



A CRITICAL ANALYSIS OF EMPLOYEE ATTRITION IN IT INDUSTRY

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Abstract

Employee Attrition is referred as reduction of employee in an organization for IT industry, employee Attrition has become a known challenge since last two decades. Employees leave the organization for various reasons. A few reasons are over expectations from work place, lack of growth opportunities, uncooperative team members; Long work timings etc. attrition takes place due to non fulfillment of employee expectations from the organisations in return of services provided to them. It is the great challenge for the IT industry to find out the reasons for the employee attrition and retaining the employee in the organisation so that the cost for incurred for planning, advertisement, recruitment, training and development of new employees can be reduced. The research used the data that was collected from experienced IT professionals in different categories based on their experience level and position in the organization hierarchy. Research questions covered the inputs on employee expectations and major attritions reasons. Although the data was limited to a few IT company employees from Nagpur, Pune, and Mumbai, managers and candidates Share similar views and perspectives on professionals' aspirations aspect to be major reasons of attrition.

Keywords- IT industry, Employee Attrition, Recruitment, Retention.

Introduction - Employee Attrition also known as Employee or Labour Attrition. Employee attrition means the proportion of number of employees that leave an organization during a period to the number of employees on the payroll during the same period. The reason of attrition may be personal, avoidable and unavoidable. It refers to scaling down of employee in an organization. In other words, it means the inflow and the outflow employees employed by an enterprise.

The reduction in the number of employee show retirement, resignation or death is called additions to stop attrition is also total turnover or wastage rate. Attrition is the function of demand and supply for the stuff the industry has continued demand of experienced employees and globalization has created the need of fresh talent for incorporating new ideas for stop the demand of pressure or experienced employee.

Yet, attrition is result of non-fulfillment of employee expectation from the employer or from the job. Every individual has its own professional and personal goals in life. Both of which are directly related to the organization he works for.

Hence, it is important to map the expectations of the organization and expectations of the employees. Expectations or interests mismatch becomes the root cause of dissatisfaction in the job and employee fails to perform his desired duties. This leads to attrition. The moment employees realize that his professionals' goals are not matching with the organization's goals, he cultivates that belief that he is not a right fit for the job. He starts looking out for the job opportunity outside the organizations.

Employee Attrition

Employee Attrition means the proportion of number of employees that leave an organization for various reasons such as illness, dissatisfaction with job or wages, marriage, retirement, death during a given period when compared to average number of employees on payroll during the same period. In other words, it means the inflow and outflow of labour employed by an enterprise¹¹.

Employee Retention

Organizations are strongly striving or struggling for retaining manpower in all possible ways. It is a great botheration among employers to design and implement a retention policy. Employee retention is a continuous effort made by employers that create and promotes an environment and frame policies and practices that fulfills the employees' diverse needs that stimulates present employees to stay in their organization for a longer period¹².

Literature Review

Manju Dhillon (2016) explains that why Indians IT sector is facing highest attrition rate and some remedial steps to avoid or to reduce the turnover rate. The author explores the causes of attrition were ambitions or career aspirations, personal factors, inadequate training and effective management, parent and family, mobility, lack of motivation etc. The ways to retain were providing good working conditions, job enlargement, flexible working hours etc.

SnehaMankikar (2013)³ tried to understand the cause-and-effect relationship between infant attrition and employee satisfaction. It also considers the other dimensions like leadership style of the management, job discrepancies and stress of employee. It found that IT industry has the problem of infant attrition and the causes for such attrition were employee's stress, job discrepancies, organizational culture, employee discrimination etc. Among these factors job discrepancies has the major influence on infant attrition.

SaketJeswani and SourenSarkar (2009)⁷ attempted to identify the strength of relationship among organizational citizenship behavior and psychological empowerment within the employees of

Bhilai Steel Plant Ltd.(BSP). Entry level employees and middle level managers of BSP form the sample of the study. Results indicate that manager who perceives psychological empowerment towards the organization, exhibit organizational citizenship behavior. The research extends the theoretical framework and draws implications for the employees enjoying psychological empowerment and exhibiting organizational citizenship behavior having intention to stay or quit.

Objectives of the study

- To analyze the reasons of employee attrition in the IT industry.
- To analyze perceptions of managers and candidates on expectations from the organization

Hypothesis

There is no association between causes of employee attrition and age, gender, marital status, education and experience of the employees.

Methodology

The study is based on empirical analysis, primary data is collected from 500 IT employees, and Interview schedule is used for data collection. Non-probability convenient method is used for selecting employees of IT firms for data collection and area under study of Delhi.

Demographic profile of the respondents

To understand more about the respondents, demographic profile of the IT employees were collected from the study area Delhi. The Table 1 shows the demographic profile of the respondents with regard to their age, gender, marital status, education and experience.

Table 1 Demographic profile of the respondents

S.No.	Personal Profile	Attributes	No. of Respondents	Percentage
1.	Age	18-25 years	142	47.3
		26-35 years	112	37.3
		36 years &above	46	15.4
2.	Gender	Male	185	61.7
		Female	115	38.3
3.	Marital status	Married	130	43.3
		Unmarried	170	56.7
4.	Education	Under graduate	154	51.3
		Post graduate	113	37.7

		Technical education	33	11.0
5.	Experience	Up to 2 years	92	30.7
		2-5 years	138	46.0
		6-10 years	48	16.0
		Above 10 years	22	7.3

Source: Primary Data

Out of the sample size 300, majority (47.3%) of the respondents fell in the age category 18 to 25 years; it was not surprising as the industry was characterized by young lot as their primary work force. That among the total respondents majority (61.7%) are male respondents. Since majority of the respondents fell in the age group 18- 25 years, 170 (56.7%) respondents were unmarried. Classification based on the educational qualification shows that 154 (51.3%) respondents were having under graduation, regarding experience majority i.e., 138(46%) respondents are having 2 to 5 years of experience.

Conclusion

The analysis reveals that most of the IT firms functioning in Delhi, have faced the problem of employee attrition because of dissatisfaction with job and wages, accident or illness, marriage etc. because plenty of opportunities are there in the market for experienced, well qualified employees if they switch over to other companies and they will get better prospects. IT companies should be alert and frame some necessary strategies to reduce attrition so that they can reduce the expenditure of employees for recruitment, training and development. The IT firms should understand it the employees who is to taken care of first only then they can satisfy their customers.

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