient duration can help in making targeted improvements.

Training programs can be enhanced by incorporating interactive elements such as multimedia content, case based learning, and practical simulations.

Additionally, pilot testing new training modules with a small group of employees before full implementation can help in identifying gaps and ensuring effectiveness.

2. Enhancing Work Environment

Creating a positive and inclusive work environment is essential for employee retention. Organizations should promote team-building activities, workshops, and informal interactions to strengthen relationships among employees.

Encouraging cross-functional collaboration can also improve communication and reduce workplace silos. Furthermore, implementing structured employee recognition programs can help acknowledge individual and team contributions, thereby increasing motivation and a sense of belonging.

3. Strengthening Company Policies

Organizations should regularly review and update their policies to ensure they are fair, transparent, and aligned with employee expectations. Conducting periodic surveys can help gather feedback on policies related to work hours, leave, performance evaluation, and benefits.

Ensuring anonymity in feedback collection encourages employees to share honest opinions. It is also important to communicate any policy changes clearly and keep employees informed about improvements made based on their feedback. Regular follow-ups can help track employee satisfaction over time.

4. Improving Supervisor Support

Supervisor support plays a crucial role in shaping employee experiences, especially during the initial months. Regular check-ins between supervisors and employees should be encouraged to provide guidance, clarify expectations, and address concerns.

These interactions can be scheduled on a weekly or biweekly basis depending on the nature of work. Open communication should be promoted to allow employees to express their views and seek support when needed.

In addition, organizations can introduce structured feedback systems, such as 360-degree feedback, to evaluate leadership effectiveness. This can help identify areas for improvement and enhance managerial practices.

5. Managing Stress and Leadership Challenges

High stress levels were identified as a significant contributor to attrition. Organizations should take proactive steps to address this issue by offering stress management programs and workshops.

Providing employees with tools and techniques to manage stress can improve their overall well-being and productivity. Moreover, strengthening leadership practices through training and feedback mechanisms can reduce workplace pressure and create a more supportive environment.

VI. CONCLUSION

The findings of this study indicate that employees within the age group of 20 to 40 years, particularly those in middle earning categories, experience a high level of dissatisfaction during the initial stages of their employment. The key areas of concern identified include training effectiveness, work environment, organizational policies, and lack of adequate support from supervisors. These factors collectively contribute to increased stress levels and influence employees' decisions to leave the organization within a short period.

The results suggest that early attrition is not driven by a single issue but is the outcome of multiple interconnected challenges. In particular, employees' perceptions of management practices and workplace support systems play a significant role in shaping their overall experience. When expectations are not met during the early phase of employment, it leads to disengagement and ultimately results in higher turnover.

To address the issue of infant attrition, it is essential for organizations to adopt a comprehensive and employee-focused approach. Improvements in training and development programs can help employees better understand their roles and build confidence. Creating a supportive and inclusive work culture can enhance employee satisfaction and foster a sense of belonging. Additionally, regular review and refinement of organizational policies can ensure that they remain relevant, fair, and aligned with employee expectations. Supervisor-employee interaction is another critical area that requires attention. Effective communication, regular feedback, and continuous support from supervisors can significantly improve employee engagement and reduce early attrition. Addressing workplace stress through structured interventions such as stress management initiatives and leadership development programs can further contribute to a healthier work environment.

The findings of this study can also be understood in the light of the Path-Goal Theory proposed by Robert J. House. According to this theory, leaders play a crucial role in influencing employee perceptions by providing direction, support, and motivation. Effective leadership involves adapting management styles based on employee needs and situational demands. This includes directive leadership, where clear guidance is

provided; supportive leadership, which emphasizes employee well-being; participative leadership, which involves employees in decision-making; and achievement-oriented leadership, which sets high performance expectations.

By adopting flexible and supportive leadership practices, organizations can enhance employee satisfaction and create a more engaging work environment. Overall, reducing infant attrition requires a balanced focus on organizational systems, leadership effectiveness, and employee well-being. Implementing these measures can help organizations retain talent, improve productivity, and build a more stable workforce.

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