A STUDY ON EMPLOYEE ATTRITION AND TURNOVER ISSUES IN SELECTED SOFTWARE INDUSTRY

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ABSTRACT

The paper describes the issues of attrition and turnover to study the perception of an employee and the problem faces by an employee for improvement of retention strategies to overcome the attrition and turnover rate. The study explains the factors contributing attrition and turnover and also has direct and indirect impact for an organization. In software industry the emerging human resource problems is mainly on attrition and turnover. This survey was passed in various companies in Chennai. The research design used for this study is descriptive in nature. Convenience sampling technique was adopted for selecting sample units from the employees. Data collection is made with both primary and secondary data in this study. The primary data were collected through questionnaire by means of mailing and through telephonic interview with the employees. The source of secondary data was company profiles, website, journals and research paper. The tool used for analyzing and interpreting the perception of the employees in simple form. The results were presented with the help of different charts.

INTRODUCTION

“It’s a war of attrition. If you have patience and modicum of faith in yourself your chances are not too bad”. - Julie Bowen.

In India, information technology (IT) plays a major role, which is most significant and a emerging industry. IT sectors are classified into two components such as IT enabled services and software industries. This study is all about software industries especially in Chennai city. Most of the software industries are today facing major issues on “attrition”.

Many more organizations concentrate on HR issues mainly on attrition and turnover. Reducing strength and employees leads to harmful effect results in loss of efficiency and goodwill. Therefore there creates variety of troubles and to resolve with the possible clarification. This study is based on the attrition and turnover issues faced by the employee’s in a day to day life and to suggest strategies for reducing the attrition rate.

LITERATURE REVIEW

(GAYATRI, 2013) This article described the attrition issues from different perception as from the point of management and labor in both numerical and in efficient way. This study also stated the causes and effects for an attrition and concluded that attrition do not always have destructive influence in an organization.

The term “employee turnover” is a critical metric that is usually central to organizations workforce planning and strategy defined by (Thomas, 2013)). The study described the major source for the turnover were pay satisfaction and other employee opportunities. It also discussed the problems
related to turnover issues such as increased workload, management frustration etc. The study also concluded with the strategies to minimize the turnover issues.

The study was about the critical factors of turnover and analyzed the impact on loyalty in service sectors with the three main factors such workplace environment, job satisfaction and job performance explained by (BAJWA, 2014).

The author (YIU, 2014) suggested that Indian companies have to reinforce the bonding of internal social networks and expand Individual job satisfaction and organizational commitments to certain talent retention through Competence development and Career planning. The solution can be done through learning and development.

(DAVID, 2015) stated that the word ‘attrition’ refers to scaling down of an employee. This study described the various reasons for the frequent attrition issues and also suggested the strategies for retention.

(GUPTA) stated with the three psychological models as experienced meaningfulness, liability and skill of the outcomes for the work activities. The personal and work activities results may be redefined as high work motivation, high work satisfaction and high work involvement. The study established with the various theories for the retention of employees in regression model.

The paper dealt with the movable and immovable costs in which attrition are major confront faced by the managers in IT/ITES sectors. The study identified the major reasons using business intelligence. The paper described with the factors such as lack of growth opportunities and migration for better environment. The study suggested with strategic decision for the reduction of employee attrition described by Moore. A

This paper (M. ANGELINO, 2007) described attrition to be major problem not only in IT sector but in online education. The study was to maintain rapport with management and with the students especially who were studying in online culture system with different methods of appealing students with the cutback of attrition rate.

**ATTRITION**

Attrition refers to reduction or decrease in size or strength of workforce or gradual reduction in labor occurring through means other than firing on employee. It is function of declining workforce. It is the number of employees who leave a company due to unavoidable reasons. The employer leaves the vacancy unfilled or eliminates that job role. It identifies one as positive force on total number of employees and other as negative force. If the company wants to measure fluctuations for the period then chooses attrition measures. This type of reduction of staff in one way a company can decrease labor cost; the company waits for its employees to leave and freeze hiring. For instance, business facing closure, shutdown or a work slowdown develops a strategy for laying off workers or reducing its workforce. This is attrition, not turnover, because the employer does not plan to fill positions. Once the layoff or reduction in force occurs, the positions that employees once held no longer exist.

**TURNOVER**

Attrition differs from turnover which is the rate at which an employer loses employee. Turnover is function of stable or expanding workforce. It is the total number of employees who leave a
company regardless of whether the reasons causing them to leave are avoidable or not. It may result from a number of employment actions, such as discharge, termination, resignation or job abandonment. Turnover can help an organization to infuse new talent into the company by replacing former employees with candidates with innovative ideas and better skills and qualifications. The company measures turnover as the number of employees hired during that period to replace those who have left.

**TYPES OF ATTRITION AND TURNOVER**

The types of attrition and turnover, which are broadly classified as

- Voluntary and Involuntary attrition and turnover.
- Mandatory and Environmental attrition and turnover

**Voluntary attrition and turnover**

Voluntary attrition is departure from a company on his own. This happens when an employee resigns from an organization for personal or professional reason. It occurs when an employee resigns to pursue another career opportunity, relocate with a spouse or simply leave the workforce for personal reasons, such as raising a family. In this case, the employer starts the recruitment and selection process to find a suitable candidate to fill the vacant position. Retirement is a form of voluntary turnover; however, if the employer decides against filling the position left vacant, it is considered attrition. In the case of retirement, the reason the job is vacant is the employee's decision to retire.

**Involuntary attrition and turnover**

Involuntary turnover typically refers to an employment decision to terminate the employee. Reasons for involuntary turnover include poor performance, excessive absenteeism or violation of a workplace policy that is considered a terminable offense. Attrition due to layoff, reduction in force or job elimination is typically involuntary because the employment relationship ends based on the employer's circumstances, not the employee's decision to leave. For instance, when a teacher decides to leave the teaching profession, it is called attrition, which they consider to be a component of turnover.

**Mandatory attrition**

Mandatory attrition occurs due to the policies of government and management. It takes place as retirement of age and closure of contract etc.

**Environmental attrition**

Environmental attrition take place as with the environmental changes. This occurs usually out of control such as end of life by causes and effects of organization and personal as well.
FACTORS CONTRIBUTING FOR EMPLOYEE TURNOVER

The major factors influencing for employee turnover are

- Employability skills
- Lack of opportunity for advancement
- Defective training
- Inadequate competence

IMPACT OF ATTRITION AND TURNOVER

There are two ways of impact as

- Direct impact
- Indirect impact

RESEARCH OBJECTIVE

- To explore the factors contributing attrition and turnover issues.
- To analyze the employee retention rate.
- To assess the reasons for voluntary termination.
- To suggest the strategic decisions to overcome the attrition and turnover rate.

RESEARCH METHODOLOGY

Research methods or a technique refers to the researchers use in performing research operations. It can be those methods concerned with the data collection.
Research methodology is a way to systematically solve the research problem. The researcher and the respondents contact each other if survey method is adopted. Primary data can be collected by means of mailing of questionnaire.

**RESEARCH DESIGN**

“The formidable problem that follows the task of designing the research problem is the preparation of design of the research project is known as research design.” (KOTHARI)

- The study is undergone with research design of descriptive analysis.
- The questionnaire was made with scaling technique - Likert five point scale.
- The analysis is made in pie chart.

**SAMPLING TECHNIQUE**

The selection method is of basic importance which mainly upon the basis of character and inspection.

The study is made with non-probability sampling in which convenient sampling technique is taken. The sample size taken for the study is 50 samples.

**LIMITATION OF THE STUDY**

- Taking survey in qualitative nature is not easy task.
- Finding of the study was based upon limited respondents.
- Since the study is the open ended, confidentiality information cannot be obtained.

**DATA ANALYSIS AND INTERPRETATION**

**DEMOGRAPHIC PROFILE**

<table>
<thead>
<tr>
<th>AGE GROUP</th>
<th>Below 25</th>
<th>26-35</th>
<th>36-45</th>
<th>Above 45</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of respondents</td>
<td>32</td>
<td>5</td>
<td>4</td>
<td>Nil</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GENDER</th>
<th>Male</th>
<th>Female</th>
<th>Transgender</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of respondents</td>
<td>32</td>
<td>18</td>
<td>Nil</td>
</tr>
</tbody>
</table>

By this demographic profile, 32 respondents are in the age group of below 25, 5 respondents are in the age group of 26-35, 4 respondents are in the age group of 36-45 and 32 are male whereas 18 are female respondents.
CARRER GROWTH

<table>
<thead>
<tr>
<th>Variable</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job worth</td>
<td>3</td>
<td>28</td>
<td>8</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Proper System of Training and Development</td>
<td>3</td>
<td>12</td>
<td>9</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>

The variable career growth explains 45% of the respondents are felt their job as worthwhile and only 30% of the respondents agree with the proper system of training and development.

JOB SATISFICATION

<table>
<thead>
<tr>
<th>Variable</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Suitability</td>
<td>3</td>
<td>28</td>
<td>11</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Salary satisfaction</td>
<td>5</td>
<td>17</td>
<td>14</td>
<td>6</td>
<td>0</td>
</tr>
</tbody>
</table>
The variable *job satisfaction* says that 45% of the respondents are suitable for their job and 50% of the respondents are satisfied with their salaries.

**WORKING ENVIRONMENT**

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overtime work</td>
<td>36</td>
<td>5</td>
</tr>
<tr>
<td>Payable for hours</td>
<td>0</td>
<td>42</td>
</tr>
</tbody>
</table>

The variable work environment says that more than 50% of the respondents work overtime and none of the respondents are payable for the work overtime.

**CONCLUSIONS AND FINDINGS**

The study of Employee attrition issues and turnover issues in the software industry in Chennai was given an idea to suggest the retention strategies to overcome these issues. By this study roles and responsibilities of HR was understood in an organization. It helped in verdict out the most dangerous cause for attrition and turnover issues in the organization. The study explained about the various kinds of attrition and the factors contributing turnover issues also revealed the impact upon the attrition. This understood about the truth that opportunity for overcome the issues are the major reasons. The major attention is to provide on proper system of training and development is needed also the employee must be provided with incentives for their work in overtime. Employers have to work smarter and permit employees to work smarter. The organization may faces loss of productivity and lack of skilled employees. There exists lack of faith of employees towards their top management which leads to no motivation and have no retention. Retention strategies must be provided with specific time duration. The lack of skilled people are mainly due to opportunities for the career growth and development.

**BIBLOGRAPGHY**


• KOTHARI, C. R. RESEARCH METHODOLOGY.

