## CHAPTER-6

### SUGGESTIONS AND RECOMMENDATIONS

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6.1 INTRODUCTION
After detailed conclusions in chapter five researcher has proposed suggestions and recommendations for IT firms in Pune city and these can be applied to others cities also. Researcher has thoroughly understood the concept of employee turnover and has listed reasons, rate and implications of employee turnover in IT industry in Pune city. For the research primary data was collected from responses to the structured questionnaire distributed to 450 employees and 60 team leaders of 30 IT firms of Pune city. This detailed conclusion on the strength of statistical projection of the data has guided the researcher to suggest remedies to the IT firms to improve the work environment that affects the employee and makes them quit the job. Thus, based on the research methodology adopted by the researcher possible recommendations are given in this chapter.

6.2 SUGGESTIONS ON DESCRIPTIVE STATISTICS
Data collected from both the questionnaires was analyzed and concluded in last chapter with the help of models. In the current section researcher has recommended changes in the work environment which majorly affect the employee and motivations which increase their performances reducing turnover.

6.2.1 EMPLOYEE’S QUESTIONNAIRE
A response of the 450 employees of 30 IT firms of Pune city has helped the researcher to suggest strategies to reduce employee turnover. The questionnaire which was divided into five sections, gave detailed information and employees true feeling about turnover intentions.

6.2.1.1 GENERAL INFORMATION
Demographic factors like the age, marital status, gender, number of children, education, experience, employee total tenure make it possible for researcher to correlate turnover with these factors. While recruiting candidates care should be taken to verify the personal details so that no chance is left for any candidate to quit the firm for above reasons.

Organizations must understand the need of both the genders and after properly investigating each resume recruitment of employee should be done to reduce rate of turnover.
Tendency to shift job can be observed in younger age, thus management should work on younger members of their team and frame attractive strategy for them. Tendency of job shifting is more in unmarried employees thus while different strategies must be planned for both the groups i.e. married and unmarried employees.

Top management should ensure that a reasonable (market equivalent) salary is paid to employees in the organization in order to prevent them from moving to other organizations.

If a candidate has more number of members in a family, such candidate must not be selected if alternate is available. Similarly if a candidate over qualifies for particular post, care must be taken for few such cases. Organization must hire right person and ensure not only the right skills but also check the feasibility of adjusting with the company culture. Recruiting employees that have right qualifications and personality and will adopt the culture quicker, perform best, and most importantly, feel happier in their new role will decrease the employee turnover rate.

6.2.1.2 EMPLOYEE’S INFORMATION

With demographics, personal information of the employee was collected and analyzed. It is observed that information like overall work experience, experience in current organization and medium of placement do have relation with rate of employee turnover.

IT firms should balance the work force by recruiting right proportion of young and old employees to reduce overall turnover. If there are younger employees with less work experience their tendency to search new job increases. If total work experience is more, the tendency to search new job increases leading to higher employee turnover.

When experience in current organization increases, the turnover rate also increases. To prevent this, firm should work on continuous empowerment and motivation to these employees to retain them for longer time.

If an employee is recruited through personal reference there is a chance that employee does not leave the organization for small reasons because of high level of engagement.
6.2.1.3 JOB SATISFACTION

Out of 22 statements related to job satisfaction, respondents are not satisfied with salary offered, annual increments, returns for completing the task, performance appraisal, guidance of the seniors in career planning, working hours, grievance handling by the seniors, employee empowerment, and rewards and recognition for achievement in work.

Researcher suggests that right compensation and benefits must be decided after proper survey of industry pay packages and benefit structures. Such packages should be analyzed in regular frequency may be once in a year to take care of market changes. The aim should be to check whether fair wages/packages are given to the employees and also employee’s growth is worth. Large organization may give benchmark of highest pay package so that employees will not move out in search of higher package and in return organization may make them work more and expect high productivity. It is not necessary to give high salary hikes always, organizations may be innovative by giving shares of the organization which will give employees long term benefits and retain them for long period.

Apart from this organization must make employees feel that they are fairly paid and chance is given to them to achieve the benefits like appreciation and advancement in career. Good employees should be chosen and their performance evaluated and if found as per requirement, promotion in higher level should be given to make them loyal.

Performance appraisal with regular review to increase trust and satisfaction of the employee must be included in the strategies to retain them. Performance standard for employees to measure employee performance must be developed and small appreciation for their achievements and a positive feedback immediately after the completion of the task and for special achievements will help the organization to retain employees. Letters, mail, memo, what’s app message, recognition and verbal communication to appreciate employees for completing the task will make employee feel important and motivate them to stay with the organization.

Management should create opportunities for career advancement which may help employees to become more productive and to enjoy their work even better. It is also
important to give due recognition to the employees for the higher position within the organization and set clear, achievable goals and standards for each position for which individuals should receive timely feedback on their performance. Management should give resources, authority and responsibility to the employees to increase productivity and motivations, making them stay in the organization.

6.2.1.4 ISSUES RELATED TO JOB
Organizations notice high turnover when issues related to job are not given due consideration. Employees join the work place with the expectation and if these are not met, the employees show disinterest in work and issues are raised leading to employee turnover. In all 21 issues were given to the 450 employees and asked to rate between 1 to 5 likert scale (1 is strongly disagree and 5 is strongly agree) form 30 firms of Pune city. From the conclusions researcher suggests that management of these organizations should form a committee to discuss and solve the job related issues occurring time to time. The members of committee will meet employee every fortnight and will understand their state of mind and if issues are observed, action will be taken immediately.

It is concluded that there is an issue related to opportunities provided to grow in organization. Employees performing well should be selected and career planning must be discussed with them which help an employee to plan their future; this will help organization to retain its employees.

Issues are also noticed regarding chance to execute their ideas to complete task given which means an issue exists related to freedom and confidence in them. If employees’ participation in the organizational decision making is increased it will give a sense of confidence and belongingness amongst the employees. Employees will also enjoy their work and help them to suggest new and innovative ideas to complete their tasks.

Majority of the respondents have to change family commitments frequently because of uncertain work schedule, increasing stress and frustration among employees and their family members. The biggest challenge is sacrificing social life leading to poor work-life balance. After daylong hard work, the employee returns home and spends time in relaxing. Odd shifts hardly give time to devote to family. Management should
consider options such as alternative work schedules and flexible time to take care of family need and continue with pending work latter.

Organization can adopt involve and engage policy for employees actively seeking an alternative work role within the present company or planning to quit by reducing work boredom by revisiting job description to add challenges to tasks because if there is no match between employee and the given task, the employees become bored by the job that is not challenging or one that provides unrealistic challenges. People are more committed and engaged when they can contribute their ideas, suggestions to the organization. Efforts should also be taken to develop potential to make the job interesting because skilled people will not remain in same position if they see dead-end job.

6.2.1.5 EMPLOYEE TURNOVER DRIVERS

Management should determine more specific drivers of turnover in their organization and develop a targeted strategy to gather data from exit interviews, focus groups and turnover studies. Through this study many turnover drivers were highlighted and management must work on each separately and seriously to control the problem. Each driver of turnover is discussed below and relevant suggestions are given.

Salary below expectation- If the organization makes provision of competitive salaries, it will help reduce employee turnover and employees will not look for alternative options offering better salaries if their existing salaries match with their expectations.

Frequency of communication with team leaders- Management must increase ways of communications between employees and team leaders which will give indication of many emerging problems between employees like warning of employee being unhappy and thinking about leaving so that counseling can be provided to such employee.

Incentive practices- Apart from good monetary incentives welfare facilities, education allowance for children, medical facilities, insurance, clubs etc. are also expected by employees and may result in curbing the attrition.

Stress on work place- It is concluded that employee turnover intentions are related with job stressor i.e. with the increase in job stress employee turnover increases and intellectual capital is lost thus stress at work place must reduce ambiguity in work role.
Strict supervision- Employee leaves because of bad supervision and the quality of relationships with their team leaders is a driver of turnover. It is suggested that steps should be taken to improve understanding between employees and team leaders to increase satisfaction of the employees and in turn quality of the exchanges between them. Individual contributors should be promoted to team leader’s position and provide training and coaching that covers retaining employees. Management may also measure employee turnover under each team leader and declare incentives for such leader.

Alternative job opportunities (outside)- If lots of job opportunities are available then employee turnover will be higher but if management provide various facilities to the employees with good package, turnover could be controlled.

Neglecting grievance or complaint- If employees’ grievance is not handled by the organization, they will be dissatisfied for the work environment, which must be handled at priority or else it may lead to higher employee turnover rate.

Work schedule too inflexible- Flexitime schedule should be provided to the employees to improve loyalty and productivity.

Physical working conditions- A physical working condition includes good ambience, ventilation, canteen facility, recreation hall and parking space etc. helps the employees to enjoy the work. Absence of these factors leads to lead to employee turnover.

Location- Good transportation facility should be provided if the location of the work place is at distance place to save time consumption on travelling by the employees and reduce tiredness.

Overtime- IT employees work for long hours and thus have a poor personal life thus management should take necessary steps to reduced working hours to help them socialize and spend more time with their families. This helps in reducing stress levels of the employees and increasing retention.

6.2.2 TEAM LEADERS QUESTIONNAIRE

A separate questionnaire for team leaders of 30 IT firms from Pune city was prepared to collect the fair idea about work environment, perception about turnover, and implications of turnover to understand the problem and suggest the remedies.
6.2.2.1 NATURE OF WORK ENVIRONMENT

Employees need a rewarding work environment which should include respect and recognition from seniors, and a challenging position to learn new things. Organizations often overlook importance of a positive work environment which must include awards, small recognition and praise that can be a cost-effective way to make employees happy and productive. High rate of employee turnover is a significant problem for IT firms of Pune and cost is very high as compared to the regular salary of the employee. It is suggested to the organizations that they should improve the environment at work to keep turnover at a healthy minimum.

According to the responses of team leaders it is concluded that out of many elements of work environment like opportunities for growth and advancement, good grievance handling procedure, pays and perks, fair treatment, appreciation for the work, safe working conditions, adequate welfare facilities, career development plan, job security, adequate general and technical education, stress at work place and loyal to the organisation, only three elements of work environment should be taken care by the organization (viz. appreciation for the work, job security and loyalty to the organisation) to reduce the total turnover rate which is between 10 to 20 percent for these firms.

Researcher suggested that organisation should make employees feel that their hard work is being appreciated and rewarded to make sure they remain loyal. Offer the potential for advancement and give plan to employee for their advancement in the organization. Employees will be loyal if they are not made to work to the point of exhaustion which will make their net productivity to degrade. Researcher suggests that organization should initiate to create work environments that will be favourable towards enhancing job satisfaction, commitment and work engagement.

6.2.2.2 MOTIVATION TO EMPLOYEES

Motivation helps employees to work better and achieve organizational goal on time. Highly motivated employees work more efficiently and enthusiastically and keeps employee’s morale high which helps in retaining them with the organization. Employees can be motivated in many ways but through the responses of team leaders it is noted that organization must motivate employees by giving regular increments for achievement, on time salary, flexibility in timings, open door policy to solve the problems and security at job.
6.2.2.3 PERCEPTION OF THE LEADER

Knowing perception of team leaders regarding employee turnover and other aspects of employee turnover, researcher suggested that commitment level and loyalty of the employees are important for improving productivity and to reduce turnover rate. Employees are committed to the work but are not loyal because of dissatisfaction on many elements of work environment like regular increments for achievement, on time salary, flexibility in timings, open door policy to solve the problems and security at job. If the dissatisfaction is not removed it will affect productivity adversely and will add to total cost of the organization like cost on recruitment, training, induction etc. as employee turnover increase.

6.2.2.4 IMPLICATIONS OF EMPLOYEE TURNOVER

Researcher concluded that employee turnover has various effects on organization and measures must be taken to reduce the rate of turnover. One major implication is increase in cost of recruitment in the organization leading to rise in total expenditure which eats up the profits. When more and more employees leave organization, which includes the experienced employees, it leads to decrease in productivity and increase in expenditure on recruitment because it involves churning of the employees who incurs a lot of cost like cost of recruiting and expenditure towards training of these recruited employees.

When these new recruits perform on the task after training (where organization has invested huge amount of money) still there is a need for frequent checks on the performances to reduce mistakes. It is suggested to the organizations that efforts must be put to reduce overall employee turnover rate by applying various strategies or methods given earlier in this chapter so that recruitment and supervision cost can be controlled.

It is also observed efficiency of employees reduces because they see their co employees leaving the organization one after another resulting to increase in work load with decline in the general quality of workforce. Many a times organization fails to take important decisions when team of experience employees is absent leading to great loss, thus all efforts to retain good employees are advisable.
The IT firms are service oriented and require a lot of manpower where shortage of skilled manpower is usual and when some of the employees leave the organization, existing employee’s workload increases which leads to stress with high turnover. Further the turnover increases work environment complexity, the leader’s task of motivating and boosting morale of new and existing employees, wastages of resources and delays in achieving deadlines. Thus organization should develop prevention methods such an internal selection and routine meeting of the employees that allow them to sustain employees.

6.3 SUGGESTIONS ON INFERENTIAL STATISTICS

In this section researcher has used the conclusions made after thorough analyses of both the questionnaire as well as hypotheses testing. This will help to complete the research suggestions given to the organizations to reduce turnover. Researcher has concluded many important facts in chapter five regarding the employee’s expectations, reasons for employee turnover and remedies to reduce it.

Management of IT firms should understand the importance of job satisfaction for the employees with issues related to job and turnover drivers. When the candidate joins the organization, work environment plays an important role and during induction employee is keen to know work environment. Employee checks salary and annual increments but as days pass motivation plays its role to bind him to the organization and attract his loyalty. Organization should check their perception time to time to work on required areas and increase job satisfaction. From Figure-6.1 it is understood that regular efforts are required to study the different aspects of employee turnover and following steps must be taken.

**Smart recruitment**- Candidates must be matched with the work profile to avoid mismatch and reduce turnover.

**Appropriate salary**- After study of salary offered by competitors, appropriate salary structure should be adopted by the organizations so that even if employee look for alternative career they cannot get better salaries in the market.

**Flexi and less working hours**- It is observed during interactions with employees of IT firms that they have to work 16 to 20 hours a day in routine and also at odd hours making them frustrated and irritating in behavior. If the organization takes efforts to
give their employees flexi time and less working hours with a social life to enjoy, will reduce the turnover rate.

**Employees must be counseled at regular frequency**- Open door policies to resolve the grievance of the employees and regular meeting of team leaders with their team will help organization to counsel the employees with leaving intentions and will also relive their stress. Clear communication is a way to success to retain employees.

**Recognition of the employee’s performance and good incentive scheme**- It is observed that employees are dissatisfied with poor recognition and absence of good incentive schemes thus acknowledging good work and small incentives for extraordinary contribution will increase their morale and create healthy competition amongst them to achieve predefined targets.

**Welfare facilities**- Almost all the IT organizations provide facilities like, relaxation rooms, recreation clubs, good food, all time cabs, but additional facilities like medical facilities, family insurance, and training on work life balance is expected by the employee.

**Growth plans**- Employees always feel that management should plan for their future with growth in career. Thus organization should define the growth path for each employee to retain him in the organization.

**Cordial relation with superiors**- Employees spend maximum time of their life in the organization working with subordinates colleagues and seniors. Thus it is essential that necessary steps should be taken to improve relations by organizing healthy competitions, indoor games, trekking and picnics to nearby destinations. Healthy work atmosphere with good relations will result in enhanced employee morale and retention.

**Measure of employee turnover rate**- Team leaders were not sure of the exact turnover rate though the organization HR department might have all the figures, it is suggested that the figure should be percolated to all to understand the grave serious matter which will help in suggestions from all and retention will increase.

**Increased employee involvement**- Researcher suggests that management should involve employees in the decision making of important projects to give sense of importance.
**Change management**- Management should redesign the work in regular intervals and also rename the designations to make employee feel better and take them out of boredom.

**Genuine performance appraisal**- Management should develop performance standard to measure employee performance genuinely to select and retain good employees.

**Advertise good moves**- If management provides benefits and increments to the achievers it must be published in newspapers and magazines which will attract good candidates and also retain present employees.

Researcher has suggested retention model (Figure-6.1) for the IT firms to reduce employee turnover rate. In the model it is suggested that at the time of induction the employees are self-motivated and knows salary offered and annual increments. Work environment plays important role for initial period and employee enjoys his job. Firms should motivate employees by giving rewards and recognition for their achievements time to time and must work on knowing perceptions of the employee with regards to opportunities available to execute ideas or whether grievance handled by seniors are satisfactory or not, because these are major reasons for employee turnover at mid-level of service period. Slowly the employee starts facing issues related to job like stress at work, low employee empowerment and less opportunities to grow. Firms should work on empowering the employees by matching their skills and task assigned to them to make them satisfied. Performers must be offered higher positions instead of looking for outsider who is unaware of policies and work culture of the firm.

Dissatisfaction starts when motivations like a well-designed performance appraisal system is absent in the firm, also the seniors are reluctant to guide the employees on career planning and absence of system to give returns for completing the task. It is observed that employees take the decision of leaving the job because of lack of communication of employee with team leaders, poor incentive practices, strict supervision, policies and procedure not defined properly, poor physical working conditions and forced overtime, thus these turnover drivers should be studied and strategies must be defined to improve retention.

Firms should constantly monitor employee’s perception and work on it so that employee turnover can be reduced.
Figure 6.1 Retention model
(Source: Primary data)

- Communication with team leaders
- Incentive practices
- Strict supervision
- Policies and procedure
- Physical working conditions
- Overtime
Based on the conclusion of the study, it is recommended that various aspects of employee turnover should be addressed to promote work environment of employees as it is positively associated with individual and organizational productivity. Good work environment at the workplace will boost employees to do beneficial things for the organization and also increase the positive thoughts. Such work force will meet the expectations and help to improve utilization of resources in line with organizational goals, promote individual fulfilment of task, facilitate ownership, and loyalty towards organization.

Figure-6.2 Perception model (Source-Primary data)

Understanding perception should be implemented to retain IT professionals. Not only emotional but also social well-being should be the focus of understanding perception and outcomes should be advantageous to both employer and employee, the following element should receive attention.

Firstly, perceptions should be studied to create work environments more effective enhancing job satisfaction by giving job security, appreciation for achievement, commitment and loyalty to the organization.

Secondly, in order to ensure the best possible motivation, perceptions should be noted to develop excellent recruitment and selection methods, because positive thinker will be self-motivators and will always achieve goals and set targets. This can also be achieved
by designing job as per the caliber of the employee to minimize the emotional and physical burdens. Employees should be helped to develop new skills and should be treated fairly by giving chance for open communication, involvement in decision making.

Thirdly, organization must provide resources, because unavailability of resources will make employee exhibit negative outcomes and will lead to job dissatisfaction and increased turnover intentions. It is important that organizations must create culture that has positive impact on employees’ satisfaction, feedback of their performance, rewards for performances and flexi working hours.

Finally, perceptions should be noted to increase employee retention by ensuring good and cordial relationship between team leaders and employees by showing transparency in policies, informing appraisals, smooth communication and offering advancement opportunities.

6.4 SCOPE FOR FURTHER RESEARCH
Present research was based on objectives like study of concept of employee turnover as applicable in IT industry, identify the reasons of employees switch over, rate of employee turnover, team leader’s perception about turnover, implications and suggest measures to reduce the prevailing rate of employee turnover in IT industry. The findings and recommendations may or may not fit for other industry, thus there is a scope of further research for other industry. A detailed study of each element of employee turnover can be studied like work environment, satisfaction level, motivations and perceptions about turnover. Research can also be done on environmental effects on turnover by conducting studies with comparative environment in two different industry and remedies for retention.

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