CHAPTER 2
LITERATURE REVIEW

2.1. Overview
This chapter of the thesis briefs about the importance of human resource of any organization. This chapter explains the need for retaining of the best-skilled employees. The organizations are facing a big-time challenge in retaining their employees. This chapter states how investment in human capital can prove to be beneficial in order to survive and thrive in the competitive marketplace. The second part of the chapter briefly explains the gist of existing relevant literature surveyed that provides the base to identify gaps and design the research framework.
2.2 Background
To develop a thorough understanding of the conceptual constructs and empirical research for the present study, an extensive review of the literature was undertaken. This has not only helped in identification of the gaps in the existing body of knowledge but has also enabled to establish a relationship of the present study with what already exists. According to Pettman (1975), it was stated that if timely and proper measures are taken by the organizations, some of the voluntary turnover in the Organization can be prevented. The reasons for employee turnover may vary from external environmental factors such as the economy that influence the business that in turn affects the employment levels to Organizational variables such as type of industry, occupational category, Organization size, payment, supervisory level, location, selection process, work environment, work assignments, benefits, promotions etc.

Kulshreshtha and Kumar (2005), stated that the employers are realizing that there are many variables that determine an employee’s stay at a company. They are not motivated by hygiene factors like salaries alone, but they look for other softer rewards like a challenging job, clarity of work, catering to training needs, etc. In their work, they found that employees who perform better and are intelligent enough to have more external employment opportunities available compared to average or poor performance employees and thus they are more likely to leave.

2.3 Attrition in Information Technology Industry
India’s economy has grown to a great extent which has been accompanied by the information technology growth. The IT industry is growing undoubtedly and the economy is growing along with it. Although there is growth in this industry and this industry is adding a lot to the overall development of the country, it has been observed that the IT industry is facing some challenges within itself said Sengupta and Gupta (2012) in their study. They explored the dimension of attrition by stating some of the factors as the leading factors of attrition in IT industry. The revolution in the technological front has helped the IT industry to grow tremendously. They have become the master and the core of all other business in the marketplace. With the availability of the human resources, companies are targeting India to outsource their business. Sengupta and Gupta (2012), due to many personal and professional reasons, the employees of the organizations are leaving the firms in a very short duration. At times the period is so short that the organization finds it difficult to find a new employee in that short period of time. The time and other resources spent on hiring the previous employee
and the new employee are so much that the organization is at a great loss in many aspects. The overall cost added in the whole process is so much that the organization cannot afford this total cost many times in different departments of the organization.

As said by Adhikari (2009), most of the processes of the organizations are outsourced to the other country like India. But the companies are also facing the attrition problem. Since there are immense opportunities available in the Indian market, retaining employees becomes difficult. The exports of work have increased rapidly, but retaining of the skilled employees is also becoming a big challenge as there are increased opportunities in the market. Organizations are driven by the need for a reduction in the cost and to concentrate on the core activities. The major reason to outsource is to reduce the economy of scale. With the globalization, organizations are forced to work on the retention of their best-skilled employees so as to remain competitive.

According to Sherman et al. (2006), Organizations are aware of the fact that if they want to be in the competition, they need to have that kind of people who can bring in more and more innovative ideas of developing new products and services. So as to have a long-term relationship with the customers the organizations need to retain the employees who have served those customers. Attrition is becoming a big issue on the other hand. According to Das and Baruah (2013), stated the cost should be considered as a crucial matter to work on in a long run. Organizations are facing challenges like the shortage of the competent managers in the middle and senior level and so there is a high rate of attrition observed in the organization. To retain the skilled employees a very competent manager with high convincing skill is required. As it is known that the employees spend a maximum of their time interacting with their managers in the company, thus an effective manager can always influence the decision of the employee to leave the organization. Anjali and Anand (2015), said that a loyal manager may have a team of loyal employees. It has noticed that the entry-level employees i.e. The fresher or younger employees are the ones who are less patient and are influenced easily to change any of their decisions. Some of the factors like infrastructure, cultural differences, language etc. Become a reason for the fresher to leave or to stay with the organization. With the increase in the availability of the opportunities in the market, the attrition rate is increasing and increasing.
According to Aguenza and Som (2012), employees are not scared of being sacked from the organization as there are many opportunities available outside the organization. And for the employees who are well educated and have good quality and experience really don’t care about the organization. Employees know that there is a lot of availability of the job opportunity in the market and so they are always ready to take risks. The early days taking a risk on the job were not considered as a good decision or human behaviour because there was less number of job opportunities, but with the liberalization and globalization these days the employees are ready to take a risk anytime in their career (Anitha, 2014). As the technology is advancing the human resource of the organization is becoming very unpredictable. On an average, the attrition rate is between 15% to 30%. NASSCOM in one of their report stated that there will be a shortage of employees in the near future as the employees are tending towards leaving the organization.

Allen and Meyer (1990), said that due to a high level of stress and lack of opportunities for growth, the employees are leaving the organization at a very high speed. With the advancement of the world and the technology, human beings are losing out on the mental peace and satisfaction. Everyone is running in the race to grow and develop in a very short period of time, which is actually bringing in a lot of stress and discomfort. With the increase in the competition within the organization each and every employee works hard and smart to impress the superior which will in turn give promotion and recognition to the employees. But the employees do forget that in the rush of attaining this in the organization they are actually inviting restlessness and stress in their daily routine which will harm their health after a period of time. Attrition is identified as the cycle of failure because it involves a chain of consequences starting with the dissatisfaction of the employees and ending with the leasing of the organization and organizations insufficiency (Arthur et al., 2006). This in turn leads to degradation of the service quality and loss of the loyal customers. And the major loss in attrition is the damage on the reputation of the organization in the market and also the loss of productivity and profitability. The major reasons cited were high-stress level, monotonous work, demand and supply disparity, lack of career growth, a complete change in lifestyle, the mismatch of the job etc. that brings attrition to the organization.

Avanesh (2011), in their study found that though companies are working on these areas, but there is something that is being missed every time because of which attrition is witnessed by the organizations. From so many literature available it can be said that attrition is a big-time
problem for a maximum of the organizations. In IT industry the BPO division is the one which is facing the attrition of employees to a high degree. The main reason why the BPO industry faces so many of attrition is because of the monotonous job and the availability of the less skilled employees. BPO’s hire people who have less quality and follows the same old process and function which becomes very monotonous for the employees.

In their research work Chordiya (2010), stated that the reason why BPO’s hire less skilled people is because their centers are very large and they need to process a large quantity of information. Because of the high volumes, it is always suggested to a number of employees than to have fewer employees who are more skilled. The Indian BPO job is very monotonous and the same process is followed almost every company, BPO because of which the employees do not find it exciting and satisfying to work for a BPO. It has observed that the BPO’s have more of fresher working for them. Career growth and remuneration is also at stake for those who work for BPO’s. Thus, maximum attrition is observed at the BPO division of the organization.

This is the trend found in this industry, but these days not only the ITES department, but also the software department of the organizations are facing attrition. Since less skilled people are required for the BPO jobs people are not ready to compromise on their educational qualification and work for the BPO’s. According to Agrawal (2004), Education becomes important day by day and every individual are being educated hence the number of people for these types are in shortage and the organizations are facing high attrition rate. After a good amount of experience, the employees move out of BPO and acquire a decent and less monotonous job with probably higher pay as well (Arora et al., 2001). Due to high attrition rate, the cost of leaving the organization and hiring a new employee is very high and bearing this cost every now and then is very unprofitable for the organizations. Looking out for the right person at the right time and getting that person on board and then to sustain that employee for a longer period of time is becoming tough these days.

According to Budhwar et al. (2006), even after offering the best pay package, at times it has been observed that the candidates do not join the organizations. At times it may happen that the candidate accepts the offer and then on the day of joining may decline the offer because of the competitive organization may have offered more than the previous organization. These unpredictable declines in offers also lead to a great loss to the organization. A huge amount
of time and cost is involved in the recruitment and selection of any candidate and these unpredictable declines create a big problem and challenges for the HR personnel. Last minute declines of the candidates increase the trouble of the HR personnel. Performance appraisal and manpower allocation are also one of the factors for the attrition of the employees. If the organization fails in allocating the absolute number of employees to the right department or team then it may become unfair to the employees.

Proper allocation of the employees will always lessen the workload on one person and a proper distribution of work-load happens. Bhatnagar (2007), in their study found that the work-load if not distributed properly may lead to the creation of the dissatisfaction in the employees. Hence this is important to understand and note that manpower allocation always impacts the retention of the employees. The employees do not get the feeling of dissatisfaction and will stay for a longer period of time (Anjali and Anand, 2015). Employees these days leave the organization because of the dissatisfaction which develops in the company due to working for longer period of time without any motivation and promotion. Lots of work allocated to one employee continuously leads the increase of the frustration in the employees. Workload allocation helps in reducing the stress on the employees. The employees are demotivated when the workload is more on any one of the employees.

Ghosh and Sahney (2011), found that attrition has a terrible effect on the organizations. The voluntary attrition of the desirable employees cannot be avoided by the organizations. The decision of the employee to leave the organization becomes the antecedent of the attrition that is happening in the organization. The replacement costs are too high for the organizations. Intend to leave the organization of the employees makes the organizations predict the rate of turnover in the future (Sherman et al., 2006). This impacts the well-being of the organization. The unplanned exits of the employees increase the cost for the company in various ways. Therefore, it is very important to overcome the attrition rate in this industry. Employees develop skills and leave the organization at a great loss.

Allen and Griffeth (2001), found that the more people leave the organization the more the organization drains out in different resources. Many researchers have worked on the reasons or factors why employees are leaving the organization and have stated that the reasons differ with the individuals. But the organizations need to identify and work on these reasons when they are being highlighted by the researchers. Organizations know the major reasons, but they
at times fails to correct the errors caused (Ghosh and Sahney, 2011). This leads to the
development of stress and frustration among the employees and they leave the organization
soon. To stop or control the attrition in the organizations it is important to stop the
development of stress within the employees. The organizations cannot stop the attrition, but
yes can off course control the attrition. Organizations need to look into the welfare of the
employees to retain them for a longer period of time.

Boswell et al. (2005), in their study, found that most of the researchers have addressed only a
few environmental problems like career growth, opportunities, challenges, individual
performance etc. As the reasons for attrition, but they have not studied and identified many
other reasons. Some researchers have put forward a plethora of reasons why an employee
leaves the organization and do not show their loyalty towards the organization. Researchers
have studied in smaller groups and on broader groups about the reasons why employees leave
the organization, but still, the organizations find it very challenging and difficult to retain
their best-skilled employees. Many models on the employee turnover have been proposed to
understand the pattern and factors that lead to the attrition of employees. At times, attrition is
beneficial for some organizations but not always. Attrition that brings in some benefits or
cost saving for the organization is bearable for the organization. But those that are actually
very costly need the HR personnel’s attention to control it.

2.4 Retention in Information Technology Industry
All over the world, retaining skilled employees is a big concern in almost every industry.
Managers are facing an increasingly high rate of attrition in the organization. The business
environment is becoming more competitive and they keep making skilled employees as their
competitive edge. Employee retention is important as this helps in sustaining the
environment. Employee retention is important for organizational growth. Recent studies have
proved that employee retention of the highly skilled employees is becoming a difficult task
for the management of the organization. Employees of the IT industry are being attracted by
the other organizations in the market. The rival companies are ready to attract and employ the
employees of the other organizations. The competitive organization offers better package and
policies to attract the best-skilled employees.

According to Anitha (2014), organizations are continuously losing on the skilled employees
and are facing a big challenge in retaining these employees. Organizations recruit the most
skilled candidates from the market, but they are not capable of retaining these highly skilled employees for a longer period of time. The employees who put their hundred percent have some expectations from the organization as well and the organizations do not satisfy the employees they tend to leave the organization sooner in a very short period of time. If the managers of the organization are not able to identify the reason why these employees are leaving the organization, then they will never succeed with any of the retention strategies.

Das and Baruah (2013), stated that a set of appropriate retention strategies need to be used in order to retain the skilled employees. Employees need to be treated as the differentiating assets who are profitable always and act as the non-depreciating asset of the company. Skilled employees are that asset whose rewards organizations reap every time. Role of employee retention is important for each and every organization. Adopting to the retention strategies makes a path for the organizations to sustain in the competitive environment. Various models have proven to be beneficial for the organization to survive in the market. Researchers have linked employee turnover with the recruitment sources (Anitha, 2014). They pay less attention towards the retention of the skilled employees. Employees run the organization but at times the organizations forget to treat them well.

Boswell et al. (2005), said in her study that the employee turnover occurs when the employee leaves the organization and that vacant position needs to be filled with the equal or similar capable candidate. Replacing the existing employees is costly and also has a destructive impact on the organization. Thus, the management should work on the reduction of the movement of the employees from the organization, particularly those employees who are crucial for the operation of the organization (Sherman et al., 2006). Retention is a voluntary action by the organization so as to retain the employees for a longer period of time. Loss of employees has an adverse effect on the productivity and service of the organization. Retention of high performing employees is attracted and employed by the organizations (Budhwar et al., 2006). But it may happen that the employee will leave the organization as the other rival companies will hire the employee.

Strauss et al. (2001), investigated that a frequent change in the management system is required by the organization. Management needs to frame the retention strategies so as to retain the essential employees. Functional turnover is helpful for the organization where the best performers stay with the organization and the bad performers leaves the organization.
Loss of business and customer relationship is witnessed by the organizations when the employees leave the organization. With the loss of employees, the productivity of the company is hit badly and hence the retention of the valuable employees is required. Formation of the effective retention strategies is important to sustain in the market. It’s the employees that give a competitive edge to every organization. If employees of the organization leave there is a huge loss of innovation, delayed service, degenerated productivity etc. faced by the organization.

According to Beulen (2009), even the most ambitious organizations are facing the challenge to retain their employees. This is actually making the organizations to work on their retention strategies and put efforts to retain the skilled and the high performing employees. The employees are the ones who bring in revenue to the organizations. In this technology freak world, the organizations, though have updated themselves with the latest technology, but still, they are facing a big challenge of human capital. Managing human resource is becoming tough and critical these days (Clarke, 2001). The management is not able to control or decrease the attrition rate in the IT industry.

Strauss et al. (2001), found that the opportunities in the market are increasing every day and the employees are fearless of about losing their jobs. Before the organizations lay off the employees, the employees themselves leave the organization if they are not satisfied with the job. Some of the major reasons why employees leave the organization or hiring practices, managerial style, lack of recognition, compensation system, lack of job security, inadequate training and development etc. There are both intrinsic and extrinsic factors that motivate an employee to stay with the organization (Chafetz et al., 2009). These factors help the managers to retain the employees. However, the managers have failed to identify and use these variables to retain the employees. Attrition is not only destructive but also very costly. There is a direct and indirect cost involved in recruiting a new employee. When a productive employee leaves the organization, the social capital loss is faced by the organization.

In his study, Avanesh (2011), stated that the organizations should encourage the employees to stay with the organization. Retention is a process which encourages the employees to remain with the organization for a maximum period of time. Organizations want the employees to stay with them maximum till the project in which they are working comes to the completion. But this should not be the process the organization should try to retain the employees for a
longer period of time and not only for the completion of the project. Employee retention is the process in which various policies and practices are used to make the employees stay for a longer period of time. Shortage of skilled employees is some of the issues that have a major impact on the workplace.

Due to work intensification, the employees are becoming more and more stressed. Most of the employees describe their work as extremely stressful. Employees have a lot of expectation from the employers regarding having a stronger leadership quality in the managers. The managers are the one who can work on the retention of the employees. Employers are working on the retention of employees, but still, they fail to do so as the strategies used by the employers are not appropriately implemented. The employees remain unaware of the strategies that the organization formulates for them so as to provide some benefits (Bhatnagar, 2007). The HR personnel says that the organizations are taking steps to mitigate the loss of talent in the firm. Open positions which are very critical to fill leave a great impact on the image and reputation of the organization. The employer needs to empower their employees before there is work overload and the employees reach the saturation level or face a breakdown. Because of the stress, the employees are losing out on their skills. Development of skills does not happen in any of the stressed employees. Hence, more of stress is leading to the shortage of the skilled employees.

According to Deery (2008), the relationship between employer and the employees are undergoing a great change. This drastic change is having a great impact on the attraction, motivation and retention of talented employees. Organizations need to become more flexible to increase their productivity. Flexibility towards the employees helps the organization to retain their best-skilled employees. Attrition is becoming the result of the reduced job security in the organization. Employees do not feel secure when the attrition rate is quite high. A fear in mind comes regarding the job security in every employee's mind. Talented employees have competencies that are critical to the organization so as to sustain the competitive market. But these days it is difficult to retain the employees as they give more importance to their career path than loyalty towards the organization.

In his study, Bernhart (2006), stated that the retention management has become a popular concept these days. It is a set of HR practices that help and assist in retaining the skilled employees. The contemporary management style of managing and retaining the employees
needs to be changed or updated. The management cannot use the same old style to retain the talented employees. With the change of the era, the management style should also be changed. Employment is not a deal these days. Formulating and implementing a good set of retention strategies is important (Strauss et al., 2001). Also, it is important the organization succeeds in creating and developing the sense of loyalty and commitment to the employees by providing them with what was promised to them by the organization. Retention management induces the process of addressing the factors that are important to be considered, but also the strategies currently being used to reduce voluntary employee turnover.

De and Dutta (2007), said that retention strategies are useful and competent only when they are according to the value of the employee. The effectiveness of the retention strategies is completely dependent on how the employees perceive these strategies as useful. The benefits of the strategies used should be felt by the employees as it can always erase the thought of quitting the organization because of any small reason. The HR personnel’s need to figure out the reasons of employee turnover and need to work out the HR policies in that way so as to retain the talented pool in the organization (Dockel et al., 2006). These policies are often called as retention strategies. Retention management is basically about retaining those employees who have the ability and endurance to survive in the adverse conditions and who can face the challenges of market demands for a pretty long period of time when compared with the competitors.

According to Kulshreshtha and Kumar (2005), many academic researchers have proposed models for the retention of the employees and to control the attrition rate. There are many books that outline the strategies to retain the employees for a longer period of time. Retention factors like a good pay package, job enrichment, career development, employee benefits are some of the factors which are allowing the managers to retain the skilled employees Dutta and Banerjee (2014). Work-life balance is one of the important retention factors used these days. But sometimes the definition of Work-life balance is different in both the employer and employee context. Employees work more when they feel that the organization will do something good for them. They show their loyalty to the employer by staying with the firm for a longer period of time.

In his study, Cottrell (2012), found that a psychological contract needs to be signed between the employee and the employer. Both employer and the employee evaluate each other and
show their loyalty to each other. If this psychological contract which is signed between the employer and the employee is breached then the employee is more likely to leave the organization or the employer may ask the employee to leave the organization. Employees are very pessimistic towards the employer when it comes about the promises made by the employer so as to retain the employees. Majorly it has been found that the organizations fail to keep up with their psychological contract with the employees because of which employees leave the organization and join the competitor. This is not only the loss of the human resource, but also on the internal information which the employee carries with them.

According to Das and Baruah (2013), if an employer violates their promises regarding the career growth, compensation, promotion etc. Is when the employee starts developing the stress in their work. The performance goes down and the employees take less care about the productivity of the organization. This is when the employees feel that the promises made by the organizations will not be fulfilled by the employer and they may be chances that they will not be helped and supported when they will be in need. Eskildsen and Nussler (2000), studied that the employee thinks over the employment with the current employer to be continued or to look for some other opportunities. Thus, in such cases, it’s the employer at fault and becomes the reason for their skilled employees to leave them early. The employer should either not make those promises or if made should live up to it. Employees these days also consider a lot of factors before joining any organization which should be identified and well-studied by the employer.

2.5 Factors associated with Employee Retention
Employee turnover is a much-studied phenomenon. There is a vast literature on the causes of voluntary employee turnover dating back to the 1950’s. By developing multivariate models that combine a number of factors contributing to turnover and empirically testing the models, researchers have sought to predict why individuals leave organizations. A recent study of turnover by Kulshreshtha and Kumar (2005), confirmed the view that motivation for a job change is multidimensional and that no one factor will explain it. Jones (2012), examined that greater employee morale may lead to increased retention and fewer turnovers. Understanding the significance of morale may be an important consideration in the current disparity between turnover rates as compared to other industries (Sandhya and Kumar, 2011). It has been suggested that leaders use a spiritually-based management approach to assist with the challenges of turnover and employee dissatisfaction. Spiritually-based management does not
refer specifically to any said religion or the use of spiritual elements practiced in the workplace.

According to Gering and Conner (2002), a spiritually-based management approach addresses not only meeting the needs of the organization but also the employees. The spiritually-based management approach to leading a team emphasizes key parts of the human experience that impact employee perception and productivity. Arthur et al. (2006), stated in their work found that employees who perform better and are intelligent enough to have more external employment opportunities available compared to average or poor performance employees and thus they are more likely to leave.

2.5.1 Motivation
Jones (2012), in his study, stated that if the morale of the employees is high the employees will stay with the organization. Morale is one of the significant factors to retain the employees. It helps in removing the disparity towards turnover rates. At times managers start a spiritual based management to retain the talented pool. The challenges of employee turnover and dissatisfaction need to be addressed through spiritual management (Pare et al., 2001). Spiritual management does not mean that it includes or considers any kind of religion or any spiritual element to be practiced in the workplace. Spiritually-based management approach has a great impact on productivity. The key aspects of the spiritually based management include caring, hope, kindness, love, optimism, personal aspirations, goals, values, and ethics.

It has been found that spiritually-based organizations always try to develop an environment where employees enjoy the work environment, are energized by job responsibilities and the work environment (Manjunath et al., 2012). This also helps the employers to develop such a work environment that gives personal meaning and purpose. There is need of good people in the organization and hence there is a need of having good retention policies. Retention basically refers to those efforts made by the employer to retain the current employees (Vignesh and Babu, 2014). Also, to create an environment that encourages the employees to remain with the organizations. Instead of addressing the diverse needs individually, the organization should frame the retention strategies such a way that it serves each employee needs when required. Replacement costs usually are 2.5 times the salary of the individual.
According to DeMers (2002), Companies are facing problems in retaining employees as hiring knowledgeable people is essential for any employer. Employee Retention has become an essential job for all the industries. HR’s in conjunction with the top management work hard to frame the retention strategies. Organizations embarking on talent management need to review their current HR practices. Human resources play a significant role in reaching organizational effectiveness and performance. If a person is not satisfied with the job he is doing, he may switch over to some other more suitable job. In today’s environment, it becomes very important for organizations to retain their employees. A company that provides flexible and challenging work environment to their employees have been seen to survive in a competitive marketplace (Herman, 1999). Employee Recognition and Reward have been proved to be one of the important factors in retaining the employees. As the organization's expectations are increasing, the employee’s expectations also increase at all levels in the organization (Malhotra and Gautam, 2016).

The increasing attrition rate is one of the serious problems for the organizations. A good retention policy leads to less operational problems, more of productivity and high-cost saving for the organization. Employees should maintain the confidentiality of the valuable information. At times it so happens that employees while joining the organization signs all the documents that have important information, but the employees don’t read it carefully so it becomes a job of the HR to let that critical information to be known to each employee by highlighting the necessary information. Jeen (2014), sited that turnover is an individual choice and is completely dependent on the psychological behaviour of the employees. It is completely dependent on the employees, whether he/she wants to leave or stay with the organization and it is said to be a behavioural implication of the retention or attrition of the employees. The degree of likelihood towards the organization decides whether the employee will leave or stay with the organization.

2.5.2 Career Development
Amaram (2005), investigated; leaving the organization is a mental decision of the employees. Turnover is a psychological outcome of the intention to quit or to remain with the firm. When the labour market is volatile, it has been observed that the retention of the best employees is done by the companies. With high demand in the labour market retention becomes an important strategy in order to survive in the competitive marketplace. There are two types of
cost, direct and indirect cost of the uncontrolled labour turnover, which, if not considered can create a huge loss for the organizations. Hokanson et al. (2011), in his study, has shown the importance of some organizational characteristics (internal career opportunities, size, organizational climate etc.) and environmental variables (available employment alternatives, economic and market conditions, etc.) which highly affect the turnover rates. A company’s reputation also helps a lot in retaining the best employees of the organization.

Along with which employee satisfaction is the second essential determinant that can control a lot of attrition in any firm. Where one side employee satisfaction can lead to retention likewise job dissatisfaction may lead to quitting of the job, as employee satisfaction and dissatisfaction have received so much attention that it actually helps in predicting the attrition and retention of the employees. Organizations should come out with creative and innovative in order to make employees feel loyal, comfortable and interesting place to work. Herman (1999), investigated; making employees loyal and comfortable will definitely bring down the attrition rate and also to reduce the cost involved in the complete process of recruitment. Employee turnover is important for both the organization and the employees.

As stated by Herzberg et al. (1999), HR managers are facing a big challenge for to reduce the employee’s intention for a turnover. The various motivational techniques used by the employers are of no use these days. These practices are treated to be an old practice followed in today’s fast-moving environment. It is observed that turnover intention has a great influence on attrition factors for e.g. Work-life balance, flexible working hours etc. It has been observed that human resource management should be practiced not only at the strategic level, but at every day to day level. This helps in making the employees know and understand the policies of the organization. HR should look at the problems of the employees and must solve them creatively.

Not only in India but also abroad, there is a great demand of skilled people and especially in the IT space. Robbins (2003), observed that since the demand for skilled IT professionals is more, employees look for better options in the market if their needs do not get fulfilled by their current organizations. None of the companies want to lose their talented and skilled workforce as the economy is changing, competition is increasing and there is a scarcity of skilled workforce. Due to this a need for creating some effective retention strategies.
It’s highly important that the HR managers should understand that a holistic approach is required to understand the desires of the employees and the factors controlling employee turnover. In his study, he aimed at identifying the reasons for employees leaving the organization, reasons for staying back, employee’s attitude towards work and their expectation from the organization. HR managers should look into developing retention strategies which are specific to their own organization. Hewitt (2006), stated that although there are some standards regarding a few of the factors that need to be considered while framing the retention strategies as some of these strategies will be compared with the industry standards. While framing or creating the retention strategies it is important to consider the standards for the retention strategies that are being used and implemented by the other companies but at the same time it needs to be customized as per the needs of the employees (Kaliprasad, 2006). With respect to most of the demographic variables like age, gender, educational qualification, income from various sources, certifications, financial commitments, family status, working hours, distance from the place of work, conveyance facility, total experience in previous organization and the number of jobs changed, the essential and important factor needs to be identified and studied.

Top management should consider attrition as a serious problem and should take action in order to control it with the help of HR managers and the leaders of the organization. An online system or a forum should be created wherein the IT professionals can voice out feedback openly and fearlessly on various issues like their expectations from the Organization, shortfalls in the Organization that hamper their performance that influences Organization’s performance. Organizations should conduct periodic surveys in order to identify the changing expectations of the workforce and to understand the influencing factors for retaining the employees. This method helps in framing an effective model of retention strategies so as to control attrition.

Raychaudhuri and Farooqi (2013), stated that providing flexible benefits where employees have the options to choose the benefits can be one of the beneficial ways to retain the employees. The HR department should be solely responsible for developing robust retention process. While designing the retention policies and strategies the demographic details of all the IT professionals should also be considered as it plays a vital role in the formulation of the strategies. It has proved to have an influence on the retention and attrition of the employees. Organizations should adopt new initiatives to retain their employees as there is a change in
the economy happening these days. A constant monitoring and benchmarking of the retention strategies used by the competitors is required so as to take proper steps to make and implement the attractive retention strategies.

Milliman et al. (2003), found that employee turnover is predominant in almost all the industries. Employees should be treated as assets of the organization. High employee turnover has a great impact on the productivity and sustainability of the organization. When a productive employee leaves the organization, it is called as dysfunctional turnover, which is a great harm to the organization. A high rate of dysfunctional turnover does not leave or create a positive image of the organization. This rate should not be high in order to survive in the marketplace. Moreover, an effective and productive employee leaving and moving to the competitor origination is again a very harmful situation. When an employee leaves, it takes approximately eight weeks for this position to be replaced and in the meantime, productivity suffers (Marques, 2006). Variables such as Welfare Benefits, Personal Satisfaction and Organization Culture, which are said to be associated with the Employee Turnover should be investigated and studied so as to control the turnover rate. Employee retention helps in reducing the cost of turnover, loss of company knowledge, interruption of work, regaining the efficiency and increases the productivity of the organization.

2.5.3 Remuneration
It was cited that the most important reason for leaving the organization is the remuneration and the working environment. Compensation policy should be such that the employees are satisfied with their remuneration. Although human needs and desires are endless, as there is a standard or benchmark in the Industry regarding the remuneration, an organization is demanded to follow that at least so as to retain their effectiveness and productive employees. By using different HR practices like performance appraisal, training and development program, feedback and assigning competitive work the condition of employee retention has been increased.

Raychaudhuri and Farooqi (2013), stated that the practice of succession planning is important as it has an impact on the organizational performance. Organizations should have the ability to survive in an environment which is changing constantly and to counter the unexpected challenges. It takes a lot of time and additional resources to train the future leaders and it proves to be a worthy investment when the employee stays for a longer period of time.
Rashmi Barbhaiya, the President of R&D of Ranbaxy Laboratories India, in one of her interviews said these words that grooming leaders should be one of the ways of self-assessment. “When I am ready to retire, there must be at least three outstanding candidates ready to take over.” After all, it is more than just the passing of power and responsibility—it is about survival and continuity, the true challenge of doing business in India “These days HR practitioners are included employee retention in the talent management program.

Employee Retention is not only about keeping the employees, but also about sustaining the employees by increasing the employee satisfaction among them (Sinha and Shukla, 2013). Every MNC in India these days are making a strategic move in retaining their best talent. Attempts are made to analyse the 3 R’s: Respect, Recognition and Reward. Agarwal and Munish (2015), stated in their study that organizations should frame strategies that promote good organization culture that has flexible working hours, good working environment, job enlargement etc. The employees must be relieved from the workload by engaging them in recreational activities and providing opportunities for job rotation, change in work location etc.

Employees reflect the treatment which they receive from the organization in their attitude, behaviour, performance. Sinha and Sinha (2012), found that it becomes important for the organizations to treat their employees nicely and fairly so as to create their image in the market. It has been seen that an organization is recognized to be good or bad, or a better place to work only because of their employees. Employees give a sustainable edge to the organization to survive in the Tuff and critical times. Due to some external environmental factors like economy, a great impact is seen on employment level, work environment, benefits, promotion, growth etc. Factors like employee satisfaction, pay, promotion, working conditions etc. Can be the reason for turnover. There are some non-working factors like family, work-life balance that proves to add towards the attrition in the organization.

2.5.4 Promotion
Srivastava et al. (2011), in their study, stated that age is one of the most important demographic factors in attrition analysis. There is a negative relationship between the age and the turnover rate in the organization. Younger employees have been found to stay less with one organization as they have less family responsibility, more opportunities in the market with less of salary, and so the younger talent ends to leave the organization. However, it has
been noticed that length of service also becomes one of the factors that help in determining the rate of attrition. Less the length of service, more will be the tendency of the employee to leave the organization. Also, it was noted that Education does not play any role in being a determining factor in turnover.

Sigler (1999), found that the main reason for any employee to leave the organization is to look out for some different, interesting and exciting work experience. The effect of organizational commitment is more than the employee satisfaction on the turnover rate in the organization. Mehta (2006), in his study, indicated that the factor employee satisfaction is directly related to the factor which means that more the stress less will be employee satisfaction. Employees who are satisfied with their jobs are always seen to be creative, productive and happy which makes the employees stay for a long time with the organization. His study stated that an employee’s commitment towards the organization is dependent on the employee satisfaction. If the employee is less satisfied with the job he or she may not be committed towards the organization. Also, there is an inverse relationship between commitment and the turnover rate, which means that the higher the commitment lower will be the turnover rate.

Srivastava et al. (2011), said that all those variables that are related to the pay do have an effect on the turnover rate. He noted that it is important to consider the pay factor, as when a good performer is paid less he or she tends to leave the organization. Hence remuneration should be such that the good performers of the organization must be paid at the par so as to retain them. Employees who are satisfied with their jobs are always dedicated to doing their job. Hence employee satisfaction is a key element and the employees look for it as it has proved to be an important factor to retain the employees.

2.5.5 Training and Development

Nazia and Begum (2013), in their study, said that diversity in age factor proves to be good and brings in more creativity and increased productivity. An organization where there is a good mix of both young employees and employees with more age and experience shows more of creativity and productivity. It was revealed by Misra (2007), that there are similarities and differences between young and old aged employees. Variables such as perceived organizational support (POS) and perceived supervisor support (PSS) were analysed. Retention strategies formulated for the categories of employees should be such that
it retains the best talents of the organization. It was stated that one single approach for retaining the employees is not sufficient as the diversity is more and there is a need to formulate the retention strategies such that it suits every employee of the organization. To get the benefits of retention it is important to frame the retention strategies for younger and older people separately.

According to Srinivas (2012), training and development program should be organized for the employees. Training in areas like quality of work, job-related, technical etc. Should be provided by the employer so that the employees get a feeling that not only the organization is growing, but also the employee in themselves are growing and developing their skills. Employees who are not satisfied with the training programs should not be left unattended i.e. The reason behind their dissatisfaction should be identified and should be worked on. Since the technology and management practices are changing at a fast rate, training the employees and updating them has crucial (McMurray et al., 2010). A training program is needed to develop their skills, attitudes and behaviour. Training programs should be evaluated after its completion as it helps in identifying the limitations and drawbacks.

McKeen et al (2009), stated that the importance of IT staffing practices in hiring, retention, career development and training, and performance, promotion and succession planning. The IT profession is unique in it; although the world is witnessing development in the technology, but the old technology never seems to go away. Today, organizations are also found to be using the older languages to operate systems and applications which are coded in the old languages. This confirms that as long as the organizations are using the older technology, people with experience of old technology are required by the organization.

Sandhya and Kumar (2011), sated that organization cannot afford to completely depend on the new technology and remove their dependency from the employees. Organizations cannot automation for each and every work, the employees needed to operate the machines. Raman et al. (2007), stated that in today’s scenario the most critical skill in the IT space is the knowledge about the old languages like PL/1, COBOL, RPG, JCL, and Assembler etc. A good succession planning is required for the organization they are in the need of both the old aged knowledge experts and the generation Y who are moving with the speed of technology advancement. As there is a need of mix of skills in the IT Department as technical
proficiency is still very important to most of the CIO’s desperately want to hire people who have expertise in industry and enterprise knowledge.

2.5.6 Work-life Balance
It is important for the organizations to understand which set of skills are required currently and for the future in their employees, as on this basis they can plan their staffing procedure. It was studied that an effective technique of staffing is to prepare a skill mapping template which can be altered as per the needs of the strategy. Srivastava et al. (2011), found the importance of retaining valued employees is increasing as the demand-supply gap is increasing. Also with the decrease in IT budget, it becomes important to look into the issue of retaining the best talent pool. Some of the most important retention strategies are employee satisfaction, monetary rewards, recognition, and non-salary benefits. By identifying the core skills, organizations can engage in selective hiring, retaining, and further development of employees so that they have the desired core skills.

Apart from benchmarking the standard for salary, there are other monetary methods which can be used to retain the employees. For example, ESOP’s that creates an interest for the employees to stay for a longer period of time. There are short term plans for incentive pay schemes and a long-term plan like an increased benefit retirement plan. Rana et al. (2010), hypothesized that the strategy related to the career development has been changing with the time. Earlier the employees used to allow their employers to look into their career development, but today the scenario has completely changed. Individuals take responsibility for their career development and decide their career path said Strauss et al. (2001). Hence, considering this factor for retaining the employees has proved to be important. Employees are not ready to compromise on their career development for any reason, be it a multinational company employee or a medium sized organization’s employees.

With the evolution of the Information Technology organizations need to update their IT skill sets as well. Kossivi et al. (2007), investigated that employees need to develop not only soft skills like communication, leadership, consultation etc. The paper reveals that factors like work-life balance, development opportunities and working environment are crucial and important to retain the employees. Raychaudhuri and Farooqi (2013), observed that those organizations that provide the IT support after the sales as well need to have the employees enacted with them for a longer period of time. It proves to be a great loss for the organization
if the employees leave them in between and go as the new employee who has less knowledge of the product cannot serve the customer in the way the older employee can do. Moreover, the training costs a lot for the new employee and in this competitive market every time training a new employee about the product and services can bring in a huge loss. Hence organizations should try to avoid this loss.

Roger et al. (2001), reported that a huge amount of operating cost is involved in providing the after sales services, hence it becomes important to understand that if the best talents of the organization are leaving frequently then there could be a great impact of this attrition on the customer satisfaction. Customer satisfaction is also at stake when the attrition rate of any IT firm increases. Huang et al. (2006), in their study, found that employees are not committing for their long-term stay with the organization. Companies are facing this problem of less commitment from the employee’s end, which is leading to the need to determine the main reason of employees not staying with the firm for a longer period of time. Both the employer and the employee are aware of the marketplace, so it becomes difficult to use the same old methods and approaches to convince the employees to make them stay with the organization.

As said attrition and retention are two different sides of a coin. Many of the researchers have talked and focused on the attrition part of the organization, but many less of them have worked on the retention of the best talent pool. Sengupta and Dev (2013), reported that there are two types of factors, one is firm-based factors and the other is employed-based factors. Both the types actually lead to the attrition and retention of the employees. Firm-based factors can be market factors. Economic factors, etc. Whereas the employee-based factors are employee satisfaction, remuneration, career growth etc. Turnover is costly for both the employer and the employees.

Like hiring cost is taxing for the employers likewise the employees find the psychological cost to be taxed for them as it creates a pressure of settling in completing a new working environment. Employers generally do not want to invest in Women employees as there are chances of an interrupted career break in their employment said Vijayasri (2013). They are considered less valuable over male employees. Due to child and family responsibility, women tend to take a career break but this doesn’t prove that they are less reliable as compared to men employees. At times firms get a higher degree of commitment from the women
employees than male employees because the organization understands and provides the flexibility needed by the women.

2.5.7 Performance Management
McKeen et al. (2009), found that people with higher education do not stay for a longer period of time with one organization, as they have a lot of opportunities in the market. It becomes easy for these types of employees to get another job and hence while recruiting, HR do go back and check on the stability of the employee. Education does play a role in letting the employees decide whether to stay with the organization or to leave it for a better opportunity. Attrition is dependent on the education factor as well, said Sandhya and Kumar (2011). Rewarding employees is important to retain them. Rewarding specifically on the knowledge, skills, abilities and attitudes is a good way to reduce the attrition rate. By making these employees feel attached to the organization. McKeen et al. (2009), stated that training employees with not the required skills, but also about different domains help in retaining the best talent pool. Be it any industry, pay is the factor that actually controls the attrition rate at the entry level of the organization. Employees with less experience, consider it very easy to leave the organization. They are the ones who actually need to be looked into in order to reduce the attrition rate.

Strauss et al. (2001), found that a lot of costs is incurred in training and hiring younger employees or for that matter, the fresher’s and they are the ones who take very less time to decide whether to stay or leave the organization. Palan (2007), argued that the promotion is inversely related to the attrition rate. Higher the promotion less will be the attrition rate. On the basis of the work performance this could be done in order to retain those sections of employees who want to stay with the organization and working hard to perform well in the organization.

The retention was found to be more in case of married employees as compared to unmarried employees. Gender factor does not actually affect the retention as in some organizations it is found that male employees tend to leave the firm early whereas in some of the companies it is the female employees who leave may be due to family responsibility or for a better opportunity in the market. Withers (2001), revealed that overall it could be said that on the gender basis it would be difficult to analyse as to which gender stays for a longer period of time. Organizations make effort to retain high potential employees is a male or female, less
educated or more educated, but an extremely good performer is the one whom each organization wants to retain.

When an employee is honoured, he or she stays for a longer period of time. Remuneration also matters, if the organization is not paying as per industry standards the chances of losing the employees increases. Hee and Ling (2011), said that today it’s not only about maintaining the industry standards but also about what additional does the organization do to retain the employees. Paying as per industry standards is good but something additional is required so that the employees can compare with the other organizations and this additional effort influence or force them to stay with the current organization.

Radford and Chapman (2015), stated the rate at which promotion is given to the employees may act as a catalyst for retaining the employees. Along with pay if a minimum duration is followed for giving promotion, chances for the employees to stay with the organization increases. It was observed that whether an employee stays or leaves the organization depends on the actions taken by the firm. Organizations should consider approaches to different management practices like flexible working hours, competitive rewarding systems, innovative benefit plans, and inspiring reformation etc.

The employer should build an effective work environment which motivates the employees to stay with the employer for a longer period of time. Robbins (2003), stated that working environment is one another factor that needs to be considered for the benefit of the organization. It helps in retaining the employees in more and effective way. Working environment and the culture of the organization influence a lot to retain the employees. According to Misra (2007), training the employees is at times not beneficial for the employer. The employees tend to leave the employer after they get trained in a different domain. Rather employers are ready to hire trained employees from the competitors. Organizations face the attrition rate when the employers spend so much to train the employees and these trained employees leave the employer for a better opportunity. Organizations should invest in human capital so as to reduce the attrition rate.

2.5.8 Employee Commitment
A continuous investment in the human capital will lead to sustaining in the market and also as an accelerator for economic growth. Palan (2007), believed that hiring employee by asking
them to sign a bond will never be effective; rather the employer should follow the process of signing on the employee’s psychology and not a legal bond. It was observed that within a year or two the new trainees do leave the employer and go for other opportunity may be because they could not get connected with the employer. After being trained the employees leave their current employer in order to get double their salary from the competitor. It is found that organizations do invest a lot in training the employees and providing them with certifications as well but ultimately all of the cost and time invested is benefited by the other organization and this happens with almost all the IT firms.

Radford and Chapman (2015), in their research work, found that IT is a vast ocean of knowledge, there is no end to knowledge and information in this field. Training always benefits the employees but it benefits very less to the employer. Every employee who belongs to the IT space knows the importance of getting trained on new software’s and technology and hence they always demand training but at times they forget as to who trained them with these skills and they end up leaving their employer. Increments in IT industry are not much but the stability of the employee is guaranteed which is not understood by the young employees.

According to McKeen et al. (2009), Experienced employees do understand this and stay for a longer period of time. There are issues like inadequate competency fit, lack of risk analysis, the absence of policies and procedure, ad hoc training, inadequate evaluation of training, lack of learning culture etc. which can prove to be the consequences of attrition in the organization. These factors related to training should be considered as important as the wage and promotion are considered. A training process which is implemented properly does not lead to attrition for the organization. A comprehensive plan should be made in order to invest wisely in the training process. An effective training program should provide a link between leaning and career growth.

Employee attrition is observed not only in corporate but also in academics, stated Rao (2010). A market is becoming volatile day by day. An organizations success and failure depend on the human capital development. The human resource of the organization has the power to upgrade or degrade the reputation of the firm. An effect on employee’s health can directly affect the health of the organization. Although technology is improving and developing every day but still the human capital of any organization cannot be ignored as it has the capability
to do miracles for the organization. For a developed country or countries that are developing, the workforce should be treated as the most important drivers so as to sustain in the marketplace.

Misra (2007), examined that organizations have to deal with the 4 M’s i.e. man, money, machine and material. It was said that man is the primary source of any business. Without this M it is difficult to manage the other 3 M’s. Overall to manage a business the very first need is to manage the employee of the organization. Yes, it’s true that finance is needed to run a business but at the same time, human capital is also required to operate a business. As the proverb says, “money makes money” but for the organization in order to perform extraordinarily firms should have the best team of people who can take the organization to heights. Organizations would not have faced attrition if employees would have loved their job and co-workers but this scenario is very less seen these days.

It is required that both the individual goals of the employees and the organizational goals should be fulfilled so as to avoid or reduce the attrition rate (Marques, 2006). Providing a work-life balance and a good pay will result in retention of the employees. Employees do react to the changes done the human resource policies hence these changes should be done in such a way that employees do not resist the changes done in the policies. The expectation of the employees should be known by the organization and similarly, the employees should know what the organization is expecting from them. If this factor is clear from both the ends then chances to leave the organization reduces to a great extent. A synchronized tactical method should be developed to fight against the attrition in the industry. According to Jyothi and Ravindran (2012), there is attrition which can be forced and voluntary attrition. There is a huge demand for qualified and experienced employees. The demand for employees is increasing the supply rate and hence organizations are offering what an employee with good qualification and experience demands from the firm. Recruitment, training and replacement cost a lot to the organizations and also require a lot of internal resources to complete all these three processes.

Kummamuru (2014), found that preserving employees is always advisable. Employees generally do not remember the reason why they left their previous employer but if there are many reasons they are aware of the main reason to leave the organization. Maximum employees give only a single reason for leaving the company. A good number of reasons
have been identified as to why the employees leave the organization. Investing time and money on employees cannot be translated as profits by the firms. Unfriendly working conditions are also the cause of attrition in the organization. Shift jobs although are liked by some of the employees but some of them do not appreciate the shift timings (Samuel and Chipunza, 2009).

Jain (2013), revealed that there can be two types of reason for leaving an organization first is controllable and the second one is uncontrollable. The controllable factors are those which the organization can take care of like, work stress, insufficient pay, lack of promotion, lack of immediate supervisor support and reward system. The issues or factors are if addressed by the HR personnel then the chances of the employees leaving the organization reduces. Factors or reasons that are un-controllable are employee retirement, family problems, health problems, career break etc. which cannot be avoided or controlled by the organization. Firms have to bare the loss of employees due to these uncontrollable reasons.

Jaggar (2013), examined that a sustainable and cost-effective workforce needs to be formed in order to control the attrition rate of the organizations. Industrial psychologists have recognized attrition as the costliest affair for any organization. And for the IT Industry, it serves as a disease if it’s not favouring the organization. There is attrition which is favourable for the company at times but mostly it is very harmful to have in an organization which has all possible sources available but not the human capital resource to manage the competition in the marketplace. In his study, he stated that the turnover cost is quite high and a high cost is associated with losing the key employees. The general turnover rates also have a serious impact on the survival of the organization. Kulshreshtha and Kumar (2005), stated that costs incurred in the recruitment of replacements like advertising, screening, interviewing, selection, on-boarding, administrative expenses etc. are some of the hidden costs that lead to a great loss of time and money of the working employees. Due to the loss of an employee the productivity of the other employees also slows down until a newly trained employee joins the team.

2.5.9 Leadership
Kay and Jordan (1999), stated that it takes time for the team member to settle with the new member and increase the productivity level. Even after being trained the new employee needs the other team members help to understand the process and match their speed of working? PR
costs is another a big cost bared by the organizations in order to answer the reason for the voluntary and involuntary attrition. In the exit interviews employees very clearly state that they are leaving their current employer because of the pay or remuneration and as the other company is paying them more than the current employer (Samuel and Chipunza, 2009). When the economy is doing good there is always a high number of opportunities in the market. Employees perceive that if the organization is not doing well or if any news comes up which is spoiling the reputation of the organization then the employees look for other opportunities as the employer itself is not certain about how long will it survive in the near future.

Varma (2011), in his paper established that organizations should also elicit a sense of commitment towards the employees then only employees can develop a faith and be loyal to the organization. For creating employee satisfaction among the employees, a good working culture, strength of leadership, development of shared goals is needed to be developed by the employer. These factors influence the indices of employee satisfaction in any organization. Many organizations do not consider that a repetitive and unattractive job can become boredom for the employees and after 6 to 9 months employees start losing interest in their jobs. Hence employer should make the job interesting by removing repetitiveness from their day to day job.

According to Jyothi and Ravindran (2012), the job should be more challenging and of perceived importance then only employees will develop a sense of seriousness in their work. The employer should avoid unrealistic expectations from the employees and vice versa. It has been seen that even after knowing the real time for the completion of a particular job, employer or the superior expects from the employee to complete the job before that which in turn creates a lot of pressure on the employees. Zachariah and Roopa (2012), stated that it has been noted that employees who are old in the company and who know the culture of the firm do not take pressure of the work and also do not have big expectations from the employer but the employees who have less experience and have less experience about the culture of the organization find it hard to stay for a longer period of time. The employer should make the job very clear in the beginning i.e. during on boarding as to what is expected out of the employee.
If the employer succeeds in doing this while offering the candidate as to what is expected out of their day to day job, it becomes easy for the new joiners to understand their role and position in the organization. All the unrealistic expectations of the employees need to be realized otherwise the employees become disillusioned decide to leave the organization. Varma (2011), said that there are personal and trait based actors as well that leads to attrition in companies. Personal factors like responsibility increase towards the family, unpredicted loss in the family etc. can force the employees to leave the company for a particular period of time. Some misfortunes in personal life also impact the mental status of the employee and he or she may decide to leave the company. These factors could not be predicted by the firms and hence the organization should be ready to face situations like these.

Often it has been noted that organizations which do not empathize with the employees in their critical situation do lose not only the employee but also damages the fame of the company. Thus, organizations should always support the employees in their need. Each employee should be treated equally, be it a fresher or an experienced employee. Jones (2012), stated that desires to learn new skills are there for almost every employee and an employer should not kill this desire rather give them chance to learn and develop new skills. Although that particular skill may not be required for the work the employee is doing currently but training and allowing the employees to develop new skills may generate a feeling of belongingness. While hiring a candidate analysis of the personality trait can be done by screening them properly and trying to identify the probability of the candidate to stay or leave the organization.

2.5.10 Performance
Rana et al. (2010), found that an effective and efficient procedure of screening the candidates should be used in order to identify the traits and behaviours of the candidates who are less likely to leave. A workplace which is more stimulating and motivating keeps the employees happy and satisfied. The work environment should be such that both personal and professional growth is observed by the employees and harmony is felt at all the levels. The workforce should be competent, consistent, competitive, effective and efficient by providing the employees with continuous training programs. Giving the new hires a complete insight into the work that is expected out of them is another good way to develop faith and commitment in the employees.
Das and Baruah (2013), hypothesized that management should motivate the employees to focus on customer satisfaction, company profit, growth and company well-being. Engaging employees in every important decision taken by the management also works as a good process to develop a sense of belongingness in the employees. The employer should take steps to make the employees feel included in their decisions. The employer invests a lot in each employee and the return from such investments at times is unpredictable. Sometimes these investments do give a good return but not always. Making the employees feel involved will increase their loyalty thereby reducing the attrition rate (Varma, 2011). Bangalore is referred as the “Silicon Valley of India” as the IT hub is here but still, the employees of this Industry are found not to be satisfied with their jobs says Rao (2010). The employee satisfaction factor is missing the Software and the Information Technology Enable Services companies of Bangalore. HR practices in these companies are not capable enough to give employee satisfaction to the employees.

Misra (2007), stated that there is a great knowledge gap in this industry as the relationship between the HR practices and employee satisfaction is not strong at all. It was in their study that a moderate level of employee satisfaction is found in both the software and ITES companies’ employees. The study also stated that HR practices show a great impact on the employee satisfaction of the employees and there is a relationship between the employee satisfaction and the employee commitment towards the employer. Mehta (2006), found in their work that, in order to reduce or decrease the attrition rate in the software and ITES companies it is crucial to address the needs of the employees at the right time so that they can develop loyalty, faith, satisfaction and commitment towards the employer. Motivating the employees can strengthen their commitment towards the organization. It was analysed that in the growing percentage of the economy, the major contribution towards the economic growth rate is from IT Industry. The GDP of the country counts more on the growth of the IT Industry.

IT and ITES industry has acted as the key growth engine for the economy of our country. MNC’s are coming to India and settling to work with the Indian workers. Also, many of their processes are completely outsourced to India as in India they find more skilled and talented people who possess the capability to provide the best solutions to their problems. This sector has grown so much that it is the sector that provides employment to many people in our country. Samuel and Chipunza (2009), stated that it is predicted by NASCOM that by 2020
IT Industry will provide employment to almost 10 million individuals which are in itself a big number. Generating so much of employment in our own country can be seen by this sector only. There are other sectors as well that generates wealth for the country but IT sector is the one that is actually contributing the biggest chunk of wealth for the country. Although there was an economic slowdown witnessed by us but this Industry was capable enough to overcome that as well (Rana et al., 2010). The study states that in the Asia Pacific, India is the country which is growing at a faster rate in the IT space.

The conventional variables related to employee satisfaction was studied and it was found that these variables do not have much impact on employee satisfaction these days. The knowledge workers are mostly involved in programming, software development, interpretation and communication of data etc. It was found that employee satisfaction is directly related to employee turnover and employee retention rates. This in turn, affects the performance and productivity of the employee. Employee satisfaction is found to be more in those employees who have more of involvement in their job. If the employee does not generate this feeling of job involvement he or she does get satisfied with the work done by them.

Maertz and Griffeth (2004), in their paper it was said by the author that women have more employee satisfaction feeling than men, but this gender gap is vanishing these days. Employees with more of experience have a high level of employee satisfaction and those who have less experience do not have that much of employee satisfaction. Since older employees are at the higher position in the organization they automatically have a high level of employee satisfaction and those who are at the lower level or at the entry level find it difficult to have that much of employee satisfaction. Very less number of studies has been done on the employee satisfaction factor for the software and ITES employees. Since this Industry is so big and as it is growing every day, it becomes difficult for the researchers to study the psychological behaviour of the employees and try to understand as to what actually motivates and satisfies the employees in staying with the employer for a longer period of time. When an employee perceives that whatever is important is found and felt in their work or job then this feeling of employee satisfaction arises. Employee satisfaction is related to three different dimensions, first is the job situation and how well does the employee respond to it, second is the results or outcomes whether a match or exceed the expectations and third are various different attributes related to it.
In this study Rana et al. (2012), took the variable employee satisfaction from the author Robbin (2003), where it was said that employee satisfaction is an emotional state which results from the appreciation that one’s get of his or her work, it is an effective reaction to one’s job and an attitude towards one’s job. Employees develop attitudes towards their jobs by taking into account their feelings, believes and behaviours. Employee satisfaction can be attained through the overall work done or by getting a small piece or part of work done in the whole job.

Both the types of satisfaction are good and important for the employees to get motivated all the time. Employee satisfaction is not only about attaining a satisfaction from own work but it is also about gaining satisfaction from the co-workers help and support, supervision of the superior, pay or remuneration from the employer, working conditions provided the firm, firms policies and procedures etc.

Every employee considers employee satisfaction in a different way; some says that the satisfaction which they get from doing their own job successfully is what they call as employee satisfaction, whereas some feel that it’s not only about the work that they do but the surrounding all matters when we talk about employee satisfaction. Some consider only one driving factor for employee satisfaction whereas some say there are many factors that lead to employee satisfaction in an organization. At the same level and same type of job, there are many employees doing that work but it is found that the satisfaction level is completely different for every employee working at the same level and at the same type of work. Milliman et al. (2003), stated that this gives rise to the thought that it’s not only about the nature of the work or the surrounding of the job but there are some individual variables that actually decide on the degree of employee satisfaction for each employee. The employer cannot decide on the satisfaction level of the employee considering the nature and environment of the job. It is observed that higher level jobs provide more of employee satisfaction than the lower level jobs.

With the development of the economy, the opportunities available in the market are many which actually makes the employees think every time whether they are fairly treated or not by the organization. Managing and retaining the best talent pool is a big and growing challenge for any organization. Apart from retaining the skilled employees, which is proving to be a big challenge, it is also important for the organizations to maintain the sensitivity of
the issue of retention (Manjunath et al., 2012). If employees get to know about the retention issues of the organization, a feeling of doubt may arise in their mind and they may start looking for some other opportunities in the market. Every employee of the organization is important but the key and skilled workforces are the ones who actually drive the organization.

2.5.11 Job Security
Surviving for a longer period of time depends on these key workforces. Externally customer satisfaction is important and internally employee’s employee satisfaction is crucial. Both of them are directly related because if the employees are satisfied with the recognition and reward given by the organization based on their performance, a better and better customer support and satisfaction will be provided by the employees. A satisfied employee always tries to satisfy the customer of the organization and also to increase the number of loyal customers. According to Das and Baruah (2013), retention is basically a process in which the employer tries to encourage the employees to stay for a longer period of time. The attachment of the employee with the organization depends on many factors or variables which is important to identify and study their criticality. Both the retention process and the quitting or attrition process should be studied and researched simultaneously as this may give the employers an idea about the expectation of the employees from the organization. HR personnel should make a note of the reasons why the employees are leaving their organization and why some of the candidates want to join their organization. Analysing both of these areas may give the employer a clear picture as to where the loop-hole is exactly. I am not always that every defect can be repaired by the HR personnel but of course, some actions taken towards these loop-holes may help in reducing the attrition rate and to retain the key and skilled employees.

Strauss et al. (2001), has defined retention as “customer liking, identification, commitment, trust, readiness to recommend, and repurchase intentions, with the first four being emotional-cognitive retention constructs, and the last two being behavioural intentions”. With this definition, it got clear that right from the twentieth century it has been found that retaining key employees is important and needed by the organization so as to sustain in the market. To develop loyal customers, organizations first need to have loyal and faithful human capital. Many times, it has been observed that the reasons for staying with the organization may not be same to the reasons for the employees to leave the organization.
If organizations adopt and implement a good set of retention strategies then employees will definitely stay with the employer for a longer period of time. It is also important to note that only formulating the best strategies for retention does not work, time to time tailoring and changes in the strategies are required. HR cannot sit with an old and ancient set of retention strategies and say that the organization is following the retention policies and procedures. Upgrading and bringing the necessary changes in these with time actually make these strategies work to their best. When the employer invests in formulating and implementing the retention strategies they are actually working on not only retaining the employees but on keeping the valued skills with them, losing which can be beneficial for the competitors.

Natalie et al. (2011), found that investing more in the retention and less on recruitment is a good way to survive in the competitive marketplace. Every organization wants to recruit the best competent talent from the market, by compromising on the remuneration as well then why the employer is not capable to keep that talent with the organization for a longer period of time, this is something every employer needs to dig in and find out. Organizations need to be effective and efficient in delivering the goods and services and hence they need to have such policies and procedures which can retain the best employees of the organization. To attain the organizational goals appropriate strategies, need to be formulated and implemented so as to retain the skilled employees. But at times it has been observed that even after formulating and implementing the best retention strategies employees tend to leave the organization (Kaliprasad, 2006). These types of attrition could not be stopped or controlled.

It has been studied that hiring new employees and training them about the whole process is more costly than retaining the current employees. And hence employers are facing a big challenge in retaining their best-talented employees. Every employer wants to keep each skilled employee but 100% retention is not possible. They try to retain the best performers irrespective of their age.

As it has been studied that there are many factors that contribute towards the retention of the employees and management needs to consider each factor like work-life balance, work environment, remuneration, co-operative peer and supervisors, motivating managers, stress reduction programs, career advancement opportunities, promotion, training and development etc. so as to increase the retention rate in the organization. Retention can only happen when the employees are happy and satisfied with their jobs and this is what the employer needs to
concentrate on. In his research work Palan (2007), divided these retention factors into three categories which were social, mental and physical dimensions. Mental dimension talks about the work that the employee is doing and the satisfaction that he or she receives from the results of their job done. It includes the flexible working conditions which employee wants and to use their knowledge in the work that they are performing. Social dimension talks about the contacts that each one of us develops at the workplace and how others recognize us in the team or the organization, internally or externally. Physical dimension is more about the working condition of the organization and the pay that the employees receive.

The employer should utilize the human capital to a good extent as each employee comes with a different set of skills and talent and identifying them and utilizing it at the right place is the duty of the management of the organization. When an employee is utilized and involved in the organization a great influence is seen on his or her commitment and retention in the organization. Varma (2011), in his study, observed that factors such as level of education, seniority, leadership skills, learning attitude etc. are of great importance in employee retention. It was observed that if the remuneration or pay of the employees is raised there was a negative impact on the attrition. A good compensation to the top management is given by almost every organization but very few of the organizations use the power of compensation at the middle and lower level management. Compensation strategy proves to be more effective in the lower and middle-level management of the organization. People who are at the top of the management level need more of position and status as employees of more age are generally at the top management level. Hence employer should use this factor of compensation for retaining employees more strategically rather than just pay to the top management people.

It was observed that among all types of rewards monetary reward is considered to be most important and effective factor which lead to retention of the employees. In a research by Sinha and Sinha (2012), it was concluded that although the pay is an important factor for the retention of employees but it is not the primary and most important factor to be considered. At times employees leave their employer not because of the compensation but due to some other factor which may be the employer is not considering as an important and influencing factor. For every individual working for an organization especially in the IT industry, various other factors apart from compensation is there which have a great influence on the decision of the individual whether to stay or to leave the organization.
Rewards and recognition are also very important along with the compensation factor for the retention of the employees. Every employee apart from being paid well also desires to be rewarded for the hard work and their performance. Non-monetary rewards also influence the employee’s decision to stay with the organization said Varma (2011). Recognition from the boss, manager, superior, peer members etc. act as a catalyst to increase the loyalty of the employees. At times only, verbal recognition also brings a lot of employee satisfaction to the employees. In a team where the supervisor supports and recognizes the team member’s work and performance of the best performer in almost every target achieved, other team members also get motivated to work and perform better so as to get praised in the next task or work. Immediate supervisor’s behaviour and approach towards the best performer also influence the employee’s decision to stay with the organization.

Sindhu and Sindhu (2014), stated that employee satisfaction is a combination of the psychological and physiological behaviour of the employee, which is also affected by the environment of the organization. It is said to be a positive or a negative emotion which is observed when the work done by the employee is recognized and unrecognized respectively. Employee satisfaction can be said as a positive feeling attained when the employee feels happy with the work done by them and a positive response in the form of rewards is received from the employer.

Sigler (1999), found that in any organization employees bring with themselves some desires and need to attain in the organization and if the employer does not show any interest in helping the employee to attain their desires then any job done by the employee will not bring employee satisfaction to them. Employee satisfaction is actually the degree to which the employees do their work and the rewards or recognition which they receive in return for work done. Researchers have studied the antecedents of the employee’s intention to leave the organization. Although it is difficult to state as which is the primary and the secondary reason for an employee to leave the organization but still some of the most influencing factors are Employee satisfaction, remuneration, career growth, promotion, job security, healthy working environment, training and development etc. Based on the criticality these factors can be identified and studied so as to find the most important factors that affect the retention and attrition in the organization.
2.5.12 Communication Policy
A high amount of risk is associated with the attrition rate in any organization as the human capital cost will be very high to be bared. The skilled employees once leave their current employer do get hired by the competitors and due to this the current employer not only loses on the employee but also the knowledge and information about the organization to the competitor. Since the competition to survive in the marketplace is growing organizations cannot afford to lose the employees and the information about the organization. This may bring a lot of harm to the organization. Hence the other way to stop this to happen to avoid these situations is to formulate the retention strategies in such a way that the thought of leaving the employer comes to the employee’s mind only when he or she is facing some unpredictable personal problem which is inevitable. It was said by Varma (2011), that the reason for high turnover rate faced by any organization is it private or public is because of poor human capital policies, substandard recruitment policies, imperfect supervisory practices and mediocre grievance procedure.

Employees are considered as the long-term investments for the organizations and management should treat them in that way by redesigning their job, giving promotions to the hard working and best performers, recognizing the best performers, creating a sense of belongingness among the employees etc. Every organization is trying their level best to retain their best and skilled employees but still there are some reasons which lead to attrition of the employees said Das and Baruah (2013). Organizations are trying to give the best facilities possible but at times these facilities also fail to retain the employees. Employers find it difficult to understand and identify the major reasons for why employees quit their jobs even after being provided with good retention policies and strategies. Satisfying the human resources are the biggest and the toughest job of the HR personnel’s. As every individual is different from each other understanding their mindset and thoughts are very difficult and challenging.

Which employee needs what and at which point of time quite difficult to understand. Hence HR’s find it difficult and challenging to understand the psychology of each employee. It’s all about human behaviour which is very challenging to map and understand. Rana et al. (2010) stated that with the increase in the opportunities for the skilled and talented people it is becoming tougher and tougher for the employer to formulate the retention strategies in such a way that the employees do not leave the organization. There is not a single retention process
which can satisfy each and every employee of the organization. And it is highly impossible to create and implement different strategies for different employees as the needs and desires of the employees also differ.

William and Werther (1996), found that factors that consistently affect the turnover are compensation, employee satisfaction, job security, working environment, career growth, promotion etc. There are intrinsic and extrinsic factors that actually compel the employees to leave or to stay with the organization. Correlation has been found between employee satisfaction and the other extrinsic and intrinsic factors of turnover. This correlation states that if the employer wants that the employees should develop or have employee satisfaction they need to control the extrinsic and intrinsic factors that influence the decision of the employee to stay or leave the employer. Human resources are the most expensive asset for any organization. Proper maintenance of this resource can bring a high degree of profit to the organization and low maintenance of this resource can lead to a great loss to the organization.

Samuel and Chipunz (2009), stated in their study that for retaining the employees and reducing the turnover rate the factors that influence the motivation of the employees need to be identified and studies. They talked about the intrinsic and extrinsic motivational factors that lead to retention of employees and help in reduction of attrition rate in the organization. In this competitive environment strengthening the human capital resource by training them with best skills is very important and then finally keeping them with the organization for a longer period of time is much more challenging.

Rao (2010), found that a pool of skilled employees working for years for the employer is difficult to not only creates but to maintain in this competitive marketplace. Organizations completely depend on the expertise and knowledge of the employees as the only factor that brings a competitive edge to the organization in the market. Since every organization, today have the capability to survive in the market when it comes to the finance part but the downfall of the organizations is only because of the attrition rate i.e. skilled employees leaving the organization for few better offers by the competitors. Replacing existing employees is quite costly and this is known by every employer. Especially for organizations who are service providers, loss of skilled employees becomes a critical issue. The main purpose of employee retention is to retain the most competent employees of the organization. Loss of competent employees always has an adverse effect on the productivity and the
performance of the organization. It also affects the other employees working in the same team or department.

It has been observed that if one employee from a team or department leaves the organization this action may lead to a different reaction of other employees as the other employees who are not happy or who do not gain the employee satisfaction from their work will also leave the organization. Mostly it is observed that attrition rate grows more and more once it starts in the organization and in one quarter itself the organization faces a high rate of turnover. It has been noted by Rana et al. (2010), that employees with scarce skills are in high demand in the market and these employees have more chances to leave the organization. Managers find it very difficult to retain the best-skilled employees of the organization.

Employers are aware of the risk and criticality of not controlling the turnover rate, they not only lose the skilled employee but also the business-related information and secrets of the organization. Organizations consider a job change as frequent job switch if it is less than 10 years and in IT Industry today employees leave as early as one year, six months, 10n months. Management should devise the retention strategies in such a way that they can retain the essential employees for a longer period of time. The high turnover rate can result in loss of relationships with the customers and business partners. Withers (2001), argued that dysfunctional attrition i.e. the good performers leave and the average performers stay with the organization actually bring damages to the organization by a reduction in productivity, delay in customer services, decreased innovation etc.

Dutta and Banerjee (2014), stated that the problem of attrition is not only faced by the mid-sized and small-sized organizations but the large-sized organizations are the ones who face it big time. Areas like hiring practices and managerial styles need to be attended by the HR. The old-fashioned way of recruiting may result in losing out the talented and skilled employees. Organizations are adopting different ways to hire and retain the best employees. While hiring, organizations always want to hire the best talent from the market and they even succeed that the whole cost of hiring the employees goes as a loss for the organization when the organization is unable to retain that skilled employee (Vos and Meganck, 2008). While hiring from the market if the employer wants the best-skilled candidate to join them, organizations need to have the best compensation system followed compared to the competitors.
The intrinsic and extrinsic factors assist the employer to motivate and retain the employees for a longer period of time. But it has been observed that employers fail to identify these reasons of turnover and to properly strategize the retention policies and procedures that can reduce the attrition rate. Turnover has proved to be destructive to the organizations for years. Every time when an employee leaves HR personnel look out for the best replacement and the whole process of recruitment, selection, on boarding and training starts, which consumes a lot of time and cost of other resources in the organization. It is very harmful to an organization when a productive and loyal employee leaves. Thus, it is crucial to understand the factors or variables that actually influence these employees to leave the organization in a very short tenure.

What is it that the employees join the organization and what actually forces of troubles him or her to decide to leave the organization? There must be some good things about the company which influenced the candidate to join the firm but what can be the reasons that the same employee decides not to stay with the employer for a longer period of time.

This practice of promoting employees can be demotivating as well as motivating. Demotivating for those senior employees who do not get promotions and motivating for those employees who are rewarded and recognized based on their performance. Hence the strategies may work well in some situations and sometimes may not give the same result as expected. It may lead to attrition and lose on the senior and skilled employees (Malhotra and Gautam, 2016). Again, this situation where the senior member of the team leaves the organization is a critical situation as he or she may be managing the team very well but due to him or her leaving the organization, the organization needs to look for similar effective and efficient manager who can lead the team in a similar way.

Vijayasri (2013), found that hiring in these areas is quite difficult and challenging for the people of the HR department. This may have a reverse action on the organization because if the company fails in recruiting a manager that can manage and control the team well; there are chances of the team members to leave the organization. Employees of the same team feel less secure with the new manager and hence they may decide to leave the organization. Training and development of the employees enhance the retention of the employees as it creates a sense of motivation and acquirement of skills. When an employee develops this
feeling of being enriched with new and good skills they feel better and do not think to leave the employer after being trained.

Suhasini and Babu (2013), observed that especially a tailored training program encourages the employees as it adds a lot of advancement in their careers and a career progression in which the employees benefit also proves to be a good strategy for the organization to retain their skilled and talented employees. Some training programs are undertaken not for gaining any new skill but for attaining self-actualization in the organization. These employees are not affected by the money but by the satisfaction, they attain in working for the firm. Training employees to help them so as to develop skills for their career progression is a sign of management commitment to building a strong relationship with the employees, which in turn do affect the decision of staying with the organization.

2.5.13 Flexibility
Although there are some very important and crucial factors and variables that do impact the retention of employees, still the other factors which do not influence retention to a great extent should not under-estimated. Every factor should be given equal importance while framing the retention strategies and implementing it in the organization. None of these factors can be overlooked. Kumar et al. (2014), in their research work studied the motivation factor for retaining the employees. The found that this factor can actually help the employee to perform better and which can overall improve the performance of the organization. It was stated that some of these strategies like open communication policy, reward programs, career development programs, performance based bonus etc. can act as a motivation for every employee in the organization. The employee retention program is a program that helps the employer to retain the employees for a longer period of time (William and Werther, 1996). It encourages and supports employees to remain with the employer as the employer is taking care of their desires, needs and career.

It is always said that HR personnel should hire the right person for the right job and at the right time but to encourage the employees and to retain them for a maximum period of time is difficult and challenging for the HR personnals. Employees who have talent will never sit back without a job; they have a lot of opportunities available in the market. Employees switch their job according to their choices when they are not satisfied with the organization. Successful organizations are at the top of the list as they take care of their employees and
consider them as the important asset of the organization (Imtiaz et al., 2013). An organization that considers human capital resource as the crucial and important resource and works for the satisfaction and benefits of their human resource are the ones who survive and thrive in this competitive environment. Employees leave the organization due to personal and professional reasons, which the employer needs to, identify and work on it, to the extent they can control these factors.

Satisfied and happy employees are more dedicated and work not only for their growth but also for the growth of the organization. The key element of employee retention is employee satisfaction which can happen only when the employer makes the employees feel happy, satisfied and comfortable. With the growth of the economy of the country, the market is becoming more and more competition. This is making the retention of the employees more challenging as large numbers of opportunities are present in the market. In this modern era, the compensation or remuneration factor does not impact to that extent what the other factors like work-life balance, career growth, promotion etc. do towards the retention of the employees.

Hiltrop (1999), investigated that some researchers agree to the point that the employees leave the organization due to the compensation which is paid less as per the industry standards whereas some argue that it’s not the compensation factor that influences the employees to leave the employer. There are other factors too which actually influence the employees to leave the organization. Factors like challenging work, opportunities for growth etc. influence the decision of employees to stay with the organization. Formulating and implementing the retention strategies in the organization not only help in reducing the turnover cost but also decreases the cost involved in the recruitment, selection, on boarding and training of the employees.

Turnover cost includes the hiring costs, training cost, productivity loss etc. which is almost 25% to 30% of the salary of the employee. And this percentage can be more and not less in case of employees who are at the top positions of the organizations. Employees who are earning more and who has a good performance record are very expensive when they are in the organization as well when they leave the organization as some critical and important information of the organization is also lost along with the knowledge and skilled employee (Dutta and Banerjee, 2014). The employer wants to retain the employees not because they
cannot afford to make increment in the payments but because there is a huge risk of losing the important information about the company to the competitors. An employee who is counted as the best performer and who has attained various skills and knowledge about the work process of the organization is treated as an asset for the organization but if this employee decides to leave the organization because of any other reason apart from the remuneration or pay, then it may be a risky situation for the organization. And to avoid such situations retention of the skilled and best employees is important.

2.5.14 Work Environment
In his study DeMers (2002), stated that organizations spend a lot of money in grooming the new joiners so as to make them fit for their work culture and environment. This is done with an expectation that the employee will stay with the firm for a maximum period of time and the organization may get a good return on what they have spent on grooming the employee. But it doesn’t happen every time. Employees put at risk the organization by leaving them and joining the competitor. Good performers who leave the firm and join the competitor creates a situation where the previous organization has to be ready for the consequences that may arise due to loss of important information about the firm.

Beulen (2009), observed that employees of any organization are the one who builds a strong relationship with the customers of the organization. In fact, employees are the one who acts as a bridge between the company and the customer. Employees play a vital role in developing a trust and faith in the customers and getting more loyal customers for the company. It’s because of these dedicated employees that the customers develop a feeling of loyalty towards the company. And it is very well known there are many numbers of companies who work providing the same types of products and services and hence all credit goes to the employees who work towards attracting more and new customers. Thus, loyalty to the customer depends on the loyalty and faith of the employee. If an employee leaves the organization suddenly, the organization also loses these loyal customers. As said by Kumar et al. (2014), employees act as a bridge and if this bridge breaks suddenly the customers are also lost by the company. Also, there is a negative impact on the customers about the company and a question that why the employees of this company are leaving the organization. As each work in the team is divided and every team member is responsible and accountable for a particular job or work, so in this scenario if a team member resigns suddenly, his or her part of work comes over the other team member which at times becomes very risky (Hokanson et al., 2011).
Dockel (2006), said that some of the team members will not be willing to take up the extra work load and some take it up may not be able to finish their own work and the assigned work, which in turn may lead to dissatisfaction. This dissatisfaction if not looked into or removed after sometimes then it can become a reason for that employee to decide to leave the organization. Hence Turnover doesn’t stop with one employee leaving it may go on increasing. Organizations never want to compromise on their goodwill and hence always want to maintain their position in the marketplace. Beck (2001), stated that goodwill plays a vital role in retaining the employees and retention can only happen when the organizations will maintain their goodwill. Suddenly of any employee resigns then it takes a lot of time to regain the efficiency established by the organization. It takes a lot of time to recruit a new employee. Also, the new employee takes time understands the process. Hence overall the whole process of recruiting and getting the employees match the standard speed with the other employees take too much of time, thereby indulging different types of loss to the organization.

Eskildsen and Nussler (2000), said that even after recruiting a new employee, the employer cannot be sure of deploying the same degree of efficiency from the employee. The new employee can be or cannot be that effective as the last employee used to be towards the work. And the whole process also consumes a lot of time to many other employees. The amount of time and resources spent on the training of the employees goes for a total waste the employee leaves the organization suddenly. The employee that replaces the previous employee also needs training which again costs a lot for the employer. Thus, the employer should try to avoid such situations where a skilled employee leaves the organization and the organization has to bear so much of costs. These days attrition is a daunting task for the employers. Samuel and Chipunz (2009), said that especially in software industry it is a daunting task for the HR managers. High-quality employees are necessary for the organization to sustain their business operation in this highly competitive market environment. It’s because of the knowledgeable workers the employer is able to achieve the targets and survive in the market. The knowledge and expertise of the employees give’s a competitive edge to the organizations. Hence it should be kept and preserved by the firm. The employer should make some strong retention strategies which actually helps not only the employees but also the employer to influence the mind of the employees when they think of leaving the organization (Doh et al., 2011).
Hokanson et al. (2011), stated that employees who have knowledge and expertise in different domains are actually very important and crucial for the organization. The employer cannot afford to let these employees leave the organizations. At times it has been found that the employers give even those flexibility to the employee which is not in the rule books of the organization so that the employee stays with the organization. Having knowledge of different domains acts as a key factor in the software industry and how efficiently this factor is utilized depends on the managers of the organization. If a manager succeeds in managing these assets properly the organization will face less of the attrition rate. The software industry is an employee-centric industry and being an employee-centric industry, it cannot afford to lose employees just like that which means just for some small reasons the employer cannot let the employee leave the organization. Retaining knowledgeable and skilled employees is beneficial as the growth curve always moves up and the organization benefits a lot.

Dutta and Banerjee (2014), found that it has become very important to understand the importance of the reasons for attrition in the IT industry. Voluntary attrition has become an important concern to address. The market has become hostile these days and so the skilled employees need to be retained in the organization. An employer cannot let the employee leave the organization and join the competitor. There was recession faced by the IT employees in the year of 2008 but the organizations survived that phase as well because of the loyal and committed employees. Post-recession the economy gained growth and the demand for the knowledgeable people raised once again. An organization with the talented and skilled employees was never hit by the recession and was always able to survive the adverse situations.

A tug of war is observed between the organizations to pull the most skilled and talented employees in their organization. To get these skilled employees in the organization employer does so many things but after getting that talented resource with the passage of time the employer forgets to take care of that resource. The employee gets frustrated with this selfish behaviour and attitude of the employer and decides to leave the organization. This is where the employer needs to look into and take care of the employees. Only hiring the talented people from the market is not the requirement in today’s scenario but retaining this skilled employee for a longer period of time is what the employer needs to do so as to survive in the competitive environment. The increase in the FDI’s has opened a lot of opportunities for the
software professionals in India. More number of job opportunities is available in the market for the employees who have skills of different domains. Organizations are eager and want to hire a candidate who has experience and knowledge of different domains. Employers consider this knowledge of different domains as an add on in the skill which they require for their position. With the increase in the competition the attrition rate is also increasing within the organization. When a desirable employee leaves the organization the replacement cost and the disruption of work happens to a great extent. The relationship between the sales employee and the customers are so strong that if the employee leaves the organization the relationship gets destroyed. Motivation for the software employees is a big challenge and the employer finds it difficult to keep motivating the employees.

According to Hewitt (2006), with a huge amount of opportunities in the same industry the employees are not ready to stay with the same organization for a longer period of time. Virtually all the organizations are finding it difficult to retain their talented skilled employees. There are these so-called push factors which influence the employees to leave the organization. Employees are motivated for attrition in the organization by the factors like relations with the superior and peer members, stress at the work etc. Factors like career growth, compensation, promotion opportunities, higher education etc. are some which pull the employees back to the organization. When there is a mismatch between the individual’s goal and values and those of the organization, the employee would like to leave the organization in such cases. At times the decision to leave the organization may not be called as attrition as the employee leaves the employer because of some personal reasons or commitments.

In their study, Bisht and Singh (2012), stated that attrition is classified into five broad categories which are individual, organizational, job-related, psychological and environmental variables. The young and freshers consider job security and career development factor as the important one in this industry. At the entry levels, the employment duration of the employees depends on the job security that the employees want from the employer. Challenging and innovative work is demanded by these employees and they want to have a freedom in having an innovative thinking. They expect that their ideas and thoughts of doing work in a better way should be accepted by the employer which at times does not happen. This may lead to dissatisfaction and that feeling of belongingness is lost in the employee (Tymon et al., 2011). The employee does not get the feeling of being with the organization and so they leave the
firm. Employee satisfaction is the intervening variable between employees commitment towards the organization and employees intention towards leaving the organization. Employees develop the trait to fit in the organization. Employees who develop this person-organization fit with experience are the ones who stay with the organization for a longer period of time. Length of service and expectation reality match is also responsible for the employees to take a decision on whether to stay with the organization. Outside career opportunities are also responsible for employees to decide to leave or to stay with the organization. Even though there are big problems and challenges regarding retaining the employees in the software industry but still there is a dearth of studies in this area (Huang et al., 2006).

Samuel and Chipunz (2009), found that organizations spend a lot of time, money and resources to hire a skilled employee but the organization and the HR managers fail to retain these hired employees and also the ones who are working for the organization for so many years. Leaders of the organization rarely focus on the fact that the attrition and the retention rate is an important indicator for the organization to be healthy and survive in the tough competitive market. The bottom line is that the organizations should do an analysis of the attrition rate every year or may be half yearly so as to understand whether the retention strategies used or formulated are effective or not. The strategies are formed and applied at each level of the organization but the effectiveness of these strategies needs to be studied by the employer or HR personnel (Kumar and Dhamodharan, 2013). The overall effectiveness of these retention strategies should be analysed and studied so as to control the attrition rate and let the skilled employees leave the organization.

According to Tymon et al. (2011), customers always prefer to contact and are served with the same employees who served them last time. But when they find that the same employee has left the organization then this may create a wrong image about the organization. Khawaja (2012), hypothesized that customers find it very awkward to share their business details over and over again with every time new employees. They are not comfortable to share the confidentiality with more than one employee of the organization. The client loses faith in the organization when the employees leave the organization at a fast rate. Clients do not feel dependable on the organizations for the future business. Employee retention problems are treated as the most critical management challenge for any organization. Innovation, creativity and flexibility are necessary to adapt in today’s scenario in order to survive and face the
challenge. The longevity and success of an organization depend on the employees. The more the skilled employees stay with the organization the more organization stays firm in the competitive market.

Studies have indicated that retention is driven by many factors like remuneration, flexible working hours, career development, leave benefits etc. These factors influence the employees to either stay or to leave the organization. Although it is not said and proved that the employee who stays with an organization for a period of time always has the career growth and job security assured. Kay and Jordan (1999), said that often the employee who has served for even more than 15 years is sacked from the organization. These actions of the organizations create a feeling of doubt in other loyal and committed employee because when an organization can sack such an old employee, they can lay off any employee at any point of time. This insecurity makes the employees decide whether to stay or to leave the organization. The employees want to develop more and more skills and to move to different organizations for the career growth. Organizations that do not care about these factors cannot stop the employees from leaving the organization (Jain, 2013).

2.5.15 Stress at workplace
Organizations are into more of merger and acquisition these days, which is leaving the employees displeased as they move to a completely new environment. The employees feel haunted and concerned for the job security when the organizations merge. The employees have to adapt to a new work culture and this may disappoint the employees. This disappointment slowly increases and forms stress in the employees, which ultimately forces the employees to leave the organization. Thus, organizations should take care of these factors even after having a merger and acquisition with the other organization.

Tymon et al. (2011), aimed at their study that in the last two decades the interest of the employer is shifting towards retaining the employees of the organization. The interest is focused on the economies of the employee retention and in developing plans and strategies to not let the important and skilled employees leave the organization. The employer is more into the improvement of the retention strategies these days. It is important to understand and analyse what the employees perceive about the strategies made by the organizations to retain the skilled employees. Investigation towards the perception of the policies and procedures is important to retain the employees (Beulen, 2009). Customer retention of any organization is
dependent on the employee retention. There is a correlation between the employee retention and the customer retention. An organization that loses the employees also loses the customers. Hence it is crucial to retain the employees to stay in this competitive market for a longer period of time.

William and Werther (1996), found that the psychological, social and organizational environment affects a lot in influencing the employee’s decision to either stay or to leave the organization. This influence on the behaviour of the employee harms the organization and increases the attrition rate. Hokanson et al. (2011), observed that the factor reward and recognition plays a vital role in the retention of the employees. Rewards also influence the behaviour of the employees for being loyal and committed to the same organization for a longer period of time. Sourcing, hiring, selecting and retaining the motivated employees are the responsibility of the managers and the leaders of the organization. Although this is not the direct function of the managers but they are responsible to take care of motivating and retaining the employees. Hiring and retaining the most skilled employees requires a focused and good policies and strategies that consider retention as an important factor.

Jyothi and Ravindran (2012), found that managers should take out time and appreciate their employees. This actually motivates the employees and develops a sense of belongingness. It’s not only the HR’s job to retain the employees but also the managers and leaders of the organization to look into the attrition reasons and put efforts to retain the employees. Involvement of both the HR and the Leaders can help a lot the organization to retain their best talent for a longer period of time. Though is not easy to retain the employees for years and years, efforts should be made that to make them loyal and committed towards the organization. A distinct, significant and positive retention program should be formulated for each level of the organizations.

Gering and Conner (2002), investigated that many years it has been noticed that the organizations are adopting the strategy of downsizing in the firm. This has a great effect on the morale of the employees. This downsizing is done so as to deal with the economic pressure in the market and the environment of the organization. This strategy is seen as a profit-earning method. Managers and leaders think that the organization can make more and more money only when they cut down the salary by removing the employees. But doing so they forget that the morale of the employees goes down and they don’t feel like working for
the organization (Hora, 2005). There may be some anticipated benefits of downsizing but in reality, it is not suggested for any healthy organization. At times organizations adopt this method and try to earn more and more benefits. But this never proved to be beneficial every time. If the organization starts removing or sacking the employees in order to reduce the number of employees and save some money in terms of salary then the organization also faces the voluntary attrition in many departments said Gayathri et al. (2012). It may happen that the organization removes one department or a team as a whole but the effects of this action are seen when the employees of the other department leave the organization. This strategy brings in the feeling of job insecurity and the employees start looking for some better options outside. The employees lose faith in the management of the organization when the organization takes the decision of downsizing.

Kumar and Santhosh (2014), stated that employee retention means allowing employee engagement which provides employees a sense of participation, freedom and trust. This engagement allows the organization to enhance the commitment of the employees towards the employer. In the BPO sector, a lot of study and research is done trying to understand the reason why employees in the BPO sector do not stay for a longer period of time. Some of the works state what were the HR practices used to solve the attrition problem at BPO sector. Many at times these studies only consider the interview data and not the actual data from the employees (Kulshreshtha and Kumar, 2005). It is important to collect the data from the employees and then decide on which factor leads to the attrition of the employees and which actually helps the organization to understand and identify the major factors that retain the employees. Retention is not for short term. Retention strategies are formulated and implemented to retain the employees for a longer period of time and hence it should not be that even after implementing the retention strategies the employees do not stay with the organization (Tymon et al., 2011). The effectiveness of the retention strategies depends on how it is framed. The strategies should be framed such that the need of the employees has been identified and then the strategies are framed. Simply formulating the retention strategies does not prove to be effective all the time.

2.6 Summary of Literature

2.6.1 Gist of Literature Survey

The various literature surveyed stated that due to the economic pressure organizations decide to downsize the departments and hence remove some of the crucial and skilled employees
who are being paid the good amount by the firm. To increase the operational efficiency the organization does this downsizing of the departments. There are some benefits which are being anticipated by the management regarding downsizing of the departments but due to the hidden cost the anticipated benefits get eliminated. Downsizing has never been proved to be helpful. Downsizing has a negative impact on the organization. It has never been a good decision taken by the organization. Downsizing seems to increase the problems always rather than solving the problems. Downsizing rarely assists the organization to achieve their financial objectives.

A company may obtain some benefits with respect to the finance of the firm but they also lose some skilled employees and a great damage is done to the human capital department. Organizations downsize to cut the costs and improve the efficiency and profitability of the firm but they fail in continuing the faith of the employees in the management. The employees feel disconnected with the firm when downsizing decision is taken by the organizations. It was observed that attrition may be both inevitable and desirable but Retention is always desirable as the fame of the organization is at stake. The reputation of the organization in the market is damaged if the attrition rate is high and the employer fails to retain the skilled employees. The outside candidates feel hesitant to join such organizations whose rate of employees leaving the organization is quite high. It gives an indication that the organization does not care about the employee’s needs and benefits. The way the organization assesses the candidate during the interview likewise the candidate also assesses the organization whether it’s a good place to work with or not.

With attrition in the organization loses on the specialized knowledge and experience which is not only impossible but also difficult to replace. Replacing departing employees is very tough and challenging. And some of the organizations find it difficult to handle or take up this challenge. Organizations understand the need of formulating a good and effective set of retention strategies so as survive in the competitive market. Employees stay with the organization only when they find that the employer keeps their promise and put efforts to retain the skilled employees.

The survey stated that retention strategies formulated and implemented by the private sector are so impressive that the public sector also uses some of these strategies these days. But still, the private sector faces attrition of high rate. The reasons for the same are studied by the
researchers and they tried identifying the major reasons why an employee wants to leave the organization in a very small and short tenure. What are the intrinsic and extrinsic forces that influence the employees to decide to leave the organization? In IT sector the promotion is performance-based and not seniority based hence sometimes the senior in the team do not get more of promotions than a junior who is performing excellently in every task or job delegated.

2.6.2 Gist of Research Gaps
The literature surveyed helped in identifying the gaps regarding the retention strategies used by the organizations in the IT Industry. Despite several studies carried out on employee retention, the strategic human resource researchers are still investigating the causal mechanisms between HR practices and firm’s performance mostly related to voluntary turnover as a critical component. The attrition rate acts as an indicator for the employers to work on their retention strategies. The decision of leaving the Organization is not easy for an individual employee as well as significant energy is spent on finding new jobs, adjusting to new situations, giving up known routines and interpersonal connection and is so stressful. The employers are realizing that there are many variables that determine an employee’s stay at a company. They are not motivated by hygiene factors like salaries alone but they look for other softer rewards like a challenging job, clarity of work, catering to training needs, etc. Successful retention strategies can also translate into dollars and cents on the balance sheet. It can cost as much as two times the annual salary to replace an employee. A small decrease in employee turnover often results in a dramatic increase in the company’s bottom line. Retention-savvy companies use these seven strategies to retain their top talent and, therefore, to improve their company’s financial and non-financial standing in the marketplace. Higher attrition rate demotivates potential employees to stay with the organization for a longer period of time. Factors could be the reasons, but the decision process to leave or stay in the Organization is to be periodically examined to understand the specific reasons that prompted them to take such a step and the Organizations should be mainly concerned about voluntary turnover and not involuntary turnover as it is within their control. The total cost of employee turnover is about 150% of an employee’s salary. Almost, every organization follows the most common retention strategies but it is found that the attrition rate is still high. Maximum of the literature found and studied in the IT Service Industry do not concentrate on the retention strategies and also have not studied the different perspectives of the employee and the
employer towards the retention strategies. The crucial gap identified for this study was that not much of work is done in the IT service industry and particularly, on the retention of the employees.

2.7 Summary
This chapter has provided an overview of the various researches that have been being conducted in the area of attrition and retention of employees in the IT Industry. Through the literature survey, we have been able to understand the historical development which has taken place and the direction in which further research is being steered. This chapter also identifies the various independent and dependent variables already studied with respect to the various categories of the retention of employees leading to the concept of Research Gap and the Problem Statement.