EMPLOYEE ATTRITION AND RETENTION SCENARIO IN INDIAN IT INDUSTRY – AN EVALUATIVE STUDY

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Abstract
Meeting the expectations and challenges of the company were the major challenges for the HR department and it success largely influenced by the well communicated and effective implementation of HR and business practices as it depends upon meeting the requirement of mandated laws and regulations. Further, good planning and the development of effective business practices make regulatory compliance of the companies to be easier. Personnel practices supports in increasing the quality and productivity and to gain the competitive advantage of a workforce strategically mapped with the organization objectives or goals. Especially in Indian IT Industry, the rising attrition rates showing alarming signals for the companies to introduce retention strategies. The attrition rate in majority of the IT companies have increased to more than 15 percent, there is a need for adopting the cope up strategies to reduce the negative impact of employee attrition. In this scenario, the present paper provides insights on scenario of employee attrition and employee retention in Indian IT Sector and the need for implementing the retention strategies to counter attack the attrition prevailing in the industry.

Key words: Attrition, Job Satisfaction, KPI, Retention, Role Conflict.

1. Employee Retention – Conceptual Overview

Managing for employee retention involves strategic actions to keep employees motivated and focused so they elect to remain employed and fully productive for the benefit of the organization. A comprehensive employee retention program can play a vital role in both attracting and retaining key employees, as well as in reducing turnover and its related costs. All of these contribute to an organization's productivity and overall business performance. It is more efficient to retain a quality employee than to recruit, train and orient a replacement employee of the same quality. Employee retention is the organizational goal of keeping productive and talented workers and reducing turnover by fostering a positive work atmosphere to promote engagement, showing appreciation to employees, providing competitive pay and benefits, and encouraging a healthy work-life balance. Employers are particularly interested in retaining employees during periods of low unemployment and heightened competition for talent.

2. Need for Retention Strategies for IT Companies

Numerous organizations stay uninformed about the purpose behind their employees leaving the activity. Representatives leaving one organization and finding a new line of work in another IT firm report the explanation as better compensations, yet this isn't applicable in all circumstances. Numerous representatives abstain from uncovering the genuine explanation of their takeoff from one organization dreading their own inadequacies. There are different occasions where employees change their organizations oftentimes, yet compensation isn't the principle factor for their takeoff.

At times, the purpose behind flight remains absence of expert advancement, and such a circumstance is valid with different new units, where such offices are commonly inadequate. Typically employees leave their organization for their own insufficiencies, for example absence of appropriate effectiveness to

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finish deal targets, powerlessness to keep up quality work, and absence of research activities. In every such case, the explanation is referenced as high compensations, conceivably in the dread of revenge.

By and large, the representatives stay very much aware about their end later on in light of their low effectiveness and quest for a new position to stay safe from such a mortifying condition, as getting work in such a circumstance gets troublesome. Work execution of the considerable number of representatives isn't out and out same, and this is related with a person's savvy person.

Normally capable individuals land standard position offers from business organizations, which is an issue related with their own knowledge just as their ability to get a handle on the work process procedures and adjust to the different needs. It is likewise obvious that representatives oftentimes changing organizations lose their capability level, which they could have achieved while working at one spot for a more drawn out term. Clearly, when organizations unconsciously misdiagnose the circumstance and neglect to recognize the most basic variables adding to their takeoff from the previous organization, answer for right the issue misses the mark regarding the imprint, bringing about terrible determination prompting inappropriate solutions.

In IT organizations, where the exit of employee is quite natural due to the nature of job in IT industry, the managers are found to be not doing justice to their responsibility and generally report the reasons for exit as issues unrelated to the organization. This is a common feature of human weakness, and they may choose not to disclose the correct reason, which may put him in a adverse situation. In many situations, the managers could realize about the factors for departure of an employee, but fail to adopt sincere efforts and show unawareness regarding the situation. This is one of the most prominent factors for high rate of exit of the employees from the organization, where managers fail to cope up their role as representatives of the organization.

The managers are one of the vital elements of organization and hold higher responsibilities in comparison to their subordinates. They are supposed to remain conscious of the development among the employees, where issues of dissatisfaction arise, as well as personal relationships between supervisors and employees. They need to take an active role in assessing the issues in their team, as all such issues are reported as personal problem by the employee while departing from the organization. It is quite evident that conscious managers help in controlling the departure of employees in cases of internal issues of the organization and prevent the situation from escalating. Usually personal ego remains the prominent factor for various differences at different levels.

The organization is also responsible for the various issues for departure of employees, and internal conflicting issues need to be resolved effectively. The managers need to be given due weightage for managing the attrition problems to the best possible extent. They should be encouraged to play their natural role, and the organizational management needs to maintain dialogue with the managers about the internal issues of the organization. They need to discuss issues of conflict responsible for the departure of employees and issues affecting production and productivity, quality, and marketability. The managers should be aware of all issues and be encouraged to resolve them.

The span of control of managers needs to be enlarged, and the management needs to take the managers into confidence while deliberating on various acts, where their role can be effectively played and can be quite fruitful. In most of the cases, managers avoid various issues for fear of causing displeasure to the management, as their concern might be interpreted as interference.

The managers can play an important role in controlling attrition and also in other important issues of the organization, where employees should treat them as their reliable boss who is able to solve all the personal and work place related problems.

Loss of key employees, even very less in number can be devastating for the IT company. Therefore, all possible efforts need to be taken to stop the exit of key functionaries in particular and all the employees in general. The sudden vacuum in the company and training a new person to a functional level is time consuming, where finances, production, functioning, and capability of the organization to compete in the market smoothly remain at stake. The preventive measures can set aside all the incoming problems before the organization. As part of preventive measures, it is the duty of the management to express confidence on their managers, who are the backbone of the company and are able to control the ongoing problems effectively.

The managers can perfectly perform their duties by considering the control of departure of employees as high-priority issue and incorporating all as part of management. Menial treatment and discouraging the managers' efforts in the presence of others discourages the decision-making skill of the managers, which is a most sensitive issue. There are events and situations where the management is not satisfied with the decisions of the managers; however, these need to be interacted in isolation in a most respectful manner.

Accepting the confidence of the management is quite a difficult task, as management considers oneself superior as the owner of a prestigious company and the manager is merely a servant to work according to their wishes. There are various issues where the management is unable to take appropriate decisions and hearing the views of managers before taking any decision does not undermine the powers of management. Rather, the managers can gain confidence when they are associated with strategic issues of the company, not for the reason that they would become masters of the company, but for the reason that they possess appropriate knowledge regarding the market conditions and can suggest better options.

This issue needs to be treated as empowerment of the managers in decision-making process. The views of the managers need to be heard patiently and interact with them regarding the long-term future consequences of the suggested issues. With this process, the managers would take suitable measures to streamline the total process starting from hearing the personal as well as workplace problems and take suitable measures to mitigate their problems. Usually employees convey their problems when they have faith in the manager.

In most of the cases, the managers receive resignation of employees and after understanding the real cause for leaving the organization, try to convince them to of their error. Such situations can be tackled suitably when the managers are able to assure about future prospects with the help of the management. In such situations, if the management is ready to take a sympathetic view, mentioning that the company can create more opportunities for the employee if they can assure to work hard and increase production and productivity. There remains a communication gap between the management and the employees, where managers have no powers to assure employees about their future prospects.

3. Factors affecting Employee Retention due to rising Attrition
Different investigations made by before analysts have given establishment for breaking down the different variables influencing representative weakening for the present examination. From the examination on the impacting factors for representative weakening, it is seen that work fulfillment, employee turnover, mental variables, job strife and government assistance measures were found as the

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critical components influencing representative steady loss particularly in India. Compelling maintenance systems will go about as ideal solution for the checking the steady loss in the organizations.

A) Role of Job Satisfaction and Employee Turnover on Employee Retention

Occupation fulfillment has been characterized as "a employee's full of feeling responses to an occupation dependent on contrasting wanted results and real results (Egan et al., 2004, Pg. 5)." To a degree, employee work fulfillment is an impression of how well a representative's desires for an occupation are lined up with the truth of their work (Lund, 2003).

Representatives evaluate work fulfillment dependent on inborn employment components, for example, sentiments of direction busy working, and outward occupation components, for example, remuneration. The degree of representative activity fulfillment mirrors the total degree of satisfied employment desires.

That is, employees anticipate that their activity should give a blend of these components, for which every representative has particular special qualities (Egan et al., 2004). While the range and significance of these inclinations differ across representatives, when the amassing of unsatisfied desires arrives at a basic edge there is less occupation fulfillment and more noteworthy chance of disappointed employees, which brings about more noteworthy employee turnover. Specialists have built up an assortment of theoretical systems to demonstrate the turnover procedure.

As confirmed by Lambert et al. (2001), researchers hypothesize that employee turnover can be anticipated utilizing far reaching proportions of occupation fulfillment; in any case expressed, high employment fulfillment is related with low representative turnover. In addition, look into shows that the connection between work fulfillment and genuine employee turnover is directed by aims.

Schwepker (2001) noticed that positive and factually huge connections have been accounted for in many investigations investigating leaving aims and genuine leaving conduct. At the end of the day, expectation to leave a vocation (employee wearing down) is a quick forerunner to really leaving. Hence, turnover expectation has been consolidated into most employee turnover models in the distributed writing.

Turnover intention is characterized as a representative's expectation to get another line of work with another business inside the following year. For the most part, it is acknowledged that activity fulfillment and employee turnover expectation are contrarily related. The built up, opposite connection between work fulfillment and employee turnover expectation is critical to look into in hierarchical conduct. One of the principle objectives of turnover look into is to gauge real employee turnover; in any case, representative turnover information is regularly difficult to reach to analysts. As often as possible, this information is inaccessible on the grounds that it isn't precisely or reliably gathered. Along these lines, specialists must depend representative turnover expectation as an intermediary for real employee turnover.

All things considered, expressed Lambert et al. (2001), estimating turnover expectation is the following best technique, since the variable reliably and quickly goes before real employee turnover. All through this paper, employee turnover and turnover expectation will be utilized reciprocally.

B) Influence of Psychological Factors
Mental elements are a piece of indispensable piece of conduct of a person. These incorporate all the interior variables including inspiration, character, observation, mentality, learning and qualities. The manner in which a The employees' act in the organization brings about efficiency of the organization. What's more, further, employee execution is the fruitful fulfillment of undertakings by chose individual or people, as set and estimated by a manager or organization, to pre-characterize worthy norms while proficiently and successfully using accessible assets within an evolving domain. Employee execution is straightforwardly connected with the equalization of mental elements.

The representatives' job by the way they deal with their own exhibition is likewise audited (Armstrong and Murlis 2004: 60-68; Cheminais et al 1998:157,192; Cronje et al 2001: 154-6; Swanepoel et al 1998: 510). Employees center on various parts of their lives, for example, security, having a place or distinction, contingent upon their phase throughout everyday life and what they consider significant around then. Further, the demeanor of the representatives towards the work assignments, towards the bosses and friends are likewise chooses how a employee chooses about proceeding or suspending the administrations.

The recognition, character and qualities decide the representatives to make a temper that would prompt his future conduct towards work and the organization. The dedication towards the appointed obligations, observation on evaluation forms actualized in organizations will likewise create more prominent bits of knowledge about employee staying and leaving from the organizations.

C) Influence of role Conflict on Employee Retention
Job struggle will for the most part takes it roots from when laborers are given two extraordinary and incongruent jobs simultaneously, or their job covers with another specialist or work gathering. The more prominent the job strife, the higher the probability of a employee encountering word related pressure. The sevirority of job struggle will bring about representative disappointment towards the organization and at last outcomes in employee whittling down.

Further, conflicting requests on representatives, unjustifiable connections of revealing, not having responsibility towards the activity, absence of appropriate acceptance projects and rising danger level of occupation, and ill-advised occupation structure and undesirable workplace and working conditions will likewise create job strife to the employees.

4. KPIs in HR practices in IT Sector
The following mentioned are the key performance indicators of Human resource issues in Information Technology industry in India.
1. Average time required to fill vacancies.
2. Develop Key performance indicators for each of the strategic goal.
3. Development of qualitative workforce.
4. Employee's assessment of promotion criteria and process.
5. Employee's clarity on role, responsibility and expectation.
6. Actual time to respond to staff welfare issue.
7. Outline internal capability and identify gaps on skills competencies behavioral aspects.
8. Monitor and measures performance.

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5. Need for Retention Practices in Indian IT Sector

The world's IT outsourcing market is looking at India due to its tremendous development over the years and the amount of growth especially in the area of Trade process outsourcing, Technology enabled services. The market share of Indian IT industry is situated at a Computed result of more than 190 billion United States Dollars by the end of the financial year 2018-19. The Indian companies performing IT operations in about 100 countries. The share of IT and ITES has steadily increased over the years. The rapid development has made it to achieve about nine percent growth in the last financial year. The revenue trend of Indian IT industry has been growing to reach a target at 39 percent with a Computed result of around 350 billion US dollars by the end of the year 2024-2025.

The investment patterns among the Indian IT industry are also been very encouraging. Both the hardware and software sectors have been attracting international companies and the inflows has been positively directed with the contribution of global giants like Tata Consultancy Services, Wipro, Infosys and Mahindra companies. The development in the Artificial Intelligence and Block chain technology has envisaged the growth of the sector in the form of raising opportunities.The government has also been monitoring the developments very closely by encouraging the development to reach to highest level.The planning and development agency NITI Aayog has also emphasized the need for implementing the programmes to build steady growth in the sector. In this direction, the Government of India has also launched several encouraging schemes for the growth of this service sector. The angel investors and venture capital investments have been rapidly increased in the BPO and KPO segments under Information Technology sector.

The statistics as per ASSOCHAM show that the growth of exports has increased from 50 billion US dollars to 126 billion US dollars. Where as the Computed result of imports has slowly increased from 24 billion US dollars to 41 billion US dollars. The growth in the exports is about 3 times to the growth of imports. Highest Computed result of exports as well as imports can be observed during the financial year 2018-2019. The Trade Process and out sourcing services occupied 32 percent. Around 33 percent is occupied by the Engineering services and Software product development and the rest of the segment is occupied by Hardware. Overall, the results also show that the IT sector is wholly been categorized into these segments. The Attrition rate among various Indian companies during the fiscal year 2017-2018 is computed on the basis of online survey made among 11 select sectors. From the statistics, is observed that the retail industry is highest with 18.5 attrition rate among all the industries. The least attrition rate was observed in the Automotive sector which is approximately equal to 7 percent.

The ITES sector reported 15.1 percent and the IT sector has recorded 14.6 percent which is comparatively higher than Telecom, Transport and Logistics, Real Estate. Overall average of the 18 sectors during 2018 is 13.1 percent.. Survival of the corporate whether or not it's IT company or the other company may be explained by the flexibility to cope up with changes with the setting support and this might embrace internal and external environment through negotiating exchanges to insure the continuation of required resources that is taken into account because the focus is more concentrated on the organizational action (Pfeffer et al. 1978).

6. Current Scenario of Employee Retention in Indian IT Industry

With the evolving digital ecosystem ramping up the demand for IT service companies, there is a major issue most companies are facing. i.e, a number of employees are leaving the Indian IT firms.

According to a report by TeamLease, an HR solutions firm, the average attrition rate in the IT industry was 8.67% in the September quarter. An impending economic slowdown, employee retention initiatives by IT firms, and layoffs by startups are likely to pull down the overall attrition rate of the Indian IT industry in the coming quarters.

As Covid-19 clouds clear, the Indian IT industry in the recent past has been dealing with an all time high attrition rate that is averaging around 25 per cent as per a few market experts. Companies are dealing with this situation differently and are bringing in measures to retain staff and the high-potentials in particular. The companies are investing in salary corrections, attractive salaries and benefits, stock options, various employee engagement activities and solid talent management practices. As a result, the 60000 startups in India have been one a race to acquire talent. Though some of them have laid off employees, the spirit has not weakened," pointed out Aditya Narayan Mishra, director and CEO of CIEL HR Services.

Market experts point out that the key to reducing the attrition rate in the Indian IT sector is to implement steps that are motivated to benefit the employees at a deep-rooted level that aims at contributing to their growth immediately and in the long run.

7. Conclusions

The sharp rise in attrition rates has been fuelled by the rising demand for automation and digitalisation across all industry sectors and the world at large. As a result, all IT services players have strong order books looking for talent to work on those projects. Secondly, due to the superfast adoption of cloud technologies, IT products and tools for cyber security, automation, storage, networking, analytics, ecommerce, communication and the like have been on the rise and these have resulted in to rising demand for IT employees. As a result, employees are giving high concern on the job satisfaction, role conflict and any deviation in these have been resulting into rising attrition rate. The study revealed that majority of the IT companies have been introduced the employee retention strategies to preserve the employees. Overall, the study concludes that, keeping in view of the nature of IT industry, there is an imperative need for the HR managers to carefully study the reasons for attrition and implement retention strategies to retain the talented workforce.

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