

CHAPTER-5

Problem of Attrition in the Software Sector: A Gender based Analysis.

5.1 Introduction

‘Attrition’ is the prime problem faced by Indian IT industry. ‘Attrition’ refers to the ‘exit of the employees from company due to retirement, retrenchment and voluntary change’. Obviously industry doesn’t worry about the loss of manpower due to retirement and retrenchment. Because ‘retirement’ in the industry so far is very much less due to its young nature and ‘retrenchment’ is a method through which it relieves its excess, unproductive labor force. But untimely exit of the productive, talented work force from the job is a problematic phenomenon. Indian software sector which is already experiencing shortage of talented man power faces problem in retaining the existing talent. This ‘flight’ of the talent leads to several problems for the sector. ‘New Hire’ cost increases as companies have to spend on new recruitment, induction and training programmes at one hand and at another they have to continuously hike salaries and spend more on other perks provided which in turn increases the HR maintenance expenditure. Employees in search of better growth prospects, better salary easily move from one company to another. But NASSCOM-Mercer (2008) reports, that woman are more loyal than male as rate of attrition is 17% against 19% for men. But NASSCOM report includes both software and ITES-BPO sectors. Hence independent studies are required for each segment. And year 2008 was not a normal year for IT sector as it was affected by Global Economic Recession.

Principle objective of the chapter is to analyze gender based attrition behavior of the IT employees. The aspects verified in accordance with the intention of the chapter are, the general perception of the employees with respect to female attrition, the proportion and extent of female attrition and how far female employees consider attrition is necessary for faster career growth?

Among the five sections of this chapter after introduction and objectives in the first section, second section presents the hypothesis and methodology, third section describes the results and discussion, fourth provides major findings and final sixth section concludes.

5.2 Hypothesis and Methodology

Following are the hypotheses framed.

H3.1: Attrition behavior is same for both male and female employees.

H3.2: Mean number of companies changed is significantly same for both male and female employees.

H3.3: Both male and female employees consider that attrition is necessary for faster growth.

Descriptive statistics simple mean, std. deviation has been used for the analysis.

Two sample's test² has been used to test H2 and χ^2 test for H1 and H3.

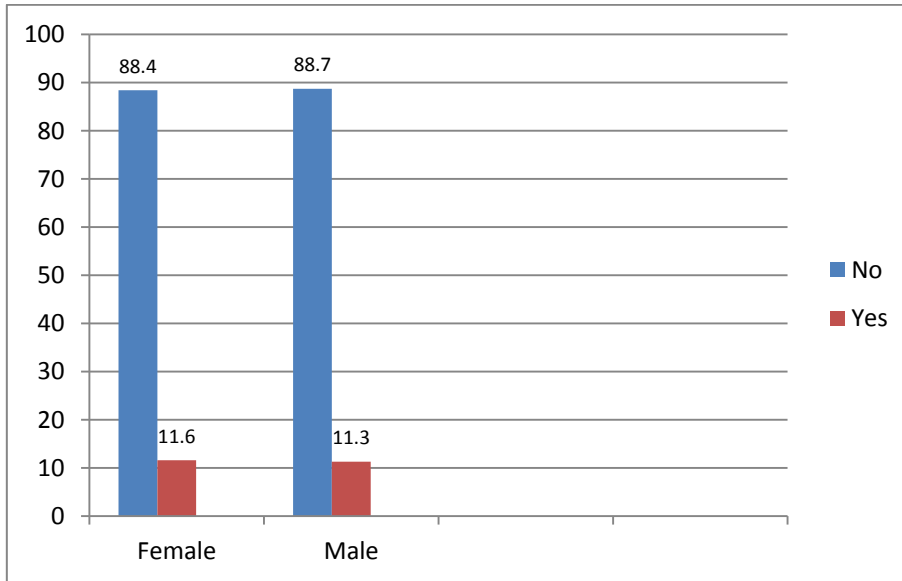
5.3 Results and Discussion

5.3(i) Perception of the employees

Katherine(2005) explains that female employees are basically considered to be unstable employees by their employers in U.S. But as employers were not in the reach, other employees' opinion was collected to understand the general perception. Majority

of the employees didn't agree that attrition behavior is more among women as presented in following figure.

Figure 5.1 “Attrition behavior is more among women employees”.



Source: Field Survey

About 88% of the respondents didn't accept the statement that “Attrition behavior is more among women employees”.

5.3(ii) Proportion and Extent of the change.

Proportion of the male and female employees who changed companies so far has been presented in table 5.1.

Table 5.1 Proportion of male and female employees changing companies.

Variable	Male	Female	' χ^2 ' Value
1. Change of the company	63.4%	38%	11.86 (.001)

Source: Field Survey

In Table 5.1 it is clear that proportion of female employees who changed companies is lesser than male employees. Only 38% female compared to 63.4% male changed their companies. This difference is highly significant at 99% level of significance. Hence H1 is rejected. Attrition behavior is not same for male and female employees. Female employees are significantly stable.

Table 5.2 and Figure 5.1 present the information regarding the extent of the companies changed by the employees.

Table 5.2 Mean No. of companies changed by gender

Gender	N	Mean number of companies changed	't' values
Male	71	1.25 (1.32)	
			2.658(0.009)*
Female	129	0.76 (1.22)	

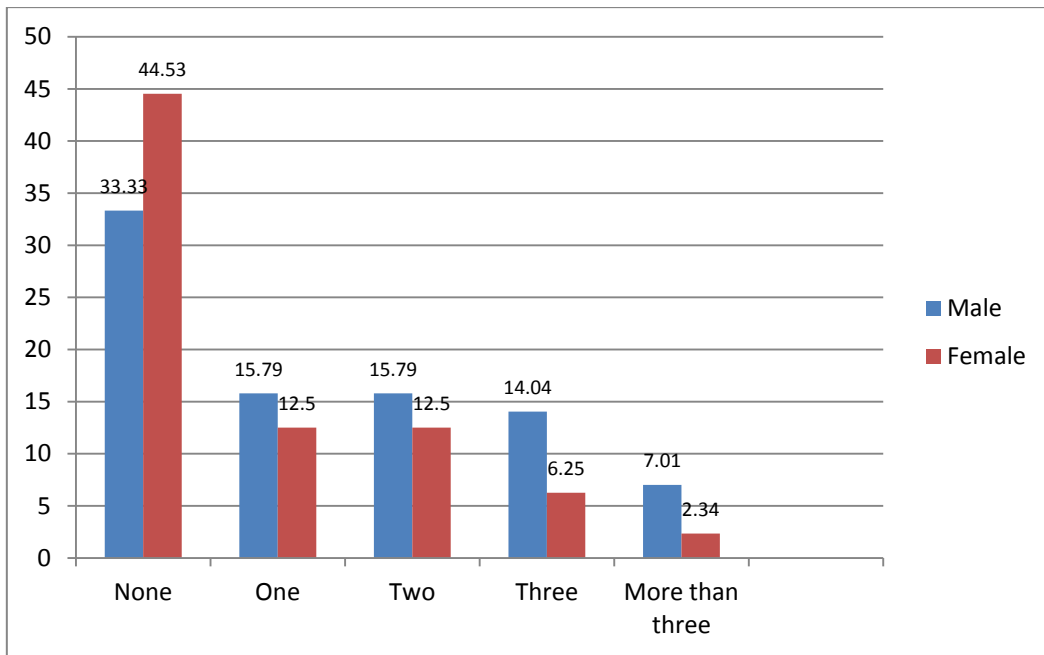
Note: Number in the parenthesis is the std. deviations. And * is the level of significance

Source: Field Survey

As per table 5.2 mean numbers of companies changed by male employees is 1.25 whereas it is only 0.76 for female employees. This difference is highly significant at 99% level of significance.

Further figure 5.2 presents the tendency of shifting companies by gender.

Figure 5.2 Proportional numbers of companies changed by male and female employees



Source: Field Survey

As per above chart for male employees 33% didn't change their companies. Proportion of employees changing one and two companies is same at 15.79%, 14% changed three companies so far. And 7% changed more than three companies. For female employees 44.53% didn't change companies so far. Similar to male, proportion of female employees changing one and two companies same at 12.5%. Another 6.25% so far changed three companies and only 2.34% changed more than three. Even if overall trend indicates 'declining trend' still this decline is considerably more for female employees. Proportion of female employees changing companies beyond three is relatively very small. So it can be deduced that female change less number of companies compared to male.

5.3(iii) Shift for faster growth.

Software sector pays high salary and provides highly westernized work environment, growth opportunities are abundant to the potential employees. But still along with such possible high growth in terms of salary and career, dissatisfaction is increasing among employees. So far industry highlighted the attrition of women for personal and family reasons and due to that women were considered to be highly unstable employees. NASSCOM-Mercer (2008) report too highlights this especially during their 30's as observed in developed nations. But high concentration on personal reasons seems to neglect the growing job dissatisfaction due to salary and work environment.

Among the reasons for the attrition more number of women quoted personal reasons like marriage and family. 10% of the women respondents quoted these reasons for their shifting of company where as not a single man quoted this reason. Social customs always make women to sacrifice their career for family and adjust themselves to the family requirement. Further in this direction companies are changing their policies and social environment too is becoming little bit supportive to women. To reduce attrition for the reason of marriage companies like Wipro and Infosys are encouraging marriages among their own employees. Some companies have tied up with matrimonial organizations and further some companies are following the policy of recruiting couples at the same place. To curtail work pressure on would-be mothers and working mothers they have adopted flexible working hours, work from home, extended maternity leave up to two years. To take care of their children companies either starting play homes for young kids at their own campus, some companies have tied up with child care centers like 'amelio'. Hence most of them are trying to control such personal reasons related attrition.

But still the presumption seems to be that, male fly to grow and women fly to take care of their family which cannot be accepted in its fullest extent. Because In the present sample 36.84% male compared with 24.84% female shifted their company for better prospects and in search of growth and for higher salary. Salary related and job related women's aspirations, ambition and growing dissatisfaction is increasing due to which they too are changing companies like men. Even if slight more loyalty may present among women generational gap has been observed among them. As a senior IBM official Smt. Sudha opines in the 2010 summit, earlier generation had some emotional tie-up with their companies but nowadays whether men or women both are interested in the faster growth and are seeking higher salaries and in that urge to grow faster they are not understanding the importance of having such innate relations with the company.

Nowadays women too are becoming more and more practical. They too understand the nature of software profession. This is the sector where money has to be earned as early as possible and as fast as possible. Company will not consider their loyalty in case of their reduced productivity and during recession. Obviously when their evaluation goes down and company feels them as unproductive and surplus with all certainty they will be retrenched. Hence their attrition for other than personal reasons too is increasing.

Most of the employees join the industry first to get experience and knowledge, but after understanding the inner aspects of the work usually for further faster growth, shift to other companies. There are two aspects hidden in this phenomenon. First of all companies for higher positions many a times follow direct recruitment method rather the hierarchical promotion where candidates from branded colleges and institutions win the chance. Further, head honchos of the other companies always will be in the search

of updated, new manpower with recent work-experience and usually they trap such young workforce by luring them higher status, and higher salary offers in other companies. Hence, shifting company to achieve faster growth becomes essential for most of the employees.

So far available reports and literature highlights the female attrition for family reasons. In tune with the finding of Haripriya and Narasimhan (2008), Shobha an employee of IBM expresses that till marriage there will be no much difference in the work behavior of male and female employees. But after marriage that too after becoming mother whole conditions change for women.

Accordingly companies to control female attrition started emphasizing on such gender inclusivity measures that helps them to balance their work and life. But such over concentration on family reasons seems to neglect the recent trend observed among female employees. Just like male, proportion of female employees which is career oriented is increasing. And many of the female employees too are changing companies in search of faster growth opportunities.

Observations relating to such behavior of the sample are presented in table 5.3

Table 5.3: Proportion of the employees accepting statement

“Attrition necessary for faster growth”.

Variable	Male	Female	‘ χ^2 ’
1. Shift necessary for faster growth.	66.2%	62%	0.346(.557)
Note: figure in the parenthesis is the significance level			

Source: Field Survey

66.2% of the male employees and 62% of the female employees accept that “Shift is necessary for faster growth”. There is no significant difference in the opinion

of both the gender. Hence the changing trend observable here is that similar to male employees female too are considering attrition as necessary for faster growth.

5.4 Findings

Following are the major findings;

1. Majority of the employees didn't agree that attrition behavior is more among women
2. Proportion of female employees who changed companies is lesser than male employees. And female employees are significantly stable compared to male. Hence attrition behavior is not same across the gender.
3. Mean number of companies changed by female employees is significantly lesser than male.
4. Female employees change less number of companies in relation to male.
5. So far female employees are more stable emerging change in the trend is observed as equal proportion of male and female employees accept that "Shift is necessary for faster growth".

5.5 Conclusion

Compared to male employees, female employees are much more stable. But employers' excess concentration on female employee's possible exit from the job due to family reasons neglected male attrition which is much more certain due to several reasons. Concentrating on family based reasons companies' steps taken obviously helping female attrition to reduce. But now companies have to look beyond such family oriented programmes as female career consciousness too is increasing and they too are in search of faster growth in their career.

Even if companies and their organizations cry over 'attrition', no one seems to be interested in strict control of such attrition. Because for companies this is the way through which they shed off their excess, unproductive manpower. Hence they have accepted certain percentage of attrition per annum in spite of mounting HR costs. Additional problem most of the companies' headhunters do such poaching where talented manpower of other companies will be easily trapped and employed without having additional training costs. Even if NASSCOM directs of strict investigation of employees history and completion of agreement period with the previous employer most of the companies are not interested in it. Employees too are not interested as any strict control will cut off their growth opportunities. In spite of companies adopting gender inclusivity programmes to reduce the women attrition, huge variation has been observed among companies and their implementation needs to be verified.

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