ABSTRACT

The aim of the current research was to undertake a study on attrition issues and retention strategies in IT and ITES companies. Attrition entails loss of valuable employees due to various reasons / circumstances. IT and ITES companies have been pursuing various kinds of retention strategies to arrest attrition. This research examines such practices in order to formulate efficient ones that can turn around a company’s fortunes for the better.

Attrition is defined as a reduction in the number of employees through retirement, resignation or death and attrition rate is defined as the rate of shrinkage in size or number.

There are negligible studies examining the simultaneous roles (impact) of involuntary attrition and voluntary attrition. The following research gaps were alleviated: (a) hardly any studies using causal models, (b) negligible research focus on employee integration and maintenance, (c) research addressing both involuntary and voluntary attrition and related issues, (d) research not being extended to ascertain behavioural intentions of employees.

Factors affecting involuntary attrition comprised environmental factors, training and development factors, organisational culture and strategy, and job-specific factors. Factors affecting voluntary attrition comprised functional personal factors and dysfunctional personal factors. Factors affecting Behavioural intentions (attrition) were involuntary attrition and voluntary attrition.

The sampling frame comprised employees (Human resource management and administrative departments) from IT and ITES companies in Bangalore. Proportionate
Stratified Sampling was employed wherein strata was based on company type (IT & ITES). The list of companies was sourced from NASSCOM. The sample size was 456 (IT & ITES) employees.

The facets of involuntary attrition and voluntary attrition contributing significantly to behavioural intentions (in terms of attrition) was compiled and documented through review of related literature and conceptual framework for research was formulated. It served as a starting point from where problem areas in terms of employee maintenance and integration that needed immediate attention were identified. This study provides immense insights for HR managers to suitably change their retention strategies to ensure minimal or no attrition. It served as a barometer to gauge the level of satisfaction with determinants affecting involuntary and voluntary attrition. It helped in ascertaining the retention strategies currently being employed by IT and ITES companies and related benefits.

Flexibility in work / time and Communication flow in the company are the environmental Factors that require greatest attention for improvement. Coaching / mentoring by superiors and Career advancement are the training and development factors that require most attention for improvement. Employee empowerment (powers in decision-making) and Motivation Levels are the organizational culture and strategy variables that require most attention for improvement. Job Life span (job security) and Nature of job assignments are the job-specific variables that require the most attention for improvement.
The mean rating for involuntary attrition indicates a majority rating of “high”. The mean rating for functional personal factors indicates a majority rating of “very high”. The mean rating for dysfunctional personal factors indicates a majority rating of “very high”. The mean rating for dysfunctional personal factors indicates a majority rating of “very high”. The mean rating for behavioural intentions indicates a majority rating of “probably continue in the job”.

**Keywords:** Attrition, Retention, IT, ITES.