



Employee Retention Strategies and Attrition Management

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ABSTRACT

Employee attrition in India's EdTech sector has emerged as one of the most consequential talent management challenges of the post-pandemic era. This study investigates the drivers, costs, and retention solutions for voluntary employee attrition at Nyeras Edutech & Innovations Pvt. Ltd., a Bengaluru-based EdTech company recording an annualised attrition rate of 24% in FY 2025-26 — six percentage points above the sector benchmark. Employing a descriptive, analytical, and case-based mixed-methods design, the study applies four theoretical frameworks simultaneously: Mobley's (1977) Turnover Process Model, the Price-Mueller (1981, 2000) Turnover Model, Herzberg's (1959) Two-Factor Theory, and Cascio's (2000) Human Capital ROI Framework. Primary data was collected through a 46-question Retention Risk Survey administered to 60 current employees (stratified sample), structured exit interviews with 22 departing employees, and in-depth interviews with six senior stakeholders. The study finds that the annual financial cost of attrition is approximately INR 2.34 Crore (conservative estimate), equivalent to 15.8% of total annual payroll. Flight risk assessment reveals that 60% of current employees fall in HIGH or MODERATE risk categories, projecting 24-29 additional departures within 12 months without intervention. The dominant attrition driver is structural: lack of clear career advancement pathways (cited by

64% of exiting employees and rated 4.62/5 in push-factor severity by high-risk employees). The study proposes a prioritised, evidence-based retention strategy addressing both Herzberg hygiene deficits (compensation at senior levels, work-life balance, manager quality) and motivator gaps (career pathing, recognition, development). This research represents the first comprehensive attrition analysis in the Indian EdTech startup context using simultaneous multi-framework application.

Keywords: Employee Retention, Attrition Management, EdTech HR, Flight Risk Assessment, Herzberg Two-Factor Theory, Cascio ROI Framework, Indian EdTech, Turnover Cost, Career Pathing, Talent Management



1. INTRODUCTION

The retention of talented employees ranks among the most pressing strategic imperatives facing contemporary organisations. Talent scarcity, intensifying cross-sector competition, evolving employee expectations, and the enduring legacy of the post-pandemic 'Great Resignation' have collectively elevated retention from a background human resource function to a board-level strategic priority. Research by the Society for Human Resource Management (SHRM, 2022) estimates that replacing a single employee costs between 50% and 200% of their annual salary — a figure that may substantially understate the true impact in knowledge-intensive industries where creativity, institutional memory, and client relationships constitute the primary value drivers.

India's EdTech sector provides an especially acute case study. According to NASSCOM's EdTech HR Report (2024), the sector records average voluntary attrition of 18–22% — among the highest in the country's knowledge economy. This structural attrition is driven by intense competition for a limited talent pool of instructional designers, LMS engineers, data scientists, and product managers; compensation constraints inherent to EdTech's still-maturing profitability trajectory; and work cultures that, in growth-focused organisations, frequently subordinate human sustainability to growth velocity.

Nyeras Edutech & Innovations Pvt. Ltd., a Bengaluru-based EdTech firm, recorded an annualised voluntary attrition rate of 24% in FY 2025-26 — 6 percentage points above the sector benchmark — resulting in 43 departures from an average headcount of 172 full-time employees. Estimated at INR 2.34 Crore in direct replacement, onboarding, and productivity-loss costs, this attrition trajectory represents not merely a human resource challenge but a measurable strategic and financial risk requiring systematic diagnosis and evidence-based intervention.

This study was commissioned to provide that systematic analysis: to quantify attrition costs, diagnose their drivers, assess current retention efficacy, map flight risk, and design a prioritised retention strategy — all within a rigorous multi-framework theoretical architecture. The study was conducted under the mentorship of Ms. Akshaya V, HR Manager at Nyeras Edutech, whose championing of this research enabled access to exit interview data, payroll records, and confidential stakeholder perspectives that would not otherwise have been available.

Research Objectives

The study pursues four primary objectives: (1) to quantify the financial cost of attrition at Nyeras Edutech using Cascio's Human Capital ROI Framework; (2) to identify and analyse the primary drivers of voluntary attrition through exit interview analysis and a Retention Risk Survey; (3) to assess the current flight risk landscape across employee segments; and (4) to evaluate existing retention measures and design a prioritised evidence-based retention strategy.

Significance

This research is significant at three levels. For Nyeras Edutech, it provides the first financially quantified, evidence-based attrition analysis, transforming attrition from an anecdotal concern into a measurable business risk. For the EdTech sector broadly, it contributes to a sparse empirical literature on retention in Indian EdTech startups. For HR practitioners, it demonstrates a replicable methodology for attrition cost quantification, flight risk assessment, and retention strategy design applicable to comparable organisations.



2. LITERATURE REVIEW AND THEORETICAL FRAMEWORKS

Mobley's Turnover Process Model (1977)

William Mobley's (1977) seminal Turnover Process Model was the first to conceptualise voluntary departure not as a spontaneous event but as a sequential cognitive process spanning multiple identifiable stages: job evaluation, experienced dissatisfaction, thinking of quitting, evaluation of search utility, intention to search, search for alternatives, evaluation and comparison of alternatives, and finally the quit-or-stay decision. The practical implication, subsequently validated by Steel and Lounsbury (2009), is that by the time an employee submits their resignation, they have typically been in the turnover process for 3–9 months. Each intermediate stage constitutes an intervention opportunity — a moment where managerial attention, career conversations, or organisational changes could reverse the departure trajectory. This model provides the chronological lens through which exit interview data at Nyeras Edutech is interpreted in the analytical sections

Price-Mueller Turnover Model (1981, 2000)

James Price and Charles Mueller (1981, revised 2000) developed a comprehensive structural model of turnover, identifying pay, promotional opportunities, job autonomy, social integration, and values congruence as the primary determinants of job satisfaction and organisational commitment — which in turn predict turnover intent. The model's emphasis on promotional opportunity is directly salient to Nyeras Edutech's context, where career advancement clarity and compensation competitiveness emerge as the two dominant attrition drivers. Mueller's later revisions incorporated external labour market conditions as a moderating variable, providing theoretical grounding for the pull-factor analysis presented in Section 5.

Herzberg's Two-Factor Theory Applied to Retention (1959)

Frederick Herzberg's (1959) Two-Factor Theory differentiates between Hygiene Factors — whose absence causes dissatisfaction but whose presence merely prevents it (salary, job security, working conditions, company policies) — and Motivator Factors — whose presence generates genuine engagement and commitment (achievement, recognition, responsibility, advancement, growth). Applied to retention strategy design, the theory predicts that eliminating hygiene deficits is necessary but insufficient to retain employees; true retention requires the active presence of motivator factors. This framework guides the dual-track retention strategy proposed in this study, with separate intervention streams for hygiene and motivator gaps.

Research Gap

Existing Indian retention literature is disproportionately concentrated in the IT services sector. Retention research specific to Indian EdTech startups — characterised by a distinctive talent profile, compensation constraint, and growth-culture tension — is sparse. Equally, the simultaneous application of Mobley's, Price-Mueller's, Herzberg's, and Cascio's frameworks within a single Indian EdTech organisation has not been previously published. This study directly addresses these gaps.

3. RESEARCH METHODOLOGY

This study employs a descriptive, analytical, and case-based mixed-methods research design, integrating quantitative analysis of survey and attrition data with qualitative thematic analysis of exit interview narratives and stakeholder conversations. The cost-of-attrition calculation provides the financial translation layer connecting HR data to strategic business outcomes.



Data Sources and Instruments

Primary data was generated through three instruments. First, a 46-question Retention Risk and Satisfaction Survey, administered to 60 current employees via stratified sampling across departments and grade levels (response rate: 97%). The survey covered five domains: job satisfaction, flight risk indicators, career progression perception, manager quality assessment, and retention lever prioritisation. Second, structured exit interviews were conducted with 22 of the 35 employees who completed exit interviews in FY 2025-26, selected purposively to ensure departmental and tenure diversity. Third, in-depth interviews were conducted with HR Manager Ms. Akshaya V (90 minutes) and five department heads (45 minutes each).

Secondary data comprised anonymised HR attrition records (monthly headcount, departure dates, tenure, department, grade level) and grade-level payroll aggregates for cost quantification, supplemented by NASSCOM's EdTech HR Report (2024), LinkedIn Global Talent Trends (2024), and Mercer India Total Rewards Survey (2024) for benchmarking.

Analytical Techniques

Attrition rates were calculated as $(\text{departures} / \text{average headcount}) \times 100$, disaggregated by department and grade. Cost-of-attrition was modelled using Cascio's four-category framework with grade-specific salary data and standardised cost multipliers. Flight risk was operationalised as a composite score across five dimensions (satisfaction, career stagnation, compensation perception, manager quality, external market pulls), categorised into HIGH, MODERATE, and LOW risk tiers. Retention drivers were classified according to Herzberg's hygiene/motivator taxonomy. Exit interview qualitative responses were coded through thematic analysis.

4. ORGANISATIONAL CONTEXT AND ATTRITION TRENDS

Nyeras Edutech & Innovations Pvt. Ltd. is a Bengaluru-based EdTech company with approximately 180 full-time employees as of March 2026. The company's attrition trajectory over the four-year study window reveals an increasingly critical retention situation.

Table 1: Attrition Trend at Nyeras Edutech — FY 2022-23 to FY 2025-26

Financial Year	Avg. Headcount	Departures	Attrition Rate	vs. Benchmark
FY 2022-23	68	8	11.8%	-8.2% (below)
FY 2023-24	112	19	17.0%	-2.5% (below)
FY 2024-25	155	30	19.4%	+0.9% (at risk)
FY 2025-26	172	43	25.0%	+7.0% (critical)

The four-year trajectory is deeply concerning: from 11.8% in FY 2022-23 (well below the sector benchmark of 20%) to 25.0% in FY 2025-26 (7 percentage points above a declining sector benchmark of 18%). This trajectory reflects the compounding effect of rapid headcount growth during the 2020–2022 surge, insufficient investment in retention infrastructure, and the progressive maturation of the original employee cohort into the high-risk 2–4 year tenure window.



Table 2: Attrition by Department — FY 2025-26

Department	Avg. Headcount	Departures	Attrition Rate	Risk Level
Technology / Product	54	17	31.5%	Critical
Sales & Marketing	38	11	28.9%	Critical
Content & Academics	44	9	20.5%	High
HR & Operations	22	4	18.2%	Moderate
Others	14	2	14.3%	Low

5. DATA ANALYSIS AND FINDINGS

Attrition Cost Quantification — Cascio Framework

Applying Cascio's (2000) four-category cost model to grade-stratified payroll data, the annual financial cost of voluntary attrition at Nyeras Edutech in FY 2025-26 is estimated at INR 2.34 Crore. Table 3 presents the detailed calculation.

Table 3: Cost-of-Attrition — Cascio Framework (FY 2025-26)

Cost Category	G1–G2 (12 exits, 5L CTC)	G3–G4 (21 exits, 11L CTC)	G5–G6 (10 exits, 22L CTC)	Total
Separation Costs	INR 96,000	INR 1,68,000	INR 80,000	INR 3,44,000
Replacement Costs	INR 30,00,000	INR 1,15,50,000	INR 1,10,00,000	INR 2,55,50,000
Training/Onboarding	INR 12,00,000	INR 46,20,000	INR 44,00,000	INR 1,02,20,000
Productivity Loss	INR 15,00,000	INR 57,75,000	INR 55,00,000	INR 1,27,75,000
TOTAL	INR 57,96,000	INR 2,21,13,000	INR 2,09,80,000	INR 2.34 Crore*

*Conservative estimate using mid-range cost multipliers. Actual cost may be 20–40% higher when accounting for team disruption, knowledge erosion, and cultural impact.

Table 4: Attrition by Grade — FY 2025-26

Grade	Avg. Headcount	Departures	Attrition Rate	Benchmark	Status
G1 — Junior Associate	32	4	12.5%	15%	Good
G2 — Associate	44	8	18.2%	18%	Watch
G3 — Senior Associate	38	12	31.6%	20%	Critical



Grade	Avg. Headcount	Departures	Attrition Rate	Benchmark	Status
G4 — Lead / Specialist	28	9	32.1%	18%	Critical
G5 — Manager	22	6	27.3%	15%	High
G6 — Sr. Manager/Director	8	4	50.0%	10%	Extreme

The G6 finding — 4 of 8 Director-level employees departing in a single financial year — represents a leadership pipeline crisis of the first order. Each G6 departure carries an estimated replacement cost of INR 8–12 Lakhs and knowledge loss that is largely unquantifiable but deeply consequential. The G3–G4 concentration confirms the literature's 'broken middle' phenomenon: the organisation's most capable operational talent is departing at the precise moment of peak productivity.

Exit Interview Analysis — Stated Reasons for Leaving

Table 5: Primary Reasons for Departure — 22 Structured Exit Interviews

Reason for Leaving	Count (n=22)	% Citing	Herzberg Category	Mobley Stage
Limited career advancement / no growth path	14	64%	Motivator deficit	Stage 3–4
Better compensation offered elsewhere	13	59%	Hygiene deficit	Stage 6–7
Work-life balance deteriorating	11	50%	Hygiene deficit	Stage 2–3
Felt unrecognised / underappreciated	10	45%	Motivator deficit	Stage 2–3
Dissatisfied with direct manager	9	41%	Hygiene deficit	Stage 2
Better title / responsibilities offered	8	36%	Motivator deficit	Stage 7–8
Company growth direction uncertainty	6	27%	Hygiene deficit	Stage 3–4

Three urgent signals emerge from the exit interview data. First, career advancement limitation — cited by 64% of departing employees — is the dominant driver. This is fundamentally a career management and communication failure, not a resource constraint: employees do not know what they need to do to be promoted, what the next role looks like, or whether the organisation has a development plan for them. Second, compensation is a critical secondary driver (59%), consistent with benchmarking data showing senior-grade salaries 13–16% below market. Third, manager quality (41%) is significantly under-managed as a retention risk, appearing consistently in qualitative narratives around poor feedback, lack of development support, and interpersonal tension.

Tenure-at-Departure Analysis

The 2–3 year tenure window accounts for 30% of all departures — the single largest cohort — confirming Verma and Krishnan's (2023) critical inflection point finding. Employees at this tenure stage have accumulated substantial institutional knowledge, are operating at peak productivity, and are simultaneously reaching the



career evaluation moment where they compare internal growth to external opportunity. Losing employees at this tenure stage is simultaneously the most costly and most preventable form of attrition.

Flight Risk Assessment

Table 6: Flight Risk Distribution — Current Employee Survey (n=60)

Risk Category	Definition	n	% of Sample	Projected Departures (12m)
HIGH Risk	Score 4.0–5.0: Actively considering departure within 6 months	17	28%	14–16
MODERATE Risk	Score 2.5–3.9: Open to opportunities; may depart within 12 months	19	32%	8–10
LOW Risk	Score 1.0–2.4: Generally satisfied; unlikely to depart in 12 months	24	40%	2–3

The finding that 60% of surveyed employees fall in the HIGH or MODERATE flight risk categories is the study's most urgent operational signal. Without intervention, the organisation can expect 24–29 additional departures in the following 12 months — at an estimated cost of INR 2.8–3.4 Crore and a commensurate loss of organisational capability precisely when scale is most needed. In Technology and Sales — the two most critical departments — combined HIGH and MODERATE flight risk reaches 72% and 68% respectively.

Push and Pull Factor Analysis

Table 7: Push Factors vs. Pull Factors — High-Risk Employee Cohort

Type	Factor	Strength (1–5)	% HIGH-Risk Employees Citing
PUSH	No visible career advancement path	4.62	88%
PUSH	Below-market salary at senior levels	4.38	76%
PUSH	Excessive workload / deteriorating work-life balance	4.11	69%
PUSH	Feeling unrecognised for contributions	3.94	64%
PUSH	Poor quality of direct manager	3.82	58%
PULL	Higher salary offered by competitor	4.21	71%
PULL	Better title / more senior role	3.98	64%
PULL	More structured career development promised	3.76	58%



The most powerful push factor — no visible career advancement path (4.62/5, cited by 88% of HIGH-risk employees) — is not a compensation problem. It is a career management and communication failure that is eminently addressable through structured career pathing frameworks and regular, formalised career development conversations. This finding has profound strategic implications: the highest-leverage retention intervention available to Nyeras Edutech costs relatively little in cash and significantly in management process discipline.

Herzberg Two-Factor Retention Mapping

Classifying retention drivers against Herzberg's hygiene and motivator taxonomy reveals that Nyeras Edutech faces a dual retention crisis: both hygiene deficits (compensation at senior levels: HIGH risk; work-life balance: HIGH risk; manager quality: HIGH risk) and motivator deficits (career advancement: CRITICAL; recognition: HIGH) are simultaneously present at significant severity. Herzberg's theory predicts that addressing either category in isolation will be insufficient: fixing hygiene without motivators produces neutral employees who do not leave but are not engaged; providing motivators without adequate hygiene produces frustrated employees who still depart. The retention strategy must address both layers simultaneously, prioritising career advancement — the most severe motivator gap — as the primary intervention.

Stay Factor Gap Analysis

Table 8: Stay Factor Importance vs. Satisfaction — Gap Analysis

Stay Factor	Mean Importance (1–5)	Mean Satisfaction (1–5)	Retention Gap	Priority
Clear career advancement pathway	4.72	2.84	–1.88	Critical
Competitive salary	4.58	3.12	–1.46	Critical
Feeling recognised and appreciated	4.41	3.18	–1.23	High
Quality of direct manager	4.38	3.08	–1.30	High
Work-life balance	4.24	2.96	–1.28	High
Learning & development opportunities	4.18	3.42	–0.76	Moderate
Meaningful / impactful work	4.28	3.84	–0.44	Low
Team quality and collaboration	4.12	3.88	–0.24	Low
Company mission / vision	4.08	3.92	–0.16	Low



The stay factor gap analysis is the most strategically actionable output of the study. The five items with the largest importance-satisfaction gaps — career advancement (−1.88), compensation (−1.46), manager quality (−1.30), work-life balance (−1.28), and recognition (−1.23) — define the exact retention investment priorities. Conversely, items with small gaps (mission alignment: −0.16; team quality: −0.24; hybrid flexibility: −0.18) represent genuine organisational strengths that the company is not systematically leveraging in its retention narrative.

6. DISCUSSION

The findings of this study are consistent with and extend the predictions of the theoretical frameworks employed. Mobley's (1977) model is validated in the tenure analysis: departing employees at the 2–3 year mark exhibit behavioural signals consistent with Stages 3–6 of the turnover process — evidence of dissatisfaction, thoughts of quitting, and active alternatives evaluation — that preceded resignation by 3–6 months. Had a proactive early-warning system (such as the proposed Stay Interview programme) been in place, many of these departures would have been identifiable and interruptible at Stage 3 or 4.

The Price-Mueller model's emphasis on promotional opportunity as the primary structural determinant of turnover intent receives its strongest empirical support in this study: career advancement is simultaneously the most frequently cited exit reason (64%), the highest-severity push factor (4.62/5), and the widest importance-satisfaction gap (−1.88) in the stay factor analysis. The model's prediction that external labour market conditions moderate the satisfaction-turnover relationship is also confirmed: the pull-factor analysis reveals that competitor organisations' structured career development promises (cited by 58% of HIGH-risk employees) are effectively converting latent dissatisfaction into active departure intention.

Herzberg's dual-factor framework contributes the most strategically distinctive insight: the finding that Nyeras Edutech faces simultaneous hygiene and motivator deficits implies that sequential remediation — fixing compensation first, then addressing career pathing — will be insufficient. The organisation must invest in both tracks concurrently. The study's importance-satisfaction gap methodology operationalises Herzberg's framework in a way that generates directly actionable intervention priorities, offering a replicable template for other organisations undertaking similar analyses.

Cascio's ROI framework provides the essential business case translation. Converting 43 departures into INR 2.34 Crore in quantified financial cost — and projecting INR 2.8–3.4 Crore without intervention — creates the executive urgency and budget allocation rationale that pure HR advocacy rarely achieves. The presentation of these figures to Nyeras Edutech's CEO by Ms. Akshaya V was, by her account, the turning point that converted retention from a HR concern into a board-level strategic priority.

7. CONCLUSION

This study has demonstrated that voluntary employee attrition at Nyeras Edutech & Innovations Pvt. Ltd. is not a random, unmanageable phenomenon but a structurally driven, financially quantifiable, and strategically addressable challenge. The annualised attrition rate of 24% — with 60% of current employees in HIGH or MODERATE flight risk categories — represents a trajectory that, without systematic intervention, will impose escalating financial and strategic costs on an organisation at a critical point of scale.



The evidence is unambiguous on two critical points. First, the dominant retention lever is not compensation but career management: structured career pathing, regular career development conversations, and transparent promotion criteria can address the highest-severity push factor (no visible career advancement, 4.62/5 severity, cited by 88% of HIGH-risk employees) at a cost that is marginal relative to the attrition it prevents. Second, the retention crisis is simultaneously a hygiene and a motivator crisis: addressing only one dimension will produce incomplete results. The organisation must invest in career development, compensation correction, manager quality, stay interviews, and recognition architecture as a coordinated, concurrent strategy — not as a sequential intervention menu.

The study makes several contributions to the literature. It represents the first simultaneous multi-framework application (Mobley, Price-Mueller, Herzberg, Cascio) in an Indian EdTech context; the first financially quantified attrition analysis using Cascio's framework in the Indian EdTech sector; and a methodologically replicable template for flight risk assessment and retention strategy design in comparable organisations. The research also contributes an empirical data point — the 24% attrition rate, its grade and department disaggregation, and its cost quantification — to an evidence base on Indian EdTech HR dynamics that remains critically sparse.

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