

Attrition in “IT” Sector

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Abstract

The word “Attrition” refers to scaling down of employees in an organisation. It occurs because of retirement, resignation or death of the employee. There can be many reasons for an employees to leave an organisation like he may be getting higher job position in some other company or he may want to change his profession or he may leave an organisation for higher studies, etc. The study was made to the staff working in IT sector in various cities of India like Mumbai, Pune, Bangalore, Delhi and Indore to analyse the problem of high attrition especially in this sector. Instrument contains 21 items related with different dimensions of employee attrition. The sample size of this study was 73 employees. The samples were collected through questionnaire with open ended questions. Cronbach’s Alpha reliability of questionnaire was analysed using SPSS (Statistical Package for Social Science) version 16.0. Further factor analysis with Varimax Rotation using Kaiser Normalization was applied to the data which resulted in five factors. Findings of the study suggests that organisational culture, working conditions, career growth opportunities, work pressure and mutual trust are the causes of attrition in fast growing industry like IT. So, the research is concluded that organisation should have employee friendly organisational culture with positive working conditions, low pressure and higher opportunities for career growth which will reduce the attrition rate at a great extent and increase employee attitude in order to sustain in the organisation.

KEY WORDS-*Attrition, retention*

Introduction

Attrition is when an employee leaves his/her current job due to various different reasons. It is when an employee ends his membership in an organisation where he or she received monetary compensation for the work done. It is reduction in the number of employees through retirement, resignation or death. Attrition takes place due to non fulfilment of employees expectations from the organisation in return of services provided to them. Many factors play a role in the employee attrition rate of any company, and these can stem from the employer and the employees. Wages, company benefits, employee attendance, and job performance are all factors that play a significant role in employee turnover.

History of “IT” Industry

Information technology (IT) is one of the most significant and fast developing industries in India. This industry has been successful in building valuable brand equity for itself in today’s global market. IT industry comprises of software industry and information technology enabled services which further involves business process outsourcing (BPO) industry. India is exemplary good in providing IT-enabled services. IT industry originated in India in 1947, when the mainframe manufacturer, Burroughs, asked its India sales agent, Tata consultancy services (TCS), to export programmers for installing system software for a U.S. client. The IT industry originated in under unfavourable conditions where local markets were absent and government policy toward private players were restricted and hostile. This industry was begun by Bombay-based conglomerates which entered the business supplying programmers to global IT firms located overseas.

The IT industry in India was again successful in year 2004-2005, where total software and services revenues recording a high of \$22 billion. The employee base also showed a whopping increase to cross the one million mark in the year 2005.

What Can Be The Causes Of Attrition?

Attrition can bring losses to an organisation as a whole. Therefore job attrition can be very costly to the organisation because it takes lot of time, efforts and resources to train and develop employee, so that they work effectively and efficiently for that particular organisation and in case employees leave their jobs it cause great loss to the company because then they have to train another employee with all the sources again. That is why attrition is very harmful.

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Basically, if the employees are not interested in their jobs, they will leave. Being unhappy is not the only reason why workers leave their jobs.

There are several other reasons to why attrition is occurring frequently in an organisation.

- Sometimes, individuals leave their companies because their skills are in demand, and therefore they are lured away by other companies for higher pay and better benefits.
- The other reason could be their qualifications for the job. When employees are placed in jobs that are too demanding or not challenging enough then they become discouraged and quit their jobs. This usually happens when the job descriptions are not clearly communicated to the applicants during the interviews.
- It can also be due to lack of advancement. Robert kreitner and Angelo Kinchiki named this career plateauing in the organisational behaviour in their fifth edition.
- Lack of growth options within the company.
- Improper work timings
- Family pressure and personal reasons.
- Health problems due to imbalance in work-life pattern.
- Salary and other benefits
- Work environment
- Lack of promotions
- Job matters further include
 - 1) **Stress level:** these jobs bring lots of pressure and the stress levels are high.
 - 2) **Attitude of employees:** youngsters look at call centre jobs as temporary and they quickly change the job once they get in to their own field.
- Poaching: poaching of trained and competent manpower from rival companies is very high.

Retention Strategies

- Providing Relevant Talent- companies should think of training as career development.
- Job Enlargement- doesn't constrain them in particular position. Think for next step.
- Fostering a culture of management concern- companies must help them develop their full potential.
- Rewarding managers- should be awarded for their technical and financial results.
- Clearly identify the people you want to keep.

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Literature Review

The literature review was conducted to provide a conceptual framework from which to plan and organize the research and interpret results. The literature review entails obtaining recent and relevant literature and the presentation of this material in a qualitative manner.

The main purpose was to gain knowledge and ideas based on the previous establishment and get to know what their strength and weakness were in order to further enhance and upgrade the integration.

Dr K. Malar Mathi and G. Malathi says that escaping the issue of attrition is not a concept that is unattainable. Attrition can be reduced when employees are truly committed and dedicated to their work. To reduce employee turnover, in depth hiring or exit interviews helps to sustain employees

Dr. Sneha Mankikar (2013) negates the existence of infant attrition in IT industry and with so many influencing factors like job description discrepancy, stress, organisation culture, employee discrimination etc.

VP Thirulogasundaram and S A Senthil Kumar (2012) divided all factors into two main factors: individual and propel factors. Individual factor is most significant which contributes 17.5% in attrition whereas propel factors contribute only 1.3% in attrition. Individual factors such as health problems and work stress, children's education, unrealistic expectation for organisation and fun. In propel factor no significant reasons were found because of which employees quit.

Savneet Kaur (2013) says that there is no universal attrition management solution. For every organisation there exists a particular kind of motivation technique that has to be followed keeping in mind the type of employees and the set goals of the organisation. Attrition should be kept a check on a regular basis along with the calculation of cost attached to it.

Caramollah Daneshfard & Kokab Elsadat Ekvaniyan (2012) studied and gave result as that employee job satisfaction is directly and significantly related to employee organisational commitment.

Objectives

The objectives of the study were:

1. To find out the causes of high rate of attrition in IT sector in India.
2. To analyse the factors affecting it; and
3. To explore the solution of this major problem

Research Methodology

Data collection: Data was collected from the employees of different organisations through questionnaire containing 21 questions. The data collected was summarised and analysed with the help of IBM SPSS version 20 following inferences were drawn after analysing data:

1. Details of Respondents:

Total respondents were 73 out of which 57 were male and 16 were female.
There were 59 respondents of age group 20-30, 12 of 30-40 and 2 of 40-50.
Graduated respondents were 58, Post-graduates 10 and 3 Professionals.

2. Research Design:

The data collected was through close ended questionnaire from employees of different IT companies.
Likert scale of five points was used in the questionnaire administered for the studies ranging from strongly disagree to strongly agree.

3. Sampling Frame:

Sampling unit- IT sector
Sampling size- 73

4. Analysis tools:

Data analysis was conducted using IBM SPSS (Statistical Package for Social Science) version 20 with the help of Kaiser-Meyer-Olkin sampling adequacy and factor analysis with varimax solution.

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Table 1:-

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.880	.886	21

In order to define the whole questionnaire **Factor Analysis** was employed which is used as data reduction technique to reduce number of significant parameters (redundancies were removed).

The reliability was found to be 0.886 out of the 21 items taken which is meant to be highly significant as the value is higher than 0.5.

Data Analysis and Findings

TABLE 2:

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.767
Bartlett's Test of Sphericity	Approx. Chi-Square	820.365
	df	210
	Sig.	.000

The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy is a statistic that indicates the proportion of variance in variables that might be caused by underlying factors. KMO measures sampling adequacy which should be greater than 0.5 for satisfactory analysis to proceed. Value for this set of variables is **0.767** which would be labelled as 'middling' which is useful data for our research.

Bartlett's Test of Sphericity tests the hypothesis that the correlation matrix is an identity matrix; i.e. all diagonal elements are 1 and all off-diagonal elements are 0, implying that all of the variables are uncorrelated. If the Sig value for this test is less than our alpha level, we reject the null hypothesis that the population matrix is an identity matrix. The Sig. value for this analysis leads us to reject the null hypothesis and conclude that there are correlations in the data set that are appropriate for factor analysis. This analysis meets this requirement.

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In **Factor analysis**, out of 21 factors selected for measuring attrition contributed **66.382%**.

Table3:

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.956	33.126	33.126	6.956	33.126	33.126	3.741	17.813	17.813
2	3.213	15.301	48.426	3.213	15.301	48.426	3.345	15.927	33.740
3	1.357	6.461	54.887	1.357	6.461	54.887	3.342	15.915	49.655
4	1.234	5.874	60.761	1.234	5.874	60.761	1.983	9.443	59.098
5	1.180	5.621	66.382	1.180	5.621	66.382	1.530	7.284	66.382
6	.949	4.519	70.901						
7	.912	4.345	75.246						
8	.751	3.577	78.823						
9	.721	3.432	82.254						
10	.677	3.224	85.478						
11	.569	2.710	88.188						
12	.459	2.186	90.374						
13	.364	1.733	92.107						
14	.300	1.426	93.533						
15	.270	1.286	94.819						
16	.250	1.190	96.010						
17	.243	1.159	97.168						
18	.203	.965	98.133						
19	.162	.772	98.905						
20	.129	.614	99.519						
21	.101	.481	100.000						

Extraction Method: Principal Component Analysis.

The rotated component matrix gives the factor loading. Loadings above 0.6 = high and below 0.5 = low. The factor loadings were identified using rotated component matrix. 5 factors organisational culture, working conditions, career growth opportunities, work pressure, trust factor have emerged as major factors causing attrition.

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Table 4:

1.Organisational Culture	3.741 of 17.813%
Skill development opportunities are less	0.799
Not promoting respect and fair treatment	0.767
Lesser scope for career growth	0.767
No regular staff meetings	0.686
No incentives for staff	0.580
2.Working Conditions	3.345 of 15.927%
More scope in other offices	0.832
Policies that do not support its staff	0.786
Gender discrimination	0.756
Lack of friendly atmosphere in office	0.732
Stress may be cause of leaving the organisation	0.728
3.Career growth opportunities	3.342 of 15.915%
Lack of employee recognition	0.804
Employees do not love to work in office	0.695
Job monotony	0.685
Employees feel other working shifts might be there	0.619
No sense of future direction	0.572
4.Work Pressure	1.983 of 9.443%
Stress due to work pressure	0.861
Leader and staff communication is not effective	0.779
5.Trust Factor	1.530 of 7.284%
Employee unable to trust leaders	0.842
Employee cannot be trusted by others.	0.521

Findings of the Study

This research paper has helped us find various certain and uncertain facts about attrition. Through our research and survey, we have come across several different reasons for attrition in IT sector such as excessive stress because of high work pressure. Work load has compelled people to leave jobs and has come up as the most agreed reason for attrition. This can be reduced by organising various management games, cultural activities related to hobbies of employees and creating friendly environment.

Also there exists lack of trust of employees towards their leaders which basically leads to no motivation and have no retention. Motivational seminars should be conducted in definite time intervals.

Many people agreed to the fact that a reason for attrition may be the lack of recognition for their work and also the lack of future growth. Fair treatment and respect of employee are taken into stake, which thereby lead to no promising services from the side of employees. Gender discrimination has also seen to be prevailing among the organisation which contributes to attrition. Certain policies of the organisation are designed in such a manner that does not support its staff which gradually leads to difficulties getting the work done as expected and retaining them.

And last one of the very basic reason for employees and basically the present dynamic generation is that the routine desk job leads to boredom and more importantly stagnant the development of the skills the employees posses, hence that leads to no self exploration and growth, thus they prefer to leave the job in seek of others where they can flourish as per interest and develop their skills.

Suggestions

- Stress relief activities should be provided and hobbies should be promoted in break sessions.
- Leaders must put in efforts to build trust among employees.
- Deserved recognition should be provided for retention.
- Employees should be treated fairly with due respect.
- Avoid gender discrimination.
- Provide scope for career growth and opportunities for skill development.

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Conclusion

The learning from this research paper with a sample of 73 accounts to the affirmation of attrition in IT sector as one of the most growing issues. Attrition for HR managers is now a challenge to deal with. The privatization of IT sector has lead to various reasons for attrition as mentioned in the findings. For employees now have to be retained by providing the stress busters, deserved recognition, fair treatment and growth opportunities. Salaries are no more a retention tool and employees would love to work at a place that keeps up their interest and growth in balance with the work and organisational goals.

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