AN ASSESSMENT ON EMPLOYEE ATTRITION OF SOFTWARE INDUSTRIES IN BENGALURU CITY

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Abstract
Attrition is a critical issue and pretty high in the industry these days. It's the major problem which highlights in all the organizations. Employee Turnover or Employee Defection whenever a well trained and well adapted employee leaves the organization, it creates a vacuum. So, the organization loses key skills, knowledge and business relationships. Modern managers and personnel administrators are greatly interested in reducing Attrition in the organization, in such a way that it will contribute to the maximum effectiveness, growth, and progress of the organization.
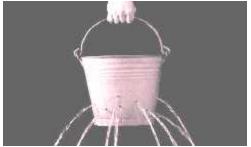
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Introduction
With an employee base of over one Lakh each, the biggest challenge for IT companies is keeping a check on attrition. But these numbers have taken an interesting turn over the past one year. The country's largest IT services exporter, Tata Consultancy Services (TCS), has been struggling to contain its rising employee attrition rate, while its closest competitors Infosys, Wipro and HCL Technologies have managed to bring it down and keep it under control. Curiously, among the four Indian IT majors, TCS has traditionally enjoyed lower employee attrition rate, but it has been rising over the year. At the end of second quarter of FY15, its attrition rate was 12.8%, and a year later, at the end of Q2FY16, it has touched 15.5%. However, TCS claims that its attrition level is under control, and they expect a decline in the near future. We are actually seeing a drop in attrition, especially in India and in other parts of the world as well. We also saw sequential decline in attrition from July to August to September. So we expect the trend to continue." Infosys, India's second-largest IT services exporter, which has been battling high attrition rates across all levels for the past 12-14 months, has managed to bring it under reasonable control due to its numerous HR measures. At the end of September quarter, 2014, the attrition level at the IT major was 21.1%, but one year down the line, it has come down to 14.1%. Infosys CEO Vishal Sikka, during the company's recent quarter analyst call, said, "In annualized terms, standalone attrition has dropped to 14.1% this quarter. We continue to simplify our internal processes and have redesigned our performance management framework to focus more on individual accountability, individual responsibility and continuous feedback."

Wipro has managed to keep its attrition level steady at around 16% over the past one year. Saurabh Govil, senior VP & global head, HR, Wipro, felt that its attrition level has been under control and is playing in a narrow band. "We expect it go down lower from the current level," he remarked.Echoing similar thoughts, Prithvi Shergill, chief human resources officer, HCL Technologies, said, "Our voluntary attrition level has been flat for the last six-nine quarters or more. It is a challenge every day, but we hope that it will remain at that level."

The $146-billion Indian IT industry employs more than three million people. Even in the current situation, when the growth momentum is not very strong, the attrition level still remains high for companies, especially in the three-five years' experience category. Then there is also the new challenge of losing their mid-level executives to the new-age e-commerce and start-up firms.

Attrition levels in the Indian IT industry have largely been the function of supply and demand, and is unlikely to go down to single digits despite the sector's major thrust towards automation technologies with lesser dependence on human resources.

India's top three IT companies are grappling with high attrition rates. Employees at the Tata Consultancy Services (TCS), Wipro and Infosys are jumping the ship at a rate faster than ever. Annual attrition rate at Infosys stood at 18.9% while it was around 15% at Wipro and 14.9% at TCS at the end of March 2015. The companies are attempting to tackle this problem in their own ways.

During the year ended March 31, 2015, TCS lost 47,931 employees to attrition. It has a workforce of over 300,000. To battle attrition, TCS plans to reduce the time that an employee spends on a project. The company is also planning online

learning and focus on digital tech. earlier this year, the company had declared a one-time bonus to commemorate its 10-year listing anniversary on the Indian stock markets.

Infosys announced a 100 per cent variable bonus payout to its employees in January 2015 in order to stem increasing attrition. The company had witnessed several exits, especially of senior level executives, in the last couple of years and one of the main tasks before Vishal Sikka when he took over as the chief executive officer last year was to check the high attrition levels. Infosys had a total headcount of over 169,000 at the end of December 2014.

Some time back, Wipro had launched "Notch Up", its biggest employee-retention programme, aiming to stem the exodus of experienced executives. It offered employees a chance to study at some of the nation's premier engineering and management colleges such at Symbiosis (Pune), BITS (Pilani) and VIT (Vellore). Whatever the case may be, it is clear that the companies are uncomfortable with the high churn out rate of its employees and are trying various incentives including hefty bonuses. How long will these strategies work and whether the high attrition rate will have an impact on the business going forward is something only time will tell.

Managing the expectations of employees is one of the biggest challenges in India's IT sector where companies poach staff from rivals as a matter of routine. Attrition levels generally show an upswing during the first quarter of every fiscal year, when employees leave in search of better opportunities or to pursue higher education. Some experts doubt if measures like these would truly help IT firms fight off employee exits as they believe stubbornly high attrition rates are symptomatic of a shortage of technically skilled engineers in the services industry and lack of challenging opportunities for growth. According to a NASSCOM survey, during 2015, the IT industry is likely to be marked by higher attrition levels that will force firms to spend more on employee retention through wage hikes and innovative incentive schemes.

Review of Literature
Catherine M. Gustafson, (2002) High employee turnover in hourly positions has been widely accepted, and documented, in the hospitality industry. This study examined annual turnover rates in private clubs and the reasons that employees left their jobs, as perceived by management. Members of the Club Managers Association of America were randomly selected and surveyed. The analysis compared turnover and managers' perceptions of reasons forturn over with: manager's years of experience in current position; years of experience in the industry; club type; club size; and whether or not the manager had a hospitality management degree. Highlights factors within a manager's control which are strongly limited to employee turnover in private clubs.

Elisa Moncarz et al (2009) the findings reveal that Corporate Culture, Hiring and Promotions and Training practices influence non-management employee retention. At the same time, Hiring and Promotion practices impact management retention, as well. Moreover, Organizational Mission, Goals and Direction, and Employee Recognition, Rewards and Compensation were found to positively reduce non-management employee turnover.

Hokey Min, (2007) Job security turned out to be one of the most important factors for recruiting and retaining warehouse employees, whereas monetary incentives have little or nothing to do with warehouse employee turnover. That is to say, a lack of personal attention paid to warehouse employees may have the adverse impact on their retention. More experienced warehouse workers are less inclined to give up on their current jobs than less experienced warehouse workers, probably because the former is more accustomed to warehouse working environments than the latter.

Peter J. Jordan and Ashlea Troth, (2011) Although the relationship between emotional intelligence and LMX has been theorized, the study described in the paper is the first to use a workplace sample to empirically test the relationship between emotional intelligence and measures of turnover intention and job satisfaction with LMX from a follower's perspective as a mediating variable. As such, this study enables us to explore the tension between an organization's interest in the efficient use of time to focus on core activities and the followers' desire to maintain high-quality relationships with their leaders (a time consuming process).

Rameshwar Dubey et al (2016) Results indicated that the three factors are present. Of the external factors, only employment perception had a factor loading over 0.7; of the work-related factors, all were significant; of the personal factors, biographical

information, marital status, number of dependants, aptitude and ability and intelligence had the highest loadings. It was also shown that behavioural intentions and net expectation were not significant.Only a few studies reported on employee turnover and its reasons are not well understood in the context of humanitarian organizations. To address this need, the aim of this paper is to explore the personal reasons impacting employee turnover in humanitarian organizations. In the study the authors have adopted 24 variables used in Cotton and Tuttle (1986) and classified into constructs to explain turnover, and further tested the model using data gathered from humanitarian organizations.

Ryan D. Zimmerman and Todd C. Darnold, (2009) Supervisor ratings of performance had the strongest relationship with ITQ (=−0.16), followed by self-ratings (=−0.14), and objective measures (=−0.02). Employee nationality and job type also acted as moderators. Poor performers are more likely to quit even after controlling for job satisfaction and turnover intentions, indicating that they are more apt to engage in unplanned quitting. Good performers were slightly more likely to intend to quit after controlling for job satisfaction.

Sandra Groeneveld, (2011) Results show that women's turnover is most commonly associated with intrinsic factors, whereas men's decisions to leave the public sector are most commonly motivated by extrinsic factors. For ethnic minority men, the management of the organization and the leadership style of the supervisor are important determinants of any intention to leave the public sector. There is only a modest negative effect of diversity management on turnover intention.

Tzong-Ru Lee (Jiun-Shen) et al (2010) The paper finds that a difference in perception between managers and employees exists with regard to appropriate spiritual management tactics; the former put more emphasis on the tangibles aspects; and the later on the intangibles.

Xiaoyan Li and Erhua Zhou, (2013) First it was found that customer verbal aggression significantly predicted employee turnover intention. Second, that employees' emotional exhaustion fully mediated the relationship between customer verbal aggression and employee turnover intention. Third, the correlation between customer verbal aggression and employee emotional exhaustion was found to be weaker for teams with higher levels of emotional POS, but not weaker for those with higher levels of instrumental POS.

Problem Statement and Objectives

The aim of the present report is to study factors like salary, superior-subordinate relationship, growth opportunities, facilities, policies and procedures, recognition, appreciation, suggestions, co- workers by which it helps to know the Attrition level in the organizations and factors relating to retain them. This study also helps to find out where the organizations are lagging in retaining.To know the satisfactory level of employees towards their job and working conditions, To identify the factors which make employees dissatisfy about company's policy and norms and To find the areas where companies is lagging behind.

Research Design

The survey method used in the present study is sample survey and the research design choice, particularly for small scale enterprises, depends on the kind of problems being studied. The total sample size taken for the present study is 132 and the sample method used is purposive sample method. Primary Data The primary data were collected through questionnaire followed by the discussions with management and employees of software industries.

Hypotheses and tools used

H1: There is a significant relation between age and attrition factors of the employees.
H2: There is a significant relation between education and attrition factors of the employees
H3: There is a significant relation between experience and attrition factors of the employees.
The statistical tools used for the analysis of data are tables with Analysis of Variance (ANOVA) using SPSS package.

Results and Discussions

Table 1: ANOVA Test for Age Vs Employee Attrition Factors

H1: There is a significant relation between age and attrition factors of the employees.

	F	Sig.
Salary	0.837	0.001
Relationship	1.978	0.005
Growth Opportunities	0.177	0.006
Recognition	0.171	0.004
Appreciation	2.719	0.003

It was found by ANOVA test that there is a significant difference (at 0.05 levels) amongst the different categories of age of the respondents with the attrition factors. So, null hypothesis is accepted.

Table 2: ANOVA Test for Education Vs Employee Attrition Factors

H2: There is a significant relation between education and attrition factors of the employees.

	F	Sig.
Salary	0.722	0.000
Relationship	1.024	0.000
Growth Opportunities	0.188	0.002
Recognition	0.185	0.003
Appreciation	1.897	0.001

It was found by ANOVA test that there is a significant difference (at 0.05 levels) amongst the different categories of education of the respondents with the attrition factors. So, null hypothesis is accepted.

Table 3: ANOVA Test for Experience Vs Employee Attrition Factors

H3: There is a significant relation between experience and attrition factors of the employees.

	F	Sig.
Salary	0.112	0.004
Relationship	1.656	0.041
Growth Opportunities	0.189	0.032
Recognition	0.111	0.001
Appreciation	1.114	0.033

It was found by ANOVA test that there is a significant difference (at 0.05 levels) amongst the different categories of experience of the respondents with the attrition factors. So, null hypothesis is accepted.

Scope of the study
The study throws light through valuable suggestion to decrease attrition level in the organization. This study can help the management to find the weaker parts of the employee feels towards the organization and also helps in converting those weaker part in to stronger by providing the optimum suggestions or solutions. This study has a wider for scope in any kind of organization since "attrition" is general one and makes the employees to put forth their practical difficulties and need factors in the organization. This study can help the management to know for which the reason employees tend to change their job, through dissatisfaction factors faced in the organization and also helps to recover by providing the optimum suggestions or solutions.

Limitations
The study has been taken in software industries in small scale industries in Bangalore City; it may not be applicable to other industries located in other parts and other type of industries like service sector etc.

Conclusion and Implications
Given the growing needs for organisations to retain its best employees in the face of competition, the findings of the study suggest that certain variables are crucial in influencing employees' decision to either leave or remain in an organisation. Such variables include training and development, recognition/reward for good performance, a competitive salary package and job security. Nonetheless, the importance of other variables should not be under- estimated when formulating a retention policy. It is only a comprehensive blend of inherent and motivational variables that can enhance retention and reduce the high rate of employee turnover in our various organisations.

Organisations should invest heavily in the education, training and development of their employees. Training and development appealed greatly to employees in both sectors and remain one of the best ways of retaining key employees. Employees' performances are enhanced through training and development and this encourages retention especially in a programmed training system where the training programme is tailored towards employees' career progression in the organisation. Some of these training programmes can be designed for self actualisation in order to appeal to executive career officers who are no longer motivated by money but by their status in society. Employee training is also an indication of management commitment to building a life-long relationship with the employees thereby influencing their turnover

decisions. Furthermore, management in private sector organisations should encourage goal-setting technique and work autonomy in the execution of tasks by employees. This will provide a more objective performance appraisal method and present employees with challenging work opportunities and make employees more innovative and independent in the execution of their tasks.

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