



International Journal of Applied Business and Economic Research

ISSN : 0972-7302

available at <http://www.serialsjournals.com>

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Volume 15 • Number 18 (Part - II) • 2017

Employee Attrition in it Industry

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Abstract: Attrition is the major prominent problem in all the organization. This study examined the factors influencing employee attrition in IT industry. The main target of this research work is to study about the relationship between the major factors and employee attrition in information technology sector. For this study descriptive research was adopted. The study conducted primary data. The structured questionnaire was used to evoke the data required for this study. Deductions were made by comparing theory from available literature in order to gain a better understanding of why the skilled and talented employees leave from their job and what are the strategies can be implemented to retain them. The tools used for this study was Friedman test, correlation analysis, and regression analysis. The finding of the study suggest that lack of opportunity for career development, unbalancing work and personal life and heavy work pressure are the main cause for attrition in fast growing industry like IT. So the researcher concludes that the organization should create opportunity for the career development program in the company, providing emotional support and providing work life which balance benefits them to reduce attrition rate.

Keywords: Attrition, supervision, training and development, career development, work pressure, work life balance.

I. INTRODUCTION

The software industry being one among the fastest growing industries within the country plays a very vital role in the Indian economy. A software industry has enormous capability to become as engine of growth and productivity for the economy of the country. In India, IT sector has developed valuable trademark equity for itself in the global market and offer a variety of service, product and technology. In recent years the Indian IT sectors has changed its prospect. The employment scene has changed its appearance. The factors like skill sets, job satisfaction drive the employment and just not the money. The employers therefore face the continuous employee turnover. It directly influences the performance of the companies as many people switch the organization for assorted at essential point.

Overview of Employee Attrition Rate of it Sectors in India: India lists on the top when it comes to the employee turnover. Attrition rate in across sectors is likely to rise to up to 20 percent in 2015 and

especially like IT, ITES it can go up to 20-25 percent. The attrition rate that was almost static at the leadership level will see some movement and also increase at mid and later level. People Strong HR service co-founder and CEO Pankaj Bansal.

India Inc is likely to witness the attrition level up to 25 percent in 2015 compared with 21 percent in 2014 and fresher level attrition is around 12-14 percent and senior level will be in the range of 8-10 percent. Employee attrition is predicted to rise 26.9 percent in 2013 with an employee base of Rs three crore compared with twenty six percent in 2010 on an employee base of Rs 2.8 crore, According to the survey.

Preparing for Take Off, clandestine the CEBR (Centre for Economics and Business Research). It covers seven hundred million employees in nineteen countries. World-wide attrition is foreseen at 21.2 percent in 2013 on an employee base of Rs 71.6 crore piddling with 20.3 percent in 2010 on an employee base of Rs 64.4 crore. The cause of high attrition rates includes poor work place engagement, unsatisfactory work environment, poor salary structures and appraisal. Additionally companies politics and restricted career growth are the reason for quit the jobs by the employees. Moreover 65 percent of the employees said that upbeat job market and improved economy is influencing them to change their jobs.

II. STATEMENT OF THE PROBLEM

Employee attrition is the major problem faced by IT industry in India. Today it has become a serious issue for any organization due to its negative effect on operation or performance of the organization. Poor management practices become a challenging factor for employee attrition which influence employee to leave the organization. The HR practices including Supervision, training and development, work life balance, work pressure, Career Development, Pay Package, etc. these are directly influence the employee satisfaction and level of organizational commitment, subsequently predict an employee intention to leave the organization.

III. OBJECTIVES OF THE STUDY

- 1) To examine the effect of supervision on employee attrition to IT industry in Technopark, Trivandrum
- 2) To examine the relationship between training and career development with attrition.
- 3) To analyze the effect of pay package, work pressure and work
- 4) To provide suggestion to reduce employee attrition rate in IT industry.

IV. HYPOTHESIS OF THE STUDY

- H1: There is no significant relationship between supervision and employee attrition.
- H2: There is no significant relationship between training and career development and employee attrition.
- H3: There is no significant relationship between work pressure and work life balance with employee attrition.

V. SCOPE OF THE STUDY

- This study may be advantage for any organisation, as a guideline to find out the strategies to improve voluntary attrition rate, so that an organization find easy to retain employees.

- It is going to be beneficial for the researcher who would like to know more about the attrition and strategies to control its high rate, by satisfying the employees of any organization.
- This study can be used in the ITs industry to overcome from high attrition rate.

VI. SAMPLING UNIT

Employees of information technology are mainly selected as sample of the study.

VII. SAMPLE SIZE

Sample size is the number of respondents to be included of the study. Employees of Information Technology Industry are mainly selected as a sample of the study. Sample size consists of 332. From the total of 332 questionnaire were collected and the analysis will be based on the data from the total number of questionnaires.

Determination of sample size:

$$\text{Sample size } n = (ZS/E)^2$$

Where

Z = Standardized Value Corresponding to a Confidence Level of 95% = 1.96

S = Sample SD from Pilot Study of 50 sample = 0.651

E = Accepting Error = 5 % = 0.05

Hence,

$$\begin{aligned} \text{Sample Size} &= n = (ZS/E)^2 \\ &= (1.96 * 0.651 / 0.05)^2 \\ &= 332.26 \\ &= 332 \end{aligned}$$

A. Sampling Technique: The sampling technique used for the study is stratified random sampling.

VIII. STATISTICAL TOOLS FOR ANALYSIS

The data is analyzed used in statistical tools by the application of SPSS. The tools including Friedman Test, Correlation Analysis and Regression Analysis.

IX. LIMITATION OF THE STUDY

- The study was carried out only in Technopark, Trivandrum
- Employees are busy with their working, it was difficult to meet the respondent and gain information.

X. REVIEW OF LITERATURE

Venkata Naga Manjula *et al.*, (2013), according to this study the researchers try to understand the growth of ITES sector and understand the attrition and its intensity. The study concludes ITES firms are booming and which are facing big challenges. The job involves a lot of stress and monotony which make it very challenging to keep the staff engaged and motivated.

Alka Raghunath et al, (2013), in this paper the researcher examines the brief view of Business Process Outsourcing sector and its strength, weakness, opportunities, and threats of BPO sector in India. The researcher says every new opportunity has got its own blessings and damn like the same outsourcing industry also got its own opportunities and threats in this post LPG era.

James M. J., (2013), according to this study, the author examines the high employee attrition in Kerala and Karnataka BPO sectors by distinguishing the critical factors which causes high employee attrition. The critical factors like salary, number of working hours, age group, position, location and non critical factors like experience, training programme, HRM practices, etc. In this study concluded that the employees remuneration has been come forth as the critical factors that affecting attrition in outsourcing industries. It has also disclosed that both state like Karnataka and Kerala, absence of good Human Resource Management practice are also one of the important factors causing high attrition.

Rashmi Farkiya (2013), in this paper the researcher aim to study the attrition rate in India and factors responsible for attrition in Indian companies. She says that Indian economy has joined the global world of business; more opportunities are growing in term of jobs. These lead to increase employee turnover.

S. Batty Dorance Jeen, (2014), in this paper the author tries to examine the factors which is possible for an employee to leave the organization. He found that working condition, remuneration, welfare, relationship with colleague and career growth is major factor for intention of turnover. George Mrope *et al* (2014), this paper examines management practice and attitude of employee turnover. The unpleasant management practice makes them to have negative attitude towards management practices. The result of the study shows that cut of incentives, allowance, and per diems are management practices leading to employee turnover.

K. Narmadha, (2014), according to this study the researcher highlight the significance of the ITeS and BPO industry in India and its impact on the Indian economy. In this study the researcher highlight some reason for attrition in ITeS which are career opportunity, compensation, and personal reason and touch upon the importance of employee retention.

Setareh Shokat Sadry (2015) in this paper the author tries to examine the attrition problem in Indian Information Technology industry. The study conducted along with finding out the major factors causing for employee to leave the organization.

Syeda Tabbassum S.G., (2015), this paper examine work life balance and attrition. It specifically considered balancing family and work with long hours of work, stress, health issues and decrease productivity and attrition. The result shows more number of female employees who are not able to balance work pressure and family life this lead to attrition.

Bibi Hajira, (2015), in this paper the author reveals that work and family life are interrelated and interdependent. Employee spending more time in office and the pressure of job can affect personal life. Sometimes it is impossible to imbalance household chores. Author suggest that company should facilitate the employee with flexi timing, job sharing, part time job, etc. so the employee can give considerable time to their personal life as well as work life.

S. Prabakaran, (2015), made a study on work stress among employees in IT sector and the study conducted by Chennai city, the study conclude that different factors which relating to stress impact of

stress in the family, their work and the individual. Aged employees are having more stress factors organizational personal health and psychological. Female employees are affected the stress factors in their work and they are more emotional in nature. An environmental and self respect stress issue has same effect for all IT companies. From the research survey all stress factors are same for all companies except one or more factors can cause different in result.

Jnaneshwar Pai Maroor, (2016) this study focused on the retention challenges of company and examines the way to reduce attrition rate among the employee working in IT companies. Researchers try to find out some cause for attrition. Retirement is one of the main causes of employee attrition such as personnel, who quit due to catastrophic illness, disgruntled with the company etc.

Ismail, (2016), this study the researcher tries to examine dimensions of attrition by identifying the factors which lead to attrition. With the help of the literature review to find out the gap in the specific area, assessing the part of factors towards attrition and comparing the dimension across the various demographic variables.

XI. DATA ANALYSIS & INTERPRETION

Friedman test for significant difference among mean rank towards factor of attrition.

Null Hypothesis: There is no significant difference among mean towards factors of attrition in IT industry.

Friedman test was significant chi-square value $X^2 = 392.445$, $P < 0.000$; since the P value is less than 0.01, the null hypothesis is rejected at one per cent level of significant. The result of the analysis indicates that there is a different rank order preference for employees on various factors on attrition. Hence conclude that there is significant difference among mean rank towards factors of attrition. Based on mean rank Career Development (4.52), is the most important statement of attrition followed by Work Life Balance (4.17), Work Pressure (4.06), Supervision (3.36), Salary (2.49) and Training and Development (2.39). This concludes that lack of career opportunity, unbalancing work life and high work pressure make employee intention to quit job.

Table 1
Friedman test for Significant Difference among mean Rank towards Factor of Attrition

<i>Factors of Employee Attrition</i>	<i>Mean</i>	<i>Rank</i>	<i>Chi-square</i>	<i>P-value</i>
Career Development	4.52	I		
Work Life Balance	4.17	II		
Work Pressure	4.06	III		
Supervision	3.36	IV	392.445	0.001**
Salary	2.49	V		
Training and Development	2.39	VI		

Note: 1. ** denotes significant at 1% level

The correlation coefficient between supervision and salary is 0.622, which indicate 62.2 percentage positive correlations between supervision and salary and is significant at one per cent level. The correlation

coefficient between supervision and training and development is 0.636, which indicates 63.6 percentages positive correlation which is significant at one per cent level. The correlation coefficient between supervision and career development is 0.747, which indicates 74.7 percentage positive correlations and is significant at 1 per cent. The correlation coefficient between supervision and work life balance is 0.528, which indicate 52.8 percentage positive correlations between supervision and work life balance and is significant at one per cent level. The correlation between supervision and work pressure is 0.573. This indicates that there is a negative relationship between supervision and work pressure. The more supervisory relation is maintained to reduce work pressure and reduce intention to quit.

The correlation coefficient between salary and training and development is 0.519, which indicate 51.9 percentage positive correlations between salary and training and development and is significant at one per cent level. The correlation coefficient between salary and career development is 0.641. This indicates that there is positive correlation between salary and career development. The correlation coefficient between salary and work life balance is 0.522, which indicate 52.2 percentage positive correlations and is significant at one per cent level. The correlation between salary and work pressure is 0.421. This indicates that there is a negative relationship between salary and work pressure. The organization provides more pay package to retain employees and reduce work pressure and reduce attrition.

The above table shows that the correlation between training and development and work pressure is 0.412. This indicates that there is a negative relationship between training and development and work pressure. The organization provides updated and new technical training to reduce employees work pressure and retain them. The correlation between career development and work pressure is 0.520. This indicates that there is a negative relationship between career development and work pressure. The more opportunity gives them and give responsibility to retain and reduce their work stress and reduce intention is to quit. The correlation between work life balance and work pressure is 0.316. This indicates that there is a negative relationship between work life balance and work pressure. Workers get stressed work when they sacrifice their family life and spent less time with them. This creates more pressure and makes intention to quit their jobs.

Multiple Regression Analysis of Attrition on Independent Variables: In this study, the dependent variable is overall employee attrition , Independent variables are number of hours working in a day, age group in years, gender, designation, satisfied with current job role, educational qualification, marital status, total experience and current experience are discussed as follows:

Table 2
Pearson Correlation between Factors of Attrition

<i>Factors of Attrition</i>	<i>Supervision</i>	<i>Salary</i>	<i>Training and Development</i>	<i>Career Development</i>	<i>Work Life Balance</i>	<i>Work Pressure</i>
Supervision	1	0.622(**)	0.636(**)	0.747(**)	0.528(**)	0.573(**)
Salary	-	1	0.519(**)	0.641(**)	0.522(**)	0.421(**)
Training and development	-	-	1	0.667(**)	0.484(**)	0.412(**)
Career development	-	-	-	1	0.592(**)	0.520(**)
Work life balance	-	-	-	-	1	0.316(**)
Work pressure	-	-	-	-	-	1

Dependent variable: Overall employee attrition (Y)

Independent variables:

- 1) Gender (X_1)
- 2) Age group in years (X_2)
- 3) Marital status (X_3)
- 4) Educational qualification (X_4)
- 5) Designation (X_5)
- 6) Satisfied with current job role (X_6)
- 7) Total experience (X_7)
- 8) Current experience (X_8)
- 9) Number of hours working in a day (X_9)

The Multiple Regression Equation is

$$Y = 76.689 + 1.648X_1 + 4.414X_2 + 2.917X_3 + 0.783X_4 + 3.441X_5 + 0.574X_6 + 2.741X_7 + 1.509X_8 + 4.090X_9$$

Here the coefficient of X_1 is 1.648 represents the partial effect of gender on attrition holding other variables are constant. The estimated positive sign implies that such effect is positive that overall employee attrition would rise by 1.648 for every unit rise in gender and this coefficient value is not significant at five per cent level. The coefficient of X_2 is 4.414 represent the partial correlation of the age group on attrition holding other variables is remain constant. The estimated positive sign implies that such effect is positive that overall attrition would increase by 4.414 for every unit increase in age group and this coefficient value is significant at 1 per cent level. The other strongest predictors are designation and number of working hours, X_5 is 3.441 and X_9 is 4.090 which is significant at 1 percent level. The coefficient of X_3 is 2.917 represent the partial effect of marital status on attrition keeping other variables are constant. The estimated positive sign implies that such effect is positive that overall attrition would raise by 4.414 for every unit increase in marital status by the estimated SRP that uses as the independent variables and R square value is significant at one per cent level.

Multiple R value: 0.567

R Square value : 0.321

F value : 16.921

P value : <0.000**

The multiple correlation coefficient is 0.567 measures the degree of relationship between actual value and predicted value of the attrition. because the predicted value is obtained as the linear combination of Number of hours working in a day (X_1), Age group in years (X_2), Gender (X_3), Designation (X_4), Satisfied with current job role (X_5), Educational qualification (X_6), Marital status (X_7), Total experience (X_8), Current experience (X_9), the coefficient value of 0.567 indicates that the relationship between overall employee attrition and nine experimental variable is quite strong and positive.

The Coefficient of Determination R-square measures the goodness-of-fit of the estimated SRP (Sample Regression Plane) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the R square value is 0.321 simply means that about 32.1 per cent of the variation in adjustment is explained and this coefficient value is not significant at 5 per cent level. The other predictors are educational qualification X4 is 0.783, satisfied with current job role X6 is 0.574 , total experience X7 is 2.741 and current experience X8 1.509 and these this coefficient value is not significant at 5 per cent level. Thus, the age group, designation and number of working hours are the strongest predictors of variations of attrition in the IT Company Technopark.

XII. FINDINGS

- 1) From the study revealed that the mean rank review of career development, work life balance and work pressure are the main cause of job attrition.
- 2) Based on Pearson correlation between factors of attrition supervision and salary is 62.2percent. This indicates that there is strong relationship between supervision and salary. This shows salary has large impact on supervision. Correlation value of training and development is 63.6 percent. This shows that training and development has a large impact on su- pervision. Correlation value of career development is 74.7 percent this shows larger impact of career devel- opment and supervision. This is the weak relationship between career development and supervision. Pearson correlation value of career development is 64.1.which shows greater impact of career development and salary of employees.
- 3) From the regression analysis the model summery of R value is 0.567 which shows that there is a strong correlation between experimental variables and dependent variables. The value of R square is 0.321 which shows that model of good fit. The study found that age group in year; designation and number of hours working which shows the highest significant result compared to other variables.

Table 3
Multiple Regression Analysis

<i>Variables</i>	<i>Unstandardized Co-efficient</i>	<i>SE of B</i>	<i>Standardized Co-efficient</i>	<i>t value</i>	<i>P value</i>
Constant	76.689	5.283	-	14.515	<0.001**
(X ₁)	1.648	1.635	0.048	1.008	0.314
(X ₂)	4.414	1.446	0.187	3.052	0.002**
(X ₃)	2.917	1.675	0.086	1.742	0.083
(X ₄)	0.783	0.585	0.064	1.339	0.182
(X ₅)	3.441	0.633	0.254	5.432	<0.001**
(X ₆)	0.574	1.671	0.016	0.334	0.731
(X ₇)	2.741	1.539	0.166	1.781	0.076
(X ₈)	1.509	1.883	0.069	0.801	0.424
(X ₉)	4.09	0.898	0.214	4.556	<0.001**

Note: 1. ** denotes significant at 1% level

XIII. SUGGESTIONS

- 1) Organization should create opportunity for the career development program in the company. By providing career development program they are more likely to take greater responsibility suited to promotion. Creation of opportunity for career program may also help the employee to become grater competent and enjoy their work better and also give recognition to its employee when they are new position with the company.
- 2) Organization should provide work life balance bene- fits for the employees lead to stay with better work life balance. Work life benefits include generous vacation policy, compassionate sick leave policy, paid leave of absences, flexible work arrangement and health wellness programs are commitment to achiev- ing employee work-life balance.
- 3) The organization must try to reduce work pressure and should offer entertainment packages to their employees this will help the employee to reduce their work stress.
- 4) The organization should provide proper training like literacy training, interpersonal skill training, technical training, problem solving training, sensitivity training for its employees. It is essential for the employer and employee who will increase their skill and managing their job comfortably. It is also essential for orga- nizational development and individual performance effectively.

XIV. CONCLUSION

Employee retention becomes a challenging for IT sector in India. Attrition rate has been significantly increased in Holocene epoch. In this research it is found that many of the employees working in IT industry are expecting better opportunity for their career, balancing work and their family life, better training for their job. So the organizations should concentrate on these matters to retain their employees.

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