ABSTRACT

The Indian IT Industry though relatively young has made India proud with its spectacular performance in recent times. This Industry has grown at a frantic pace in the last decade creating high demand for software professionals. Despite treating software professionals like associates and partners rather than employees, paying lucrative salaries, offering employee stock options, attractive perks and a host of other benefits the IT companies continue to face problems of high turnover, The success of the IT industry is dependent on recruiting the right talent with required competence and retaining them in the long run. This study reviewed the literature survey and explored the insights of previous studies undertaken by researchers.

The study examined the critical reasons for attrition and its impact on the organization and employees. The focus of this comprehensive insight is limited to four renowned software companies such as TCS, WIPRO, Cognizant and Infosys in Chennai. The study was descriptive in nature, both primary and secondary data used. Primary data have been obtained from the respondents through a five point Likert Scale structured questionnaire. Programmer analysts, software engineers, and senior software engineers were included as a focus group to conduct survey. The selected sampling size for the study was about 624 software professionals in the age group of 21 to 32 years. Non probability convenience sampling technique is used. Statistical tools such as Confirmatory Factor Analysis, Standard Deviation Analysis, Karl Pearson correlation test, One Way Anova, Independent Sample t Test and Chisquare test have been applied and proved the hypothesis. A model for causes of attrition in the software industry is developed using AMOS (Analysis of Moment Structure) Structural Equation Modeling.

In push factors: attrition is found to be high among female employees compared to males due to personal reasons. Similarly woman employees leave the
organization for matrimonial reasons and relocation of jobs due to their spouse’s choice emerge as main reasons among female employees. Leadership issue is another significant reason which acts as a driving force for attrition. In work environment, slow career growth is causing dissatisfaction among employees, likewise employees are unable to avail eligible leaves due to continuous work, lack of transparency in the performance appraisal system prompts employees to quit the organization.

In pull factors: The study found that attrition among women employees was found to be more due to flexible work environment, employees quit the job due to substantial inclination towards on-site opportunities, better career opportunities and prospects, periodic promotional avenues and company sponsorship for higher education in other organizations prompt employees to leave the organization.

The study also focused on the impact of attrition on organization and employees. As the study revealed that the training and hiring costs were slightly more among female employees when compared to male employees, recruiting right employee poses a great challenge, losing critical talent or star performers negatively impacts on project delivery and productivity. In the case of the impact on employees, stress was found to be more among female employees. Likewise staffing disruptions found to be more due to attrition of experienced employees.

To address high rates of employee attrition and job hopping among software professionals, the software firms should offer enticing compensation benefits, fair treatment to employees psychology training for leaders to understand the behaviors of employees to retain the talent. Finally research implications and directions for future research were addressed.