A DETAILED STUDY ON EMPLOYEE RETENTION AND TURNOVER IN IT INDUSTRIES

SamdeepkumarSathaiah Konda*   **Dr. Niyaz S. Sheikh****
*Research Scholar Gondwana University.
** Research Supervisor Gondwana University.

Abstract
Employee attrition could be a terribly difficult downside not solely within the industrial countries however conjointly in India that is quick industrializing since the adoption of latest Economic Policy in 1991. In fact, attrition is taken into account to be one amongst the largest challenges Indian company sector is facing nowadays. Consistent with these firms, it is a complex issue and has many dimensions. Among all the industries in India attrition has gained seriousness within the IT trade and ITES organizations. The annual average rate of worker attrition within the organizations during this sector assumed alarmingly high proportion – nearly 50% especially throughout the last decade of the last century. Even leading code development organizations just like the Infosys Technologies, Tata practice Services, Wipro et al were facing this downside terribly acutely – they were experiencing AN attrition rate of over 35%. The matter was way more serious within the ITES organizations – usually over fifty per cent of the workers were going away their jobs in a company and seeking employment in different organizations with higher terms and conditions of employment. However, higher attrition management and also the 2008-2009 international monetary slow-down helped in imitation of limit the discern in imitation of 24-30%. But employee attrition nevertheless has a huge influence over fees yet quality. Furthermore, attrition rates among India's business technique outsourcing (BPO) enterprise are as regards percent greater than the country wide average, in accordance in conformity with a report by way of international consulting firm the Hay Group.

Keyword: ITES organizations, Higher attrition management, International monetary, Business technique outsourcing.

Introduction
The information technology industry in India fundamentally comprises of the product advancement division. The industry comprises of a vast number and developing number of firms. As indicated by NASSCOM the quantity of Indian software programming firms has developed from around 432 in1996-97 to more than 1300 out of 2010. Huge numbers of these organizations entered the business after the monetary progression and globalization of 1991. Today the business comprises of huge and driving organizations like the Tata Consultancy Services (TCS), Infosys Technologies, and Wipro advances and in addition littler ones like the KTwo Technologies. The main 25 organizations represent more than 60 % of programming trades income. The market pioneers among the Indian Software firms are, generally, moderately new.

The Government has additionally made it simple the financing of the business through liberal FDI - progression of outside speculations - and passage of multinationals into the IT business with major budgetary offer capital. The Indian Government perceives that IT will impact financial advancement broadly in the years to come. The Government constituted a Task Force on IT industry. This Task Force was given the obligation to prescribe the means that the Government needs to take to expel the bottlenecks and lift the Information Technology industry inside the nation.

More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centres in India.

The internet industry in India is likely to double to reach US$ 250 billion by 2020, growing to 7.5 per cent of gross domestic product (GDP). The number of internet users in India is expected to reach 730 million by 2020, supported by fast adoption of digital technology, according to a report by National Association of Software and Services Companies (NASSCOM).

India ranked ninth out of the 14 countries in the latest report of the Korn Ferry Digital Sustainability Index (DSI), outperforming countries such as China, Russia and Brazil.

The flexi staffing market in the information technology (IT) sector in India stood at US$ 3.04 billion in FY 2016-17 and is estimated to grow at a Compound Annual Growth Rate (CAGR) of 14-16 per cent to reach US$ 5.3 billion by 2021@.

The mobile wallet industry is expected to maintain its current pace of expansion and the value of its transaction is expected to reach Rs 32 trillion (US$ 480 billion) by 2022, growing at a rate of 126 per cent.
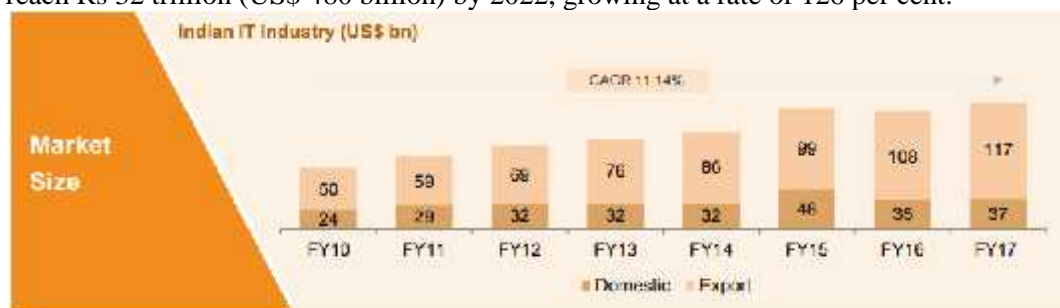
Indian IT Industry Growth

Review of literature
But one finds a inconsistency in the utilization of the two terms. Of late, while the employers/managements have been utilizing the term attrition, in literature we commonly discover the utilization of the term turnover instead of attrition. Following the literature on Human Asset Administration in this think about the term employee turnover is utilized instead of the term worker attrition. In any case, we may too utilize the term employee attrition sometimes.

Research Methodology
Research is to see what everybody else has seen, and to think what nobody else has thought.
-        Albert Szent-Gyorgyi

Objectives of Study
To explore and analyze the dimensions of attrition in Information Technology Industry based on primary data

Hypothesis
H0: Feedback system do not influence employee retention in Information Technology Industry
H1: Feedback system strongly influence employee retention in Information Technology Industry

Data analysis
Analyzing the impact of Feedback system with Employee Retention:
Employee Turnover is constituted by Feedback system; hence regression equation can be framed as follows:
Y =   + X
Where, X = Feedback system; Y = Employee Retention

Research Paper
Impact Factor: 4.164
Peer Reviewed Monthly Journal

IJMDRR
E- ISSN –2395-1885
ISSN -2395-1877

To test the above model linear regression test is applied using SPSS where Employee Retention is taken as dependent factor and factors indicating Feedback system as independent variables. By analysis following tables were obtained:

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.914[a]	.909	.907	1.00176
a. Predictors: (Constant), Feedback system				

From the above table the R square value is .909 and adjusted R square value is .907 and this enlighten us that the model account for 91% of variance in the employee turnover study. This is the clear indication that this model is a very good model. Also the R value is 0.914 which states that there is a strong relationship between employee turnover and Feedback system.

ANOVA[a]						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.448	1	4.448	4.432	.036[b]
	Residual	499.752	498	1.004		
	Total	504.200	499			
a. Dependent Variable: Most of the company's employees are working with the company from more than 5years						
b. Predictors: (Constant), Feedback system						

From the above ANOVA table, it is inferred that the F value is 4.432 and the significance is .036. As the significance is less than .05. It clearly reveals the fact that the model which is taken for study is statistically significant. Hence the hypothesis i.e. Feedback system do not influence employee retention in Information Technology Industry is rejected and the alternate hypothesis i.e. Feedback system strongly influence employee retention in Information Technology Industry is accepted.

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.895	.280		6.978	.000
	Feedback system	.822	.098	.914	2.105	.036
a. Dependent Variable: Most of the company's employees are working with the company from more than 5years						

The above standardized beta coefficient table give a measure of contribution of Feedback system on employee turnover. T value of Feedback system is 2.105 and significance is 0.036 and the probability is less than .05. Thus, Feedback system strongly influences employee retention. Thus the above equation is redrafted as, Employee Retention = 1.895 + 0.822 Feedback system.

Finding
Interpersonal relationship & Feedback and appropriate communications at all level plays a vital role in retaining the employees. The hypothesis testing result "Employee Retention = 1.895 + 0.822 Feedback system" clearly indicates that proper feedback and appropriate communication is very much important for the organisations. The Information Technology companies had to retain their employees & for this purpose, there should be strong feedback system at all the levels. Whenever there is improper feedback system, employees may not perform well. The end result might be employee leaving the organisation or organisation is firing the employee out.

Conclusion

It can be presumed that to get the best out of each colleague, it is vital that they make the most of their work and feel connected to the company and its goals. A worker must be conferred towards his association for him to convey his best and stay spurred. The workers must be held with the company for the individual and modern development of organisation. An employee must be held in his work for most extreme yield.

References

1. Abell, D F (1993) Managing with Dual Strategies: Mastering the present, pre-empting the future, Free Press, New York
2. Abraham K. Korman, "Organisational Behaviour", Englewood, Cliffs, N.J.,Prentice Hall, 1977.
3. Adams, G.A., King, L.A., and King D.W. (1996). Relationships of Mob and famil\ involvement, famil\ social support, and Zork- famil\ conflict Zith Mob and life satisfaction. Journal
4. Agarwala, Dharma Vira, "Industrial Relations and Collective Bargaining", Deep & Deep Publications, New Delhi, 1982.