CHAPTER IV
IMPLICATIONS FOR HR MANAGERS

Maintaining a motivated and committed workforce has become extremely challenging for HR professionals. Near full employment, the changing values of younger employees, baby-boomer burnout, and the increased willingness of employees to "jump ship" if the grass looks greener elsewhere have made this task much more difficult than in the past. The chapter III characterizes in this respect, at times supporting one HR strategy conspectus to circumstances, than favoring the other immediately thereafter due to unpredictable human behaviour. The obvious disturbing question is - Employee Turnover: bad attitude or poor management?

Employee turnover is giving sleepless nights to human resource managers in IT industry. A widely-held belief is that employees have developed bad attitudes due to professionals’ shortage therefore the recruitment and selection strategies have gone haywire. Recruitment has become tougher so is the selection of right professional and thus retention as IT professionals are believed to job-hop for no reason or even for fun.

Perhaps the most important challenge faced by HR/industry heads is the ‘aspiration’ of these young professionals. There are two aspects: One, because of the information boom, people are more aware of global packages and practices. They see a possibility of earning more elsewhere and, therefore, by comparison there is a definite level of dissatisfaction in a lot of young IT professionals. Unfortunately, despite IT professionals’ turnover or job hopping being such a serious problem in IT industry, there is a dearth of studies investigating it; especially studies using a comprehensive set of causal variables are rare.

In this study, the researcher broadly examined three sets of antecedents of turnover intention in companies: demographic, controllable, and uncontrollable (details have already been provided in the chapter III). Metro IT companies provide an appropriate setting as their turnover rates are among the highest in India. Findings of the study suggest that the extent of controllable turnover is much greater than uncontrollable turnover and that poor management practices are the major source of employee turnover and hence a need for redefining recruitment, selection, compensation and motivational strategies in the information technology sector.
The salary and career growth are top considerations for determining satisfaction. Work/life issues are mixed and benefits are the least important among considerations. Respondents most frequently identified salary as an item they evaluated regarding satisfaction level with their current position. It also topped their list as the factor most likely to be used to evaluate whether or not they will accept a future position. Forty percent of female respondents believed they were not paid market value; this is the same percentage that indicated an increase in compensation would increase their job satisfaction.

Respondents most frequently cited career growth as the reason they left their last position. Just over half indicated that they were offered career growth in their current position. Fifty-four percent indicated future career growth opportunities would improve their satisfaction with their current position. This is also a top consideration when making a decision to accept a new position.

Almost half of the respondents indicated the ability to balance their career and family obligations was important in evaluating their job satisfaction and 41% said it was an important consideration for accepting a new position. Few respondents identified either more time off or a flexible work schedule as being necessary to improve satisfaction in their current position.

Benefits and perks do not seem to be as important as career growth, salary, and involvement in decision making when individuals are evaluating satisfaction in their current position or evaluating a new position. Insurance and financial benefits make up two of the three bottom factors used to evaluate current job satisfaction.

Other notable findings include the respondents who rated their superiors as good coaches/mentors are more likely to be satisfied in their jobs than are individuals who feel that their superiors make poor coaches/mentors. While almost half of the respondents have been in the IT industry for at least 15 years, the majority of the respondents have been in their current position for only for four years or less.

Retaining IT professionals

Data clearly points that retaining people is going to be the key, more than benefits like ESOPs and so on; it's the values that an employer creates, the ambience that he offers, that will help retain IT professionals. In effect, the latest technology, the most efficient information systems, the 'leanest and meanest' organization structure, is only as good as the people who make up the fabric of the company. So, IT companies should now make an attempt to tailor package in an attempt to increase the job
satisfaction levels of young IT professionals. Factors such as growth, transparency, the level of decision making power and so on affect the degree of job satisfaction for a young executive. Paradoxically, in this study, what young IT professionals rate as the most important and critical criteria in selecting a job is also the cause for the lowest level of satisfaction on a whole range of parameters.

Finally, how do organizations design a policy to attract and retain talent? One thing that HR people can do is create an environment which will help people to improve their marketability. Meaning, the person should be able to continuously see some value addition happening, whether this is through training or job rotation or through some new assignments.

Very few companies, especially the older ones, are interested in investing in people; they would rather buy than invest. So, it’s a two-way cynicism that sets in. Clearly, the organizations are either falling short somewhere in their vision or are unable to communicate it effectively to the Young Turks.

**Job Hopping**

These days, no one expects you to spend your entire career at a single company. That would peg you as a throwback, especially in information technology. But job-hopping, especially if you’re staying at a company for less than 18 months, may raise questions with a potential employer.

Ten years ago, switching jobs every two years would peg you as a problem case. But now, turnover is a fact of life in IT; companies try to combat it with stock options, project bonuses and other perks. But it is still common for a company’s IT department to have a turnover rate of 15 to 20 percent among IT professionals like networking gurus or Web database pros, whose skills are in high demand. For those with less valuable skills, moving from job to job poses a greater risk.

Money is a motivator when switching jobs, no doubt about it, but it is rarely the sole reason for leaving one job for another. Other factors almost always come into play, from an organization’s corporate culture to the desire for new challenges. If IT professionals are asked why you switched jobs, and you’re able to say nothing more than "the money was better," you may be asking for trouble -- you’re essentially saying that you’ll only be around until a better offer comes along. No matter how desperate a hiring manager is for your skills, an answer like that is not what HR manager wants to hear. But practically speaking, that has become the norm of the industry and fed up with
the problem HR managers perhaps keep on looking for the answer to the plain question - How happy is your staff?

Partially it probably depends on how many of the employees are women. Female employees were more satisfied with their jobs than their male counterparts. Both sexes said that the two most important reasons for joining a company was company image followed by job content and career development. Men also felt that facilities, resources and support that an organization offers are important, while women did not consider these among the Top 10 reasons. Both said policies and procedures, performance appraisal systems and stock option plans were least important reasons for joining a company. Subsequently, however, the performance appraisal system was important for employee satisfaction.

Job content and career development are some most important reasons for men leaving their previous jobs. For women job content came next only to money. Men said job security was their third most important reason for leaving their previous jobs, while women rated company image slightly higher. Women have a greater sensitivity to hygiene factors than men do. They also indicated that they are more likely to quit a job on issues of unsatisfactory policies and procedures or shortcomings in the company’s internal communication system.

As for job engagement (being committed to and involved with their work), more than a third of female workers reported that they were engaged with their jobs, compared to only a quarter of their male counterparts. The data is a witness that women were less likely to be categorized as fundamentally disconnected, a classification that accounts for the bulk of a business's least-productive employees. Only 11 percent of women fit this category, whereas 17 percent of the men did.

Views on whether 'new breed IT Professionals are not as loyal to their employees as the earlier ones' splits IT Professional responses into almost groups of believers and disbelievers (with slightly more of the former). The high disagreement should surprise HR managers of IT companies which consider diminishing loyalty a painful fact of life. There is some variation among clusters; personnel managers, first rung graduates and non-movers approve more strongly than the rest.

Other statements posed by the researcher won high levels of agreement. Young women IT managers were more or less unanimous in the belief that IT Professionals today are better at planning their careers, have a wider choice of jobs and switch jobs more frequently than non-IT Professionals. An interesting reason for IT Professionals jumping more often than others is "It's only at the entry level that an IT Professional
holds real clout – because of his degree. After that he discovers that he must deliver. If he can't, he's a misfit." In other words, the IT Professional label isn't altogether free of inconsistent quality, and that companies aren't always unhappy to see their new picks leave so soon.

For the young IT Professional quitting job, it's hard to separate the pull factors from the push ones. Yet, it's reasonable to assume that an alarmingly high number of job decisions are made which are regretted. Both recruiters and job-seekers think that it's time to re-examine campus recruitment systems. As the job market has softened, employers were becoming more apt to seek education and specific experience. HR managers hence must start trading on formal education for specific work experience. There is an acute need for holistic evaluation of candidates. HR managers should get rid of their bias towards obvious characteristics, and look for those who can fit well into the organizational culture.

IT Organizations were focusing on retaining key people because they were not able to retain all employees. Exotic measures like flexible compensation packages, flexible timings, frequent foreign trips, etc were being undertaken. Companies were also trying to prevent turnover through short-term measures like paying competitive salaries and focusing on retaining the critical mass. By doing so, they have reduced the impact of turnover on projects and organizations, though the problem has not been fully arrested.

Turnover affects the stability of the organization, as no sense of permanence is developed in the company. Employees keep moving out and new employees keep moving in. The HR department and top management find it cumbersome to create a sense of belonging among employees under such circumstances.

The productivity and quality of work also suffers as employees leave in the midst of a project, without a proper documentation of methods and the work done. All these things have direct ramifications on the productivity and quality of projects, and the organization itself. As a consequence of constant turnover, the organization is hard-pressed with recruitment, training, compensation revisions etc. So eventually no time is devoted towards the development of employees.

In fact, to some extent, turnover is good for the organization as it infuses fresh and young blood into the organization, which brings in new ideas, creative ways of doing things, innovative methods, etc. Moreover, zero turnovers are impracticality as the employee-organization relationship involves the mapping/interplay of many factors,
including values (which may change with time). Still, turnover is a problem in the IT industry as it is breathtakingly high.

Software professionals are a homogeneous workforce worldwide, which allows them to make frequent comparisons with peers. Employees' peers such as classmates in college, ex-colleagues, etc. are often working abroad. Since the skill-set is often comparable, they often tend to aspire for similar foreign assignments. Software employees in India find a huge disparity in compensation, lifestyle, standard of living, respect, etc. as compared to their peers abroad. They sense the opportunity to earn respect in society by going abroad, and contribute to the family's wealth and status. If employees have problems with the boss/management, they prefer to move out of the company rather than get into disputes, or wait for a long time for problems to settle. A more straight-forward option is to look for opportunities elsewhere, which is so easy to do in this industry. This should lend a HR manager a wink of problematic areas and design policies whereby the professionals' issues of compensation, lifestyle, standard of living, and respect are addressed.

It shall not be out of context to mention here that there has been a marked increase in women's employment in the information technology sector of late, in both public sector and in private foreign-controlled information technology companies. The increase has been most marked in metropolitan cities. By the end of the current year it is estimated that the number of women entering the private information technology companies would be five times the current women force both at the executive as well as operational level. HR managers have cited the preference for women for "having lesser of expectations from the employers than men resulting in higher job satisfactions and greater productivity". Women were reportedly more eager to learn, more sincere, obedient, and less union-minded and also provided better customer service.

The other side of the problem be also looked at. According to data, 50 per cent of women complained that extra work is always shunted to women in information technology companies. They also complained about sexual harassment from colleagues, managers, or customers. Women also felt dissatisfied that they were not sent out for training. Some obstacles arose from women's specific difficulties in demanding promotion - because promotions are linked with transfers; or they had difficulties in working late; or because women shy away from responsibility, had a low opinion of their own abilities and a negative attitude to accepting recognition. Some women employees felt that these constraints were intensified by being forced to adopt the behaviour of the 'successful manager or officer' which has been established by men. Efforts of HR
manager need to revolve around transparency strategies where the work is valued and not the whims.

One way of improving prospects for women in private sector information technology companies could be to restructure the work, for example with flexible working hours, part-time job assignments, split location positions performed partly at home, and job-sharing for both the sexes. Some of these suggestions have already been tried out elsewhere, for example in Japan, where the results for women have not been entirely positive. None the less, examination of this experience could be a basis for working out alternatives which do not disadvantage women.

In the male sample it was noted that turnover inclination decreases with age, and increases with the level of education. Flexible working time also increases the probability of a potential job change. The strongest influence on turnover intentions, however, arise from the three subjective variables "job satisfaction", "job security", and "firm pride", which reduce turnover inclinations. In the female sample it was observed that decreasing turnover intentions of married and unionized women.

Based on the type of work these employees do, they receive a lot of flexibility and freedom to allocate their time to work. Minimal conflict, flexibility and freedom indicate a balance between their work and personal lives. Employees are more attracted to organizations offering work/life benefits, regardless of whether the employee is a beneficiary or nonuser. These benefits are generally seen as a general indicator of corporate concern and responsibility (Grover & Crooker, 1995). Basically, for people to commit to an organization, they need to know they are cared about.

**Employer Reactions**

Another mind boggling situation that needs to be put forward is that unlike the early 1990s, when the employers were more skeptical of resumes that demonstrated a tendency to job-hop, HR managers in IT industry now need to become more intelligent in understanding that job hopping candidates can now appear aggressive and driven, particularly dotcom survivors. They are more aggressive, direct and forthright, because they've had to be. They take more ownership and may be more cautious. A willingness to job hop can also indicate good judgment, [since] they recognized an opportunity wasn't working.

Of course, companies lose more than just a body when employees job hop and estimates of the overall financial cost to an employer to lose and replace an employee put it to 29% to 150% of the employee's annual salary, perhaps for this reason, HR
managers reconciled to the situation “closely scrutinize candidates’ reasons for leaving.” Companies have already started investing significant time and resources to refine its search process and more carefully define the skill-sets the company requires.

This study offered to fill that gap by testing an integrated model of turnover intentions that addressed the unique nature of the IT profession. Data evidences to the following cited facts for job hopping amongst IT professionals that may be useful to HR managers are:

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**Computer vision syndrome:** Is all set to become the scourge of the IT industry. Besides reducing the performance of a person by whopping 37%, CVS is known to have caused physical and psychological disorders in computer users and has engulfed 400 million people around the world.

**Stress full work life is another problem.**

**Lack of time, continuous traveling, have all taken a toll on the reading habits of IT professionals**

**Reading is very important for all-round personality development. This profession requires continuous learning.**

**A recent study on software professionals shows that Indian IT professionals lack role models in work place. Role models are important to create a sense of belonging and to nurture the next crop of role models.**

**Due to a big age difference, there are adjustment problems.**

**Unlike other industries IT industry is still restricted to big cities and metros, because of which IT professionals have to migrate to these places.**

**Because of preferential treatment being given to IT professionals, at home and society, it is developing an inferiority complex among other siblings in family. This causes many psychological problems in family.**

**The bogus body shoppers are creating more problems for them. Number of frauds is increasing; computer engineers are becoming soft targets.**

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**Compensation**

It has been argued that by excluding such in-kind compensation as company stock options, the research on earnings that is cited here understates the compensation received by computer professionals. However, this factor probably has less importance than some observers assume for at least two reasons. First, a very small percentage of computer professionals receive stock options. Second, a recent decline in the value of
many technology stocks indicates that estimates of the true value of such forms of compensation can be difficult if not impossible to make. Despite the well-publicized existence of some young millionaires or "super stars" in the computer industry, such affluence does not characterize most computer professionals. In this the computer occupations are much like those in the entertainment industry, where a relatively few highly paid and publicized celebrities are sometimes mistakenly cited as typical in occupations that, in reality, provide very modest incomes.

Study statistics prove that the most dramatic growth is in the niche IT force trained to serve specialty markets and consequently the higher demand for specially IT professionals has been, and will continue to be, reflected in compensation practices. Considering the record size of the existing IT population, any degree of employment growth will challenge companies to find creative ways of attracting qualified candidates - beyond the obvious, expensive solution of offering greater and greater compensation. This must be taken as granted by the HR managers.

As regard the recruitment difficulties, respondents have cited the poor image of their sector and the image of the employer itself, in particular, as contributory factors. On the other hand the recruiters attributed their difficulties to applicants' attitudes or motivation or to professionals' poor interpersonal skills. The war is on but, the HR managers will have to grapple with the ever soaring compensation packages demanded by trained IT professionals.

HR managers must understand that the supply of talent is finite (at least for the time being), and compensation is not the primary reason that people leave companies. An audit of voluntary attrition reveals that 'management issues' topped the list of reasons people leave their IT positions. Compensation and career development was the second and third most frequently cited reasons. HR managers of the IT companies (25%) wherein offerings of job sharing and alternative work schedules were provided to professionals were relatively more comfortable. This number should increase, considering that a growing proportion of information technology IT professionals are women (currently about 15%), and employment economics make it worthwhile to be accommodating to experienced IT professionals' needs for work-life balance as well as to appeal to a broader segment of workers.

The problem is two fold. The lack of competent employees has forced IT companies to be creative in devising ways of keeping their valuable employees. Companies, thinking that better and bigger salaries would keep their employees, paid premium compensation. At the same time, contrary to expectations, this practice has
created high turnover rates and job hopping by the information technology workers. The question is what the HR manager do?

While most information technology organizations claim to have a unique methodology for computing remuneration of their employees, they were generally use the following strategies for finalizing their compensation initiatives:

Very few information technology organizations were willing to stand-up alone for their beliefs and be counted. Most believe in finding security in the herd. Therefore, virtually every organization considered was careful about gathering information about the gross compensation paid by their competitors, as well as, those in the same geographical area in which they operated. Discussions with the Human Resource professionals revealed that the companies attached a lot of importance to the compensation strategies of competitors. However, for other functions like Accounts & Finance, Personnel & HRD, Security & Administration or maintenance etc, the focus was self centered.

Further, the concept of TCTC (Total Cost to The Company) was favored by over 70% of companies and small majorities (56%) seriously strive to rationalize their compensation structure to take full advantage of the limited options available under the prevalent tax regime of the country. Although, money is money in any garb, almost 61% of the respondents talked of compensation structuring in the same breath as they talk of compensation revision.

About four-fifth of the respondents in the information technology sector thought that high compensation was the key factor in attracting and retaining talent, but they were looking more at compensation on a region wise basis than on a national basis. Over 50% of respondents in the information technology sector desired to be counted amongst the top 25% best paymasters, while most other wished to stay in the middle spectrum.

High salaries are not essential, but "good" and "fair" salaries showed a strong correlation with intention to stay, indicating that as long as the compensation is competitive, financial rewards are not the primary factor in retention. The actual level of pay is less important than feelings about pay raises and the process used to administer them. Employees wanted to understand how the pay system works, and wanted to know how they could earn pay increases. Once the pay level has been reached, other things become important, the intangibles, e.g. career, supervisor support, work and family balance etc.
Stock options and profit sharing were not universally available in the information technology industry. However, when they are offered, information technology employees are very receptive to stock options, and are likely to base retention decisions on such options, particularly in organizations with high growth potential.

Thus devising a compensation strategy for attracting top talent was the second most important priority of CEOs, and Human Resource professionals. This is truer of sunrise industries and companies where there was a serious dearth of qualified and experienced staff. These organizations were prepared to go to any extreme to pay enhanced compensation, as well as, devise special schemes and incentives for top performers with specialized skills and niche sector experience. This is leading to a greater reliance on quality executive search consultants and firms as compared to a non-focused recruitment process being followed earlier.

The offer of higher compensation is thus becoming a tool in the pro-active process of greater selectivity and attention to detail at the recruitment stage itself. Competency mapping and evaluation techniques are also becoming more prevalent. About 15% of respondents claimed that they used some formal system of calculating the cost attached to a position.

Information technology companies are critically looking at cost of employment, and weighing it against retention benefits and the cost of hiring and training. While the process of evaluating correct retention-threshold compensation is quite complex, organizations were using comparative data, based on the compensation studies conducted by specialist firms, and integrating it with the data gathered during fresh recruitments and exit-interviews to fix a gut-feel level of compensation for each position. In HR terms, the retention-threshold level is described as the compensation level at which employees do not seek alternative options outside the company unless there are other reasons for their disenchantment with the present organization. Almost 15% of the HR managers of the information technology companies had been banking on such practice(s). This trend was also resorted to while designing compensation packages for IT professionals engaged in marketing function as well.

The high level of competition and the short product life and product development time often make it difficult for companies to hire new employees who require a lengthy period of break-in training before they can become productive. It also makes it difficult to retrain an existing employee for a significantly different job. Thus, competitive pressures sometimes force HR managers to lay off workers of one type and hire workers of another type. This was usually done by picking the right professional with enough
experience from the competitor's firm, of course at a premium, thus increasing the CTC
to company but a wrong tactics adopted by HR managers. One HR was categorical in
saying that if the companies at the local level could pool their resource geographically,
the whole IT industry could be ribbed of this menace.

Many employers of IT workers are pursuing a "buy" strategy, seeking the exact
skills and experience they need for a particular project or job opening. While buying
skills on the open market can require paying a premium for them, companies were often
able to access the most current skills and get a fully trained worker, while reducing or
even eliminating the cost of training. Buying skills can also increase staff flexibility and
reduce risks associated with uncertainty about future skill needs.

As information technology corporates spend more time and effort on the planning
and defining of their vision and business strategies, they are also examining their work
systems, structures, activities, job-functions and positions to evolve a greater alignment
with their business goals. Over 62% of respondent companies had recently restructured
their organization. Simultaneously, about 15% -20% of the roles have become more
multi-dimensional and complex. While this has rendered surplus a number of employees
at the mid management level, the organizations were finding it difficult assigning such
complex roles to their existing pool of employees and were thus willing to pay higher
compensation to attract talent from outside to fill-up the positions, if need be. In, other
words, in today's organizations roles are more sacrosanct than people.

The employee cost varies from 6% to 12% in information technology industry,
and depends on the size of its operations. It rarely exceeds 15% of the business
turnover. Over 20% of respondents indicated that their capacity to pay is an important
factor in determining their compensation strategy. This is interpreted vis-à-vis their
business needs or the precedents laid by competitors. But, often, it's the financial
performance of the organization that determines compensation though without ignoring
the dictates of competition.

Stock options are becoming a rage and IT firms were using ESOPs (Employees
Stock Option Plans) to pay employees in kind, that is, in the form of options to buy
company share at a predetermined low price. Typically, ESOPs are phased over several
years with a lock-in period to ensure that employees stay in the company for long.
Looking at the past examples of thousand-fold boom in share prices of firms, this indeed
has become a luring factor for many professional on the job hunt. Most IT companies
now offer a whole range of benefits as well ... overseas assignments, regular training
programs, sharing of wealth through further ESOPs.
What's most important to Employees Today?

Unfortunately, in many organizations senior management doesn't have their finger on the pulse of how their employees feel. Traditional employee studies can provide a good understanding of what employees like and dislike about their work life. Equally useful is an assessment of what is important to employees. Is career advancement the most important issue to them? Is it the pay? Is it job security? Is it the quality of their relationship with their supervisors? Or is it something else? Without this knowledge, too much well-meaning effort might be expended trying to fix things that aren't all that important to employees.

The IT professionals were asked to identify the issues most important to them. Study asked about employee satisfaction with various issues such as management, supervision, pay, benefits, the work itself, empowerment, work-life balance, communication, quality, teamwork, career advancement and training.

The five issues most frequently cited by employees were:

- Enjoyment of the work
- Work/life balance
- Pay
- A clear link between pay and performance
- Adequate staffing levels

Following strategies are suggested to maintain the motivation and job satisfaction among the IT professionals in information technology companies.

Enjoyment of the Work

It is very important to IT professionals today that they enjoy their work. For most, what they do is more important than the organization in which they do it. Indeed, many can withstand highly stressful work environments, difficult supervisors and uncertainty about their future is difficult to tolerate. For some, the enjoyment comes from helping customers, for others it's from using their creativity, and for others the enjoyment comes from performing financial calculations. HR managers can explore such behavioral constraints for each of the IT professional and allocate work accordingly.

IT professionals typically enter organizations with specific expectations about the type of work that they will be performing. They self-select themselves into jobs that are consistent with their training and prior experience. They do this because the type of work they enjoy is the work at which they can be successful. It is therefore important
that there be a good fit between the type of work they are able to perform well and the

type of work they are asked to perform.

It is always better to ask IT professionals on continuous basis, if they are
enjoying their work assignments. Even if someone is performing their job well, they may
not be enjoying it. All too often when IT professionals are unhappy about the actual
work they are performing, they don't voice their dissatisfaction for fear of losing their
jobs. Employers need to be proactive and identify where the person-job fit is not
working.

IT professionals must be provided with more say in how they actually conduct
their work. IT professionals that are given the decision-making authority they need to
perform their jobs well are more likely to enjoy their work and succeed.

It must be ensured that IT professionals receive the training they need. Less than
half of IT professionals reported they have received the training they need to their jobs
well. That means there are alarmingly high numbers of IT professionals who were
probably not performing their jobs as well as they could. They know it and were
unhappy about it.

Providing an environment that enables IT professionals to succeed is must. There
is a strong positive correlation between how well IT professionals perform their job and
how satisfied they are with their work. All too often, however, management does not
provide the support IT professionals need to succeed. Lack of support can take the form
of inadequate staffing, lack of training, inefficient work systems, and lack of decision-
making authority.

**Work/Life Balance**

Satisfaction with the balance between their work and personal lives is also very
important to IT professionals. Even the cross-generation studies have shown that this is
especially true for younger IT professionals. However, even extremely hard-working
baby-boomers have reached a point in their lives where they realize that better balance
is essential to their psychological health.

Many IT professionals were attracted to organizations where work-life balance
was an implicit corporate value. It should be made an explicit corporate value just as
customer satisfaction and stockholder returns are codified.

IT professionals view senior executives who work 70-hour weeks and pay
perfunctory lip service to work-family balance as hypocritical. If work-family balance is
really viewed as important, the senior most managers must demonstrate it through their
behaviors, not just their words.
Typical time wasters include unnecessary or lengthy meetings, duplication of work performed by other departments, unnecessary travel and distributing trivial email. The organization must continually focus on streamlining operations and viewing time as one of the most precious assets IT professionals bring to work with them each day.

The simplest and most important approach to improving work-life balance is providing IT professionals with scheduling flexibility. Often it requires little more than making certain supervisors flexible and understanding about what time IT professionals arrive or depart each day, how long people take for lunch breaks, and what time meetings are scheduled. Flexibility should be provided for all IT professionals, not only those with children.

**Pay**

Not surprisingly, IT professionals view pay as very important. They want to be paid fairly compared to others performing similar work in other organizations. Organizations need to clearly articulate their pay philosophy. This statement should include answers to the following questions: Does the organization want to pay at, above, or below the prevailing pay levels? Who are the comparison groups? Since pay is only one piece of the compensation package, what role does the other elements of the package play (e.g., benefits, retirement programs, stock options, etc.)? Although IT professionals who feel they are underpaid are rarely satisfied with the results of salary studies, they should be conducted anyway to make certain that the organization's pay practices are consistent with their pay philosophy.

Problems often ensue when IT professionals performing the same job at the same level of performance receive very different levels of pay. For a variety of reasons, salary structures have become distorted over time. It is important to review the structure frequently to identify and resolve any clear inequities.

All too often, supervisors sabotage the pay program. They do this through the words they use when talking about pay to their subordinates. For example, it is not uncommon for supervisors to say negative things about the organization when discussing pay. Instead, they should talk about how much they value the IT professional's work.

Today's IT professionals also want that good performance is recognized and appropriately compensated. They want a clear linkage between the quality of their job performance and the pay increases they receive. Providing the same annual percentage pay increases to all IT professionals does more harm than good. Sure, it is easier for supervisors than having to make individual pay decisions, but it signals to IT professionals that they are not valued as individuals.
professionals that their individual contributions are not being recognized. It is particularly insulting to those IT professionals who should be recognized the most - the superior performers.

There is nothing ruder to IT professionals than late salary reviews. Many IT professionals actually count the days to their anniversary date. Six out of ten IT professionals felt that their organization tolerates poor performers. The solid performers, therefore, may feel that their good performance is probably not noticed either.

Pay means many things to IT professionals. In addition to its economic value, it also represents recognition and appreciation by the organization. For many, it also means that their future with the organization is on solid footing. Other types of privileged opportunities can therefore have a similar type of reinforcing effect as does pay.

**Staffing Levels**

It is important to IT professionals that their organizations hire and retain enough qualified workers to handle the work-load. Downsizing and restructuring has left many organizations with a shortage of qualified workers. This has led to longer working hours, a frenetic work pace, and lower quality service.

Required staffing levels need to be continually monitored. They change for a variety of reasons including changes in the product and service offerings of the organization, changes in the demands for its products and services, seasonal changes in demand, absences and turnover.

In today's economy, the task of replacing a computer professional can take many months. Systems must be established to identify staffing needs and begin the recruiting process as soon as possible. Ideally, hiring decisions should be based on accurate business forecasts. Also, there is a need to fully train IT professionals to perform multiple functions so that they can be moved around as needed.

**Benefit Statements**

Letting IT professionals know exactly what benefits they are receiving via a benefits statement can be an excellent tool to attract and retain top talent. The employers should produce benefits statements to inform their IT professionals about what they are receiving in addition to their pay.

It is recommended that IT professionals' participation in IT forecasting and quota setting be increased. The relationships between such participation and company
characteristics such as size of firm and type of IT compensation plan, and the extent of accuracy or error in the resulting estimates has already been demonstrated in literature.

As regards the non-financial incentives, the findings of the study show that some significant relationships existed between non-financial incentives for IT professionals and their job satisfaction. Specifically the research demonstrated that the more IT professionals' needs for non-financial incentives are fulfilled, the more satisfied they become. Also, lower the IT professionals' need deficiency with respect to non-financial incentives, the more satisfied they tend to be. No statistically significant relationship was found between the subjects' perceived need importance for non-financial incentives and job satisfaction. This does not imply, however, that individuals who were satisfied in their jobs do not feel that non-financial incentives are unimportant. Rather this indicates that the same degree of importance is attached to non-financial rewards irrespective of the subjects' degree of job satisfaction.

The importance of the research for the HR manager is in terms of a "non-financial incentives mix". HR administrators should think of an incentives mix including not only base salary and bonus, but also "privilege pay," "status pay," and "power pay."

Privilege pay is similar to participative management described as a two way social psychological relationship between management and IT professionals, in contrast to a system for imposing ideas from management. The major advantage of participative management is that it utilizes the creativity of all of the firm's IT professionals. For a HR manager to utilize privilege pay properly he must be willing to listen as well as talk to his IT professionals; he must be willing to admit that he "doesn't know" and that he needs the best ideas of his subordinates in order to be a more effective administrator.

Status pay is similar to Likert's principle of "supportive relationships" in which he states that the more often a manager's behaviour toward his IT professionals is ego-building rather than ego-defaulting, the more success the manager will have in positively influencing the performance of the organization. The HR manager can most effectively bolster the ego-satisfaction of his IT professionals by taking every opportunity to reward them for their minor and major accomplishments while in the presence of their fellow IT professionals.

Power pay is similar to Hertzberg's concept of "job enrichment" in that the HR manager must be willing to give his men more responsibility in order to make their job more meaningful. For example, this could be accomplished by permitting IT professionals to develop their own call patterns, reduction or elimination of call reports, and by giving the IT professionals more control over the types of promotional packages.
that are offered to their customers. Power pay can also take the form of upgrading the IT professionals' selling skills and technical knowledge. Of course this has to be done in consultation with marketing manager.

Since the research has shown that non-financial incentives do have a direct influence on the level of IT professionals' satisfaction, two questions must be examined:

(1) Who should receive non-financial incentives; and
(2) In what quantity should non-financial incentives be utilized by management?

In response to the first question it seems possible to speculate that individuals who are highly motivated and who have a need for their successes to be recognized would enjoy the public acknowledgment that is associated with non-financial incentives. Also, IT professionals who are somewhat egotistical and/or status oriented should respond well to management's use of non-financial incentives. Finally, young IT professionals who may just be beginning their professional careers and who have taken on new assignments would seem to enjoy the recognition of success that non-financial incentives implies.

The answer to the second question would seem to be that the use of non-financial incentives can be overdone. Since status pay is the most inexpensive form of incentive, it may be given out in such large quantities to so many IT professionals that it loses its significance. Differential in status recognition must be recognized and preserved if status pay is to be an effective management tool. In the same manner both power pay and privilege pay should not be overdone, because some decisions and activities cannot be delegated to IT professionals, but must be dealt with by management. Therefore, further research is needed in order to determine what types of individuals would benefit the most from receiving non-financial incentives, at what point in an individual's career would non-financial incentives have the most positive impact, and how often non-financial incentives can be utilized before their effects begin to subside.

Having said so much about compensation, and agreeing to that still, it is salary that must be the major compensation element for most people HR managers must not forget that since liberalization when the information technology companies are going in for acquisitions, mergers and are getting phased out of business, any cost-reduction efforts, that will fail to appropriate money for the salaries for the IT professionals would have to be grounded. Clearly, the compensation that IT professionals should receive should be more than in rupees.
The key elements of a recruitment program that are necessary to attract IT staff today include:

- **Market based compensation.** It is important to remember that skills are transferable across markets and industries. Benchmarking should instead compare salaries against competing companies which are attracting and/or stealing employees. Providing competitive salaries is cited by several research studies as the primary attracting factor for recruiting people. Salary compensation should be within 5 to 10% of market rates; those that are the farthest away from the market rate result in driving away existing staff. Equity should exist between new hires and long time staff to prevent the traditional problem of new hires being paid more than existing staff.

- **Benefits Program.** These include working in an academic environment, health benefits, pension, tuition remission, and access to athletic facilities, cultural events, and university libraries. An incentive plan provides the staff with something to look forward to and obtainable goals to work toward. Some examples are milestone bonuses, skill based bonuses, training opportunities, team and individual awards, etc.

- **Fringe Benefits.** There are two kinds of fringe benefits: those that everyone gets, and those that are special for key personnel of the organizations like information technology. Certain basic fringe benefits have become very common with many IT companies. These include life insurance policies retirement plans, and medical and hospital insurance. Such supplements to salary will be expected, and if one is trying to hire someone who now has one or more of these benefits at his or her current place of employment, the organization will find that if it cannot duplicate this benefit, it will be expected to compensate through raising some other element in the compensation package.

  Fringe benefits for key personnel in IT organizations are stock options, use of a car, living quarters, and so forth. At very high levels of management, the fringe benefit, along with bonuses are sometimes structured in such a way that this element is larger than the salary element. To some extent, this may limit income tax vulnerability. However, many tax loopholes have been closed, and the major advantages today for top IT professionals have to do with their image value and increasing total compensation for top IT professionals without destroying what would otherwise be a linearly progressive compensation program.

- **Training/professional development** This is one of the top reasons staff leave an organization. Too often there is a lack of funding and time for training/learning. Gartner quotes that enterprises that invest less than 3% of their payroll in training see twice the turnover of those that invest 6%.

- **Work environment** that encourages a positive atmosphere, community, and forward thinking.

- **Referral bonuses** have become commonplace. Bonus is given in addition to the salary promised. It should be tied in some way to the performance of the individual and the organization. One must be as careful with the bonus as with the basic salary. Used correctly, a bonus element of compensation can help motivate performance and be an important part of the compensation package that one offer. Used incorrectly, it can cause intense frustration and actually hurt
the morale of the personnel with resulting damage to the performance of the organization.

- **Marketing the Enterprise** - Brochures and a marketing campaign should be developed to highlight the advantages of working for the organization.

- **Creative recruiting activities** - Recruiting activities that go after creative approaches such as certification programmes from reputed organizations, intensive software training etc.

- **Recognition and acknowledgment** More attention needs to be focused on the "human" aspect. This "human" aspect can be brought about through simple perks, such as group award ceremonies, letters from upper management to the employee, "employee of the month" type recognition, special luncheons or dinners or even allowing the supervisor to provide the employee with new or better tools to help increase job performance.

- **Lack of professional advancement or opportunities.** Organizations need to define clear career paths with multiple tracks for employees. For example, there should be separate technical, relational, managerial and project oriented tracks.

- **Leadership and vision for IT** Setting a clear direction for IT and communicating that vision to the entire organization.

- **Organization wide decision-making** Employee input and involvement in decision making.

- **Working Conditions** An environment where the employee is consistently overworked or constantly burned-out will prevent retention.

**Performance incentives**

This method of rewarding the performers is increasingly becoming common where the IT professionals are given promotion and/or monetary benefits like bonus in proportion to his/her perceived net worth according to performance evaluation. Increasingly, an imaginative range of perks is being offered like trips for the family, corporate gifts and educational benefits for their children.

**Job enrichment**

Job enrichment normally includes the assignment of planning and budgetary control to the individual while focusing on the total responsibility for a given function. IT professionals are rotated between jobs to gain additional cross-functional skills, experience and exposure to other facets of the organization.

**Training**

The rapid rate of technical change in information technology and the continual introduction of new information technology products create shifts in the IT skill mix in
demand. As a result of this rapidly changing environment, IT workers must frequently update their technical skills. In addition, IT workers often seek training to broaden their portfolio of technical skills to support moves into other IT disciplines or to advance in their careers. Both employers and IT workers play a role in meeting these demands. Many employers offer assistance to IT workers who wish to expand their education or technical skills. Some employers also make large investments in national and community technical education and training initiatives. Nevertheless, IT workers take substantial responsibility for their own education and technical skills training.

Employers can obtain the skilled IT workers they need by either hiring workers who already have the needed skills or training workers in those skills. However, as time has become an increasingly important competitive factor for many employers of IT workers, the time available to retrain existing employees or train new employees in the skills needed for new projects or job openings has diminished. In this environment, many companies have concluded that they cannot afford the time, risk, and uncertainty associated with "making" the employees they need through training or retraining. Instead, companies often seek employees who already possess the needed skills and can "hit the ground running."

The performers are trained to the maximum extent possible, not only in technical areas, but also in the broader aspects of management when appropriate. As with other investments, companies invest in training because they expect returns in the form of improved performance or greater worker retention. However, tight labor markets can increase the risk of training investments and reduce the likelihood of capturing an acceptable return. Investment in knowledge and skills—intangible assets—represents a higher level of risk than investment in tangible assets such as facilities and equipment, since these intangible assets can move easily. The tight IT labor market of recent years—a function of both growth in the demand for IT professionals and the need to fill specific niches—has created an environment in which many companies seek to hire the people they need by luring talented IT workers away from their current employers using a variety of mechanisms. These inducements (compensation, benefits, and better working life conditions) encourage job-hopping among IT workers, creating a disincentive for companies to train or retrain workers. Companies that invest in the training of employees to upgrade their IT skills may create attractive targets for poaching by other companies, putting at risk both the employees and the companies' training investment. In addition, some IT workers practice frequent job changing as a means for advancement and for broadening their skills.
Factors that may be considered in a company's willingness to invest in training an IT employee include company skill needs, the need to offer benefits to attract and retain employees, and employees' career goals and talent. In terms of paying for employee training, companies appear more willing to support training that dovetails with their short- to mid-term needs; for example, training for needed technical skills or teaching business skills to promising IT workers. While this creates opportunities for training and job progression that benefit the company, it may not constitute the career development sought by the employee.

Employers can contribute to IT workforce training by providing financial support to pay the costs of training, allowing workers to participate in training on company time, and providing training resources. However, employers' ability or willingness to provide these varies.

Many employers believe creating training opportunities for their IT workers is important for recruitment, retention, and high-quality work. Periodically, Computerworld identifies "Best Places to Work" for IT workers. In recent compilations, companies that made the grade had adopted a range of education, training, and career development practices, including the following:

- establishing internal IT "universities" offering a wide range of training,
- tapping outside training companies for classroom-based certification training,
- offering vendor-provided training onsite,
- maintaining relationships with local colleges to customize course offerings,
- offering Internet-based learning,
- tying training goals to employee reviews and performance measurement,
- holding managers accountable for annual training goals,
- offering online skill assessments,
- tracking training metrics,
- maintaining a staff of IT instructors and instructional designers,
- planning annually for skills and training needs,
- establishing programs to train promising IT workers for management positions, and
- offering training cost reimbursement.

WORKING ENVIRONMENT

The working environment is an extremely important element that encompasses a wide range of factors. What are the working conditions? As a high-tech manager, one
should recognize to allow for this fact in considering the overall compensation package that organization offer to IT professionals. Important considerations in this regard have been presented below in the form of questions the aspirant candidates asked to HR managers of the IT companies.

Does an organization have new buildings, air-conditioned offices, and the latest equipment? Or are the facilities dated, must drive five miles to use someone else's equipment, and are there no decent place to eat lunch? In what part of the country is the firm located? Working environment also includes such factors as the kind of reputation the company has and the esprit de corps that the organization's leader, have developed in the group he manages.

**Alternative work patterns**

**Flexitime:** This enables IT professionals to work during the hours that are most convenient to them. Flexitime stipulates a core time when all members in the organization are expected to be at the workplace and a flexible time chosen by the individuals when it is most convenient for them to be at work. Flexitime has the advantage of both full pay and flexibility.

Information technology employees do not work normal office hours, but work at a pace that invites burnout. Time off is more important than any other indirect benefit in predicting retention. Information technology employees seem to care less about how benefits are administered than about the value of benefits.

**Flexiplace:** This type of arrangement allows the IT professionals to work in any place as long as the work gets done as per required specifications. Flexiplace allows more flexibility to working mothers and handicapped persons who can not only work at home but also at the times most convenient for them.

The benefits of flexi-patterns are numerous. They include reduced absenteeism, increased productivity, reduced overtime expenses, a lessening in hostility toward management, reduced traffic congestion around work sites, elimination of tardiness and increased autonomy and responsibility for employees. All this increases job involvement and reduces employee turnover.

**Job Autonomy:** Information technology professionals have a reasonable degree of autonomy in their application of that knowledge. Although information technology professionals rarely decide on the organizational policy to which their expertise contributes, there is a reasonable degree of autonomy in the process of performing their work. When job autonomy is high, workers will view their work outcomes in terms of
their own efforts, initiatives and decisions, rather than instruction of the supervisor or
procedure.

IT organizations have to recognize that many types of people it desires don't plan
to stay at one company for their entire career. The company has to attract talented
individuals who are passionately committed to making a difference for the company. To
build that sense of passion and commitment, IT organizations have to create a 'fabulous
place to work' by offering exciting opportunities for work and for growth and
development, highly competitive rewards that will build a sense of ownership and an
environment that makes professionals feel loved and valued while helping them
maximize their potential in their work and personalities.

TERMS OF EMPLOYMENT

Terms of employment include many items, both tangible and intangible, that
cannot accurately be described as fringe benefits. Terms of employment as a part of
compensation can include security offered, hours of work, and number of holidays and
vacation days permitted. Unlike the military which has traditionally offered unusually
good job security while providing rather low salary compensation, IT professionals had a
craze for amount of annual vacation allowed, medical leave, travel incentive etc.

Title or position can also be a term of employment for IT professionals. More than
one IT professional has changed jobs, stayed on in the same job, or accepted transfer
mainly because of the title. One professional commented, "I took this job not because it
pays more than my former one; it actually pays less. But it has a much better title.
Before I was only a computer programmer, now I am marketing executive, even if my
job is still basically the same."

Freedom of action is also a term of employment. One senior IT professional told
that in his negotiations for employment with a major high technology laboratory, one of
the negotiable point was whether he would-be invited to attend the weekly top
management meetings with the president of the laboratory.

Such terms of employment should be thought through very carefully before they
are offered, since they cannot fail to have an impact on the older members of the
organization. If organization offers such terms to obtain an Einstein for organization, the
action will probably be understood and accepted. To secure someone of lesser stature,
offering excessive freedom of action may not be appropriate.
JOB SATISFACTION

Without question, job satisfaction or dissatisfaction makes up an important component of compensation. This research is a confirmation to one thing: individuals tend to become one with the organization more, readily if they are satisfied with the work that they are doing. Thus, an IT professional can work with such satisfiers as are possible in order to create job satisfaction.

Different people in IT companies have different expectations and according to their expectations, and there were four different kind of people in any IT organization, Happy always, Happy if owners, Happy if abroad and Happy if hi-tech.

Happy always: these are the IT professionals who do not mind the project or technology, the place, the duration. They just want the company to be fair to them.

Happy if owners: these are the entrepreneurial type IT professionals who would like to have their own company. They are full with ideas and test them soon. They are interested in the business aspect of the company and would like the company to vent to their potential.

Happy if abroad: these IT professionals are the types who would like to get out of India at any cost and settle abroad or would like to earn enough soon and then settle lavishly in India.

Happy if hi-tech: the techno-savvy IT professionals whose appetite for new inventions and technologies are never satiated. They feel tied up in the mainframes and would like to fly free on the net.

All of these segments of the employees have their own dreams and ambitions and accordingly have set their expectations from the company. All these groups need to be handled differently by the HR managers.

The following measures are suggested for increasing the loyalty amongst the IT professionals:

Developing attitude and values in IT professionals shall bring them loyalty to the organization. For this purpose organizations should continuously communicate the values of organization during the retraining sessions. Articulating company's vision and values during the retraining sessions helps the employee to align their personal goals with the organizational goals.

Recruit their near ones also if they are qualified, especially a combination of wife and husband is quite desirable. This binds them to the company.

Imbibe in them sense of belonging to the company. This could be done by having open house sessions and developing 'We' feeling among them. Open communication within organization, acts as a platform to discuss, analyze and questioning employees both senior and juniors. Open house encourages voicing their opinion on the working of
company there by enabling them participate in management of organization. It's a win-win situation for both, as employees feel his word counts and latter gets first hand information about existing problems in organization to take immediate corrective measures. It helps in creating transparency in administration and general work atmosphere, everything is discussed in open. It helps in breaking communication barriers and helps in creating sense of belonging amongst the employees.

Before introducing this concept company should ensure that environment and staff is mature enough to implement it. It can backfire if suggestions are not implemented effectively.

Imbibe a 'We for I'. This can be done in following ways:

- Organize cultural programs annually. Group activities like theatrical performances where you can invite a theatre personality to organize a play with employee playing main lead, by play you can convey messages also, like that of first aid and safety, AIDS, pollution etc. Such programs not only creates cohesiveness amongst the employees but also acts as mood elevators for employees for many stays away from families and in relatively smaller places where there is nothing much to do, such programs are only source of entertainment. Apart from improving personalities of employees, they may come out with life long associations. Such activities help in self-development and forging new relationships forever, very often people get a chance for self-introspection at such events. It has also been noticed that in a relatively unknown and unfamiliar surrounding people are found to unite and this emotion gets carried to the office as well.

- Company should have its specific logo. The company should come up with a record of fit anthem and team songs sung by singing talents of the company and written by the poetic minds in the company. This record should be given to every employee of company. They should also come up with its annual magazine, which would contain articles by the employees. Make some sports and cultural activity teams allow them to decide their own unique dress code and even their symbol and flag.

- Target perks towards team rather than the individual achievement.

- Sports should be looked at to generate 'We feeling' among employees. It goes a long way bringing people together and is a great stress reliever. Organizing Cricket, football matches helps unite the team.

- Make them give presentation of their project in front of other project groups that will help them interact with other groups.

- Redefine their career development. They are not fully mature. Communicate to them that growth is not always vertical (higher pay packets and better designation), but lateral also (kin terms of stretch and variety). Give them goal sheet before their joining so that there is no confusion of job responsibilities and compensation packages.
• Try not only to solve their professional but personal problems and also, try to make personal relationships with them. Make policies, which are beneficial to family directly like giving scholarships to their children to study abroad.

To win their confidence, following things should be taken care of:-

• Imbibe hope in the employees that their every dream can be brought to reality in their own company. Every activity or the project undertaken by the company should be in the direction of realizing the dreams of its employees.

• Company should have different policies for these different people. Every employee should be free to allocate at least 20% of their working time and they should be reimbursed 20% of their salary to undertake any activity of their choice, which will go ahead and fulfill their dream.

• For retaining Happy hi-tech kind of people, company can adopt this policy- encourage them to undertake independent projects in technical areas, in business ideas, in personal development etc. The employees will have to submit a time bound plan of action for their independent project undertaken. The company will give a go ahead. The financial statement of the project with the results achieved would be reviewed and help given if required. If the project is found to be commercially viable and can be exploited usefully the company may give a further financial assistance and full credit of the achievements will be given to the employee concerned.

• Everybody has an ego, which is healthy. To keep the employees’ ego in good humor - Offer them challenging assignments, Empower them for taking decisions, and having their voice in policy making, Offer them work on leading edge technology, give all of the employees training in all areas including in personal development, acquiring communication skills, presentation skills apart from basic trainings, and even offer them flexibility of time and place if company has other branches.

What do employees see as the primary emerging trends that could affect their job satisfaction or the services they provide?

Outsourcing, privatization, and/or contracting - these were the most commonly cited trends among respondents from public sector information technology branches. Many described this in negative terms, asserting that their divisions could provide a higher quality of work than contractors can. Some were also concerned that existing contracts are not being effectively monitored for compliance and results.

Technology was another often-mentioned trend. Many respondents foresaw an increasing use of electronic government services, including online transactions. However, as noted above, many pointed out that the technology and equipment in their offices are inadequate for meeting work demands. For example, staff complained about
"slow" computers on online connections and mentioned the need for disk space and better electronic mail servers.

**Motivation**

It is argued that if you make the work place more personalized, motivation levels for the IT professionals will sky rocket. Keeping this in mind the IT companies should go for more personalized environment. Few companies in India are going for everything from Solar architecture Vastushastra and color therapy to ergonomically correct furniture to better employee's performance. Incorporating Vastushastra and Solar architecture in designs is a way of designing the premises taking into consideration the latitudinal, longitudinal and wind direction which helps in creating a good atmosphere thus increasing output of employees. Furniture should be ergonomically designed. Comfort should not be compromised for 'good looking' furniture as ergonomically incorrect furniture can cause more harm and lead to backaches, body pain and even cause irritation at workplace hence reducing productivity especially amongst IT professionals who have considerable sitting times to their credit. Office should not be done in loud colors that can distract the employees. It should look good without looking garnish.

Management by walking around (MBWA) is a concept of participative management used these days. The senior tries to gauge the general mood of organization and acts as a facilitator rather than a supervisor and he accomplishes this by doing exactly what the name suggests-management by walking around. It ensures instant feedback. The sign of the senior walking around the corridors should be encouraging rather than threatening. The key issue is easy access to seniors for problem solving and guidance. This concept is useful to both the employee as well as employer. While the employer gets the general feel of the office, the MBWA is a mature way of managing employees. This style of management helps to keep IT employees focused on results all the time but it could fail miserably if the manager uses it as a conservative supervisory function to keep checks and controls.

Making work place exciting by extending learning opportunities is another option. What you could offer your IT professionals is continued employability by helping them build new skills through cross-functional assignments. Job enrichment and job-rotation will enhance their capability and hence will get motivated.
Bring market and customer awareness to organization, so that there is clarity amongst the employees and they should know what are they developing and for whom and why, that will make their mind more clear and motivated.

Opportunities to travel along with family, to work at places like Microsoft and Real Networks, and to earn the recognition of their peer group internationally are other factors that will help retaining them give them short term overseas assignments and exposure.

Apart from salary money is given in form of Bonuses, cash awards. The success of these awards depends on how well these are given to keep them in good humor. HR manager should constantly come-up with innovative ways of giving them.

Some schemes could be: excellence award, attitude award, silent work award, super coach award, best paper presentation award etc. Companies could have some top performers club, and every year the top performers would become members of that group, also for a particular job the award could be given by the name of previous winner. You can link the incentive pay package for its employees to the customer satisfaction levels. Customer performance audit is based on six criteria including call handling, fault handling, customer support, project implementation, product management and Network management and summation of these that is Happy customers, better incentives.

On festive occasions especially Dipawali and New year companies could come out with new ways of disposing off gifts. Giving clothes, cash etc. does not motivate them any more. One way is give them discount cards, which they can use through out the year in all shops. And the discount the shopkeepers can collect from the company after the completion of the year. To the deserving, that is the person reaching targets you could give them surprise gifts. Companies can give gift cheques which can an be redeemed for any gift of choice at various outlets and the gift cheque which can be exchanged for an exclusive gift presented by donor which includes exotic resorts, premium products and exclusive services. Also IT organizations can give professionals personalized gift cheques with the donors, companies name and personal message on them. This also avoids hassles of distribution storage and packing of bulky gifts. Give them allowances like, dating allowance, wedding allowance, B'day allowance. Then an offer of food vouchers at restaurants across the country is also a good choice.

Once the basic monetary needs are fulfilled money stops functioning as a motivator any more for IT employees. Then comes the role of non-monetary factor. The senior level people give more importance to non-monetary awards and recognition.

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Recognition: - saying thank you in public and perhaps giving a tangible gift along with the words - multiple functions beyond simple human courtesy. To the employee recognition signifies that someone noticed and some one cares then what is the point of going all out to do something special if no one notices and it does not seem to make a difference? To the rest of the organization recognition creates role models, heroes and communicates the standards.

Excellent working environment: Redo the office to make it as comfortable as home for employees, make it more employees friendly that in turn will improve productivity of employees. Office environment makes a lot of difference. Imagine two conditions, First, imagine working in an environment with grimy walls, no two chairs looking alike and water falling on the head or worse still folding your pants while working or seeing the footwear floating. Second, imagine coming into office and being greeted by a welcome rug made by your sister or using an organizer made by the daughter who has just learnt to make it at school. The wives made handicrafts, and the kids painted the glass partitions making office warm and giving it a different look. It is a great idea to involve families in this way. This way family gets acquainted with their place of work, it helps them understand their responsibilities better in turn helps employees to concentrate better at work.

RETENTION AND RECRUITMENT ISSUES

IT compensation should be within 90% to 95% of the general or corporate "market" in the region and compensation should be skill and performance or contribution based, not position based.

In the past, focus for compensation has been based solely on the defined responsibilities of a given position. Today more and more compensation plans are based on the employee and the skills the employee brings to the table and how those skills are contributing to the organization. The more an employee learns and thereby contributes to the organization, the more his/her value is increased. The emphasis has switched from position centric compensation to employee centric contribution. This is in line with the principle of "Pay for Performance". Funding for such performance based increases and bonuses should be based on a percentage of Computing Services overall salary budget, not on a flat rate per head count as it's currently been done.

It is increasingly important that appropriate resources be dedicated to recruitment efforts. Having a professional IT recruiter will focus energies in one place
allowing the divisions to concentrate on the final interviewing of qualified screened candidates the recruiter has located as a match.

Similarly professional development is one of the top concerns from both a recruitment and retention perspective. Thus, it is recommended that a full time individual be dedicated with the expressed purpose of working with each division to implement an organized approach to professional development.

1. **Develop a professional development program.** - Funds need to be allocated for professional development for each division, and a professional development program needs to be formulated. This program should be spearheaded by the IT HR person specifically dedicated to professional development.

2. **Clearly define career paths.** - As a part of professional development, it is imperative to have clearly defined career paths. This will allow staff to better understand their relation to the organization and will provide them with professional advancement opportunities within a defined career objective.

3. **Improve Management Training.** - A highly trained management team can fine-tune the visions of an organization while motivating staff to actively make the organizational vision a reality. The HR Team highly recommends a formalized management training initiative to be developed in conjunction with the professional development program.

4. **Streamline recruitment procedures and processes.** - Too often supervisors are not informed of the correct steps, forms, and procedures required in recruiting for a vacant position. A process team should be charged with reviewing existing recruitment processes for efficiency, recommending changes to streamline procedures and developing a procedure manual and training program for supervisors.

5. **A central funding strategy (outside divisional budgets) should be developed for recruitment related expenses along with appropriate guidelines for use.** - Expenses falling under this category might include: advertising expenses, search firm fees, referral bonuses, relocation fees, marketing brochures, job fair participation fees, etc.

6. **Develop training programs for interviewing and search committee practices.** - Develop a training program for managers in screening and interviewing techniques, search committee organization, recruiting etiquette and job offer negotiations.

7. **Develop procedures and guidelines to make on the spot job offers.** - Time and again organizations have been hurt watching competitors make on the spot offers while sitting idle. HR staff should be in a position to qualify individuals and make offers rationally and rapidly. A process team should be charged with forming a procedure to make on the spot offers within specified guidelines.

8. **Consider providing more of an immediate vacation allowance for new employees.**

9. **Benefits Menu. Investigate ways to tailor individual benefits.** - As today's workforce changes, the concept of a one size fits all benefits package no longer makes sense. Employees and new recruits are looking for flexibility and options. Where free parking might be important to one individual, extra vacation or flextime might be important to another. Another individual might not care about health benefits since they have coverage through their spouse's plan. Providing a more flexible customized menu approach is not only a recruitment and retention tool but may actually be less expensive for organizations.
10. **Referral Bonuses. Develop a strategy, implementation plan and budget for referral bonuses.** - Referral bonuses are increasingly commonplace in industry. Organizations need to develop a strategy for where, when and how to implement and manage a referral bonus program.

11. **Develop a proactive approach to marketing the organization as an employer.** - There are no initiatives in IT organizations to market the company as an employer. Given the competition for IT resources, companies must develop a proactive approach in this area. The companies competing must have professional brochures, videos, etc. that teach the benefits of working for their organization. Companies can no longer afford to sit back and assume the employee market knows what the company is, where we are, what we need, and how to find us.

12. **Develop an organized campaign to foster a sense of "community" within the Divisions, Computing Service.** - Having a positive work environment where staff sees themselves as part of a community goes a long way to improving morale and retaining staff.

13. **Design and develop an orientation program for new staff that provides an understanding of the scope of company and the divisions.** Usually an organization is large, complex, multifaceted, and spread over many locations. Staff needs a better understanding of the overall organization along with consistent review of organizational policies, practices, and procedures. An HR subgroup should be charged with developing a formal orientation program for new staff.

14. **Develop and implement a formal exit interview process to provide feedback on retention factors.** - Exit interviews are not consistently conducted within companies. A process needs to be developed, documented, and implemented for carrying out exit interviews on a routine basis as staff leave.

**Organizational Commitment and other factor**

According to the results, compensation has a strong, significant relation to organizational commitment, affective commitment and normative commitment. The subscale coefficients indicate that the information technology employees who were satisfied with the benefits received, the structure or administration of their compensation and the level or competitiveness of their compensation had improved level of organizational commitment. However, they were not very satisfied with the way their raises were determined or their most recent raise.

The majority of information technology employees received an incentive, which provides a measure of group performance feedback. This feedback creates the perception that the organization values their commitment. The findings confirm that information technology employees wanted a competitive salary. Perceptions of a "fair" salary have shown to be positively linked to affective commitment and with an intention to stay.

According to the results, job characteristics have a significant strong negative relation to continuance commitment. Information technology employees' work requires
them to use a number of complex or high level skills. This gives them considerable opportunity for independence, skill proficiency and freedom in how they complete their work. Continuance commitment creates a mindset of perceived costs, which compels the employees to stay in the organization because of sunken costs.

The relation between supervisor support and affective commitment is strongly significant. Supervisor support provides individuals with the chance to make a difference on the job, try out new skills, exercise discretion and receive feedback on their performance. This is supported by Paré and colleagues (2001) who demonstrated clearly those information technology employees are particularly sensitive to recognition and has been shown to have a direct effect on affective commitment. Supervisor supports make information technology employees feel important and responsible in that they can use their innovation and skill to the advantage of the organization. This is a major intrinsic motivation for individuals.

The relation between work/life policies and affective commitment is moderately significant. Many information technology organizations offer employees family responsibility leave, referral programmes, flexible work arrangements and other human resources policies aimed at helping them balance work and family responsibilities (Friedan, 1989; Leinfuss, 1998).

Data provides evidence that age and organizational commitment are significantly, albeit weakly, related. Older workers become more attitudinally committed to an organization for a variety of reasons. The general assumption is that as individuals accumulate more years with a company, they are likely to acquire greater investments e.g., pension plans, and develop greater continuance commitment. Organizational tenure has consistently been found to be positively associated with organizational commitment.

Training, development opportunities and career opportunities were found not to have any direct impact on the development of organizational commitment in the information technology industry. This finding is contrary to other studies in the information technology industry (Agarwal & Ferratt, 1999; Kochanski & Ledford, 2001; Meyer & Allen, 1997; Paré et al., 2001). Training is vital to the livelihood of information technology employees and the only way to keep employment in their careers (Tomlinson, 2002). Employees may see training as a perk and not as an essential investment in intellectual capital of the organization, thus not making them committed to the organization.
Information technology organizations are not only interested in the retention of employees but also in creating a mutually beneficial interdependence with employees. These retention factors might serve as a means to demonstrate the organization’s support for, or commitment to, their employees and in turn cultivate a reciprocal attachment by employees. Employees’ organizational commitment is related to their belief that these retention factors were motivated by the desire to retain good employees and to be fair in the treatment of employees. Despite the literature’s view on compensation’s weak relation to commitment, it still has an impact on employees’ commitment. The monetary value of the compensation is less important but the way in which organizations determine pay is clearly a concern to information technology employees. Employees constantly review if their salary is still competitive. Informing employees on the process of determining pay levels could change this perception. Information technology employees see profit sharing as a form of recognition for good work. Because of the information technology employee’s commitment to their team, group based pay may result in more commitment to the organization. Clever schemes devised by information technology organizations (such as golden handcuffs and stock options) may bind employees to the organization but lock in and create bitterness among top employees. Organizations should have a process for encouraging, planning and investing in the information technology employee’s professional development. Organizational investment in employees was associated with higher levels of employee affective commitment to the organization. This process will indicate that management is committed to establishing a long-term relationship with employees. These educational investments could make employees more committed to their profession. This might lead to reduced organizational commitment, or make the employees more attractive to headhunters, both of which could lead to reduced retention. These development opportunities should rather be seen as essential and invaluable to the organization. Organizations should view such investments as their social responsibility to build a better South Africa. Jobs characterized by varied work, an opportunity to solve challenging problems, opportunities to work with the best people, freedom, flexibility and being able to pursue interesting assignments would increase employee’s retention. These feelings of increased competence and the meaningfulness of the work should develop more organizational commitment. As more families are becoming dual income based, flexibility around work has become more important. Organizations need to accommodate these individuals with remote access for telecommuting, childcare centers, referral programmes and employee assistance programmes. Both beneficiaries and non-
users of the benefits will have a more positive attitude toward the company. Offering assistance to employees in need symbolizes concern for employees and positively influences attachment to the organization.

Summarily, IT professionals look for a compelling place to work and hence, an effective corporate IT retention strategy will consider the following essential building blocks:

* Affective commitment constitutes the primary predictor of turnover intentions. IT specialists grant a lot of importance for the alignment between their own values and those conveyed by management and they look for a work environment or milieu which will allow them to develop a strong feeling of belonging;
* Citizenship behaviors of IT employees provide further evidence of their interest for their work environment and constitute a reliable indicator of their intention to remain within the organization.
* In the view of IT specialists, internal and external equity as well as competence development and opportunities for growth, recognition of individual contribution and good work and expanded job responsibilities form the essence of compelling places to work. IT managers must therefore 1) stay informed on the going rates for various IT positions and make sure their staff feel they are adequately and fairly compensated for their work; 2) make training a centerpiece of staff development and work closely with their staff on goal setting and career development; 3) develop a culture where staff feel appreciated and rewarded; and 4) empower IT staff and encourage innovation and creativity in daily work;
* Procedural justice, information sharing, and work-life policies practices must be considered as complementary means to achieve lower IT turnover rates;
* Compensation, though important, becomes a secondary concern when enterprises demonstrate their investment in long-term relationships. A retention strategy that solely focuses on compensation conditions and benefits is not likely to favor commitment and loyalty of employees and offer any guarantee in satisfaction and retention. Further, such a strategy is not likely to compensate for the lack of professional recognition and chances of advancement and for a little stimulating IT job;
* Finally, executives should articulate and adopt a dominant retention strategy for the overall IT organization. If needed, variations should be clearly identified and communicated fully within the organization.

Conclusively, it should be recognized that every organization has its unique contingencies that can impede or favor retention among IT specialists. More often than
not, events beyond the control of IT executives contribute to creating such special circumstances (e.g., corporate downsizing, growth, highly competitive geographic region). For this reason, it is posited that several different manifestations of a global or dominant retention strategy will emerge. Even with such differences, however, the managerial logic and values embedded in a given strategy should be similar. Thus, the contentions of Agarwal and Ferratt's (1999) are supported that there is a best set of beliefs and values regarding the nature of IT intellectual capital. The researcher, therefore feels that IT specialists should not be managed as disposable productive resources but considered as humans with specific needs and interests such as equity and justice, opportunity to learn and innovate, recognition of peers and managers, attainment of new levels of responsibility, and empowerment.

Therefore, managers have to bolster IT professionals' sense of self-worth by treating them as intellectual assets, not operating expenses, and by helping them shape and direct their careers, so they can gain experience within the enterprise rather than outside it. Within this set of beliefs IT executives have a very large number of degrees of freedom to implement specific HR practices.

**Supervision and IT professionals**

Although many employees said that they appreciate their supervisors, quite a few also expressed dissatisfaction with their supervisors in the public sector information technology companies. For example, one person wrote that "supervisors are lacking skills . . . in organization, communication, cooperation, and problem solving in [setting] priorities [for] projects and daily work." Although a handful of employees described their supervisors with much harsher language, the above statement reflects the view of many that the supervisors in the public sector information technology companies need basic management training and stronger interpersonal skills. It should be noted that a number of those who were dissatisfied with their supervisors said that their supervisors do not understand their work and should spend more time working with the unit's "customers" and thus had lesser of job satisfaction.

Employees noted that supervisors in the public sector information technology companies were overloaded and do not have enough time to provide feedback or otherwise manage effectively. Training and technology are being negatively affected by flat or declining budgets in public sector information technology companies resulting in decreasing job satisfaction among the staff.

There are structural flaws in the state's systems. For example,
- Some complained that their classification and position description do not describe what they actually do day to day.

- Pay increases should be performance-based.

- The inefficiency of the budget process provides incentive for end-of-year spending.

Related responses included concerns about decreasing staff in the public sector information technology companies, to the point where some questioned the safety of their work environment for themselves and their clients. Many pointed out that demands are increasing while budgets remain flat.

In a statement that seems to capture sentiments expressed in most state agencies, one respondent said that they need "a supportive governor, legislature, commissioner . . . to make the funds available to do our jobs. The perception is that we, the state, have money. The public doesn't realize that most of us have programs that are under funded and that we are struggling to make ends meet." Respondents saw a lack of respect reflected in their decreasing budgets as well as in public and internal statements made by their upper-level management.

**Miscellaneous solutions**

In order to reduce the attrition rate, HR professionals should go for recruiting managers with non-technical skills instead of IT professionals for managerial jobs. HR professionals should go for recruiting fresher as fresher could be molded according to the culture, values and ways of working of the organization. They bring fresh lease of life to the organization. Also, they don't have sky-rocketing demands like experienced professionals. It will be beneficial for both, the fresher gets platform to hone their skills and the enterprise can regain its cost competitiveness by hiring nominally priced manpower. It is better if IT company has its own academy of software for overall development of fresher by providing them comprehensive training both at professional and personal front. Just having experience or good professional degree does not really make a good professional. One has to understand the corporate philosophy and the nature of work before getting on to the job. Issues like shortage of manpower, getting the right professional, retaining the employees, etc. will no longer remain problem for a HR professional. They can comfortably adjust themselves with the high attrition rate prevalent in industry. So what if good employees leave, they will have sources as well as the resources to dig out the right kind of professional when the need arises.

The University syllabi - don't keep pace with changing trends in industry, sometimes the gap is as big as 3 - 4 years. Training institute takes lots of money from
students to train. And above all students are confused about what is right for them in IT world to do. So it is suggested that IT organizations should go ahead and run some parallel systems for university systems. After their college time set up extra hours of teaching for students, get experts from industry to speak on topics. Utilize summer breaks and winter breaks of organizing special classes. Give students projects in your industry; don’t make them compulsory just as to find out the extra-motivated students, that’s best way of identifying them through their demonstration skills. Catch them early, before they fly off. Doing projects in your organization, they will get acquainted with the culture, and also the extra ordinary projects could be converted into products. Allow them to work part time in your organization along with studies and when they graduate, they are ready to work full time with your organization and are also well trained on the job.