Concluding Remarks and Recommendations
Chapter 10

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Highly skilled and talented employees are indispensible for achieving competitive advantages and are considered as assets to an organisation. Therefore, any loss of this resource undoubtedly would be a great cost to the organisation. But employee turnover need not always have a negative impact on organisational performance. When the poor performing employees quit an organisation or are replaced by skilled and talented employees then such employee turnover would obviously have a positive impact on the organisational performance towards achieving competitive advantage.

Employee turnover is, however, undesirable when the organisation is losing potential, skilled, talented and experienced employees. This study is mainly concerned with this undesirable employee turnover and tries to unveil the plausible causal factors i.e. the factors influencing an IT professional to leave an organisation. For this purpose six plausible factors (‘Higher Salary’, ‘Higher Portfolio’, ‘Higher Company-Brand-Name’, ‘Breach of Commitment’, ‘Scope of Foreign Assignment’ and ‘Others’) are sighted which are very much pertinent, especially for the IT/ ITeS profession. The empirical evidences are based on primary data collected through field survey. A model has developed to explain the nature and extent of causal factors affecting employees’ propensity to change.
companies and tested the model empirically with the collected primary data. It is revealed from the empirical findings and employee turnover model that the attraction of ‘Higher Salary’ appears to be the top priority reason of the IT professionals, irrespective of gender and age for leaving an organisation. In order of importance, next to ‘Higher Salary’, attraction of ‘Higher Portfolio’ followed by ‘Higher Company-Brand-Name’ is chronologically appeared as reasons for the respondents to leave one organisation for another. It is to be noted here that all of these three prime causal factors are in the array of exogenous pull factors. Although priority of ‘Higher Salary’ occupies the top position uniformly for all IT employees but between ‘Higher Portfolio, and ‘Higher Company-Brand-Name’, the female employees have given more priority to ‘Higher Portfolio’ than ‘Higher Company-Brand-Name’ and the male employees are significantly more attracted by the ‘Higher Company-Brand-Name’. These differences of assigned importance to the attractive pull factors by the male and female employees may imply that the female employees are more concerned about self-esteem (empowerment) in their professional hierarchy than their male counterpart. On the other hand, male IT professionals are found to be more concerned with their social prestige attached to the higher company-brand-name.

Research in psychology and organisational behaviour, specially the content theories; focus on the needs, wants and desires of people which are the main impetus for motivational behaviours. In this study we incorporated a self appraisal of the IT employees’ attitudes towards life and work and examined its
effects on their turnover intent as well as actual turnover. It is appeared that the priority reasons behind the two categories (HPWL and HPSL) of employees [one who give ‘Highest Priority to Work Life’ (HPWL) and the other who give ‘Highest Priority to Social Life’ (HPSL) in accordance with employees’ self assessment] are distinctively different. It appeared that among the employees who have already changed 3 or more companies, irrespective of age groups, HPWL category of employees have given highest priority (78.2 per cent) to ‘Higher Salary’ followed by ‘Higher Company-Brand-Name’ (13.3 per cent) and ‘Higher Portfolio’ (3.2 per cent) but HPSL category of employees have given highest priority to ‘Others’ factor (37 per cent) - a composite push factor which includes familial reasons as one of the major issues, followed by ‘Higher Portfolio’ (29.7 per cent) and ‘Higher Company-Brand-Name’ (22.2 per cent). An interesting observation may be noted here is that all the HPSL category of employees gives least priority to ‘Higher Salary’ as reason behind their job changes. In this regard, we may consider this as an imperative following McClelland’s (1961) argument that the behaviour associated with satisfying the needs (like ‘need for achievement’, ‘need for power’ and ‘need for affiliation’) in adult life is something akin to culturally-induced personality traits (reflections of society’s cultural values) that are acquired in childhood.

Our findings also revealed that the younger IT professionals (i.e. employees in the ‘Below 30’ and ‘30-40’ age groups) are in a stage of their life where they are in needs of higher achievement and the elder professionals are in
needs of higher power and affiliation. Thus, the findings may provide an important intrinsic parameter in studying employee turnover.

It may be observed that a significant proportion of empirical research has focused on demographic variables and job satisfaction as correlates of employee turnover (Porter & Steers, 1973; Mobley et al., 1979; Muchinsky and Tuttle, 1979). These bivariate empirical approaches, in absence of multivariate analysis with a strong conceptual base, add relatively little to further understanding of employee turnover. We therefore incorporated a number of pull and push factors in our study for deeper understanding of employee turnover. Again, most of the existing researchers viewed employee turnover as a negative phenomenon (Gaudet, 1960; Gellerman, 1974) and which is undesirable. In our present study we premise that employee turnover may not be always undesirable but if one accepts that turnover is not necessarily undesirable then it becomes necessary to examine the employee turnover phenomenon for judging the condition that is to be considered as desirable or undesirable. This kind of examination, however, requires specification and analysis of the cost and consequences of employee turnover i.e. utility analysis of employee turnover. Such an analysis is absent in our study and that may be considered as a limitation of the study. Further research on IT employee turnover may include these costs and consequences aspects of employee turnover.
However, the present study distinctly differs from prior studies on IT employees’ turnover in two important ways. The first important difference is that this study tries to unveil both intent to turnover (among those who did not change any job) and the causes behind the actual turnover. Another key difference is that this study intensively focuses on IT employees’ attitudes towards life and work to capture individual’s choice behaviour, based on employees’ self appraisal, and that becomes a unique feature of this study.

Regarding policy issues we observed that two approaches are currently in practice among IT companies to combat turnover of potential and productive employees. One is recruiting and retaining qualified personal and the other is restructuring tasks so that they require fewer personnel. Recruiting and retaining valuable IT workers have included increasing pay (James, 2000) and offering perks and non-salary compensation such as company outings, lunches, out-of-town conferences and bonus for performance (Fryer, 1999) with the expectation that these perks increase job satisfaction and reduce employee turnover. However, the effectiveness of these measures is in question (Cappelli, 2000). Therefore, the problem of productive IT employee turnover in an information-intensive environment should require better understanding of the IT employees’ attitude towards life and work which are directly related to their reasons for leaving a company. Taking into account all the above issues in mind we like to recommend the following policies to combat the problem of IT employee turnover.
Combating employee turnover where employees are leaving companies due to familial reasons or personal health reasons are appeared to be very difficult, if not impossible. However, attraction of ‘Higher Salary’ appears to be the prime reason behind most of the IT professionals’ leaving a company. It would be obvious that the major policies are to be salary or pay-oriented. Therefore,

- Compensation structure of the IT professionals may be designed by giving higher weightage to salary by virtue of a composite function of qualification, talent, skill, performance and experiences as well as keeping a little bit higher salary than the existing industry rates to the high valued employees.

- The quantum of non-salary compensations in the form of perks and other benefits should also be provided to the employees according to portfolio and performance of the employees.

- Promotional avenues, skill revealing opportunities and rewards for better performance may encourage employees to do work with enthusiasm.

- Above all, a familial relationship among the employees of the organisation where each employee feels proud of to be associated with the organisation and his or her colleagues which in turn would create some kind of fellow feeling and commitment should be generated in the organisation.
In lieu of a conclusion it is to be noted that a multivariate and multi-dimensional analysis along with turnover costs analysis may provide more insights of employee turnover (both turnover intent and actual turnover), specifically IT employee turnover. In fact, the crux of the problem lies in the estimation of intangible intellectual capabilities of human beings and once it could be done then employees can be provided with proper monetary and non-monetary benefits in accordance with employees’ skill and capabilities. Our future research agenda therefore is to capture these issues.