

“Growing Attrition Rate A Bane to Small And Medium Scale IT Sector”

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Abstract

Human beings are evolved as social animal who cannot afford to exist and work in isolation which results in a complex and dynamic social structure to formulate the rule and strategy for proper growth and development of human beings. Human resources play a crucial role in the development process of modern business world

Human resource management (HRM) is the strategic and coherent sound approach to the management of an organization's most valued assets - the people working there who individually and collectively contribute to the achievement of objectives of the business. The terms "human resource management" and "human resources" (HR) have largely replaced the term "personnel management" as a description of the processes involved in managing people in organizations.. Human resource management is both an academic theory and a business practice that addresses the theoretical and practical techniques of managing a workforce and gaining the advantage resulting from the talents of human resources. The Human Resources Management (HRM) function includes variety of activities, and key among them is deciding what staffing needs the employer has and whether to use independent contractors or hire employees to fill these needs, recruiting and training the best employees, ensuring they are high performers, dealing with performance issues, and ensuring your personnel and management practices conform to various regulations. Activities also include managing the approach to employee benefits and compensation, employee records and personnel policies.

There are many tactics and strategies used to retain employees in organizations. The basic purpose of these strategies is to increase employee's satisfaction, boost employee morale, and achieve retention. Sometimes, retention strategies are not used properly and wrong retention strategies are used. As a result of this, these strategies fail to achieve the desired results. There are costs associated with employee turnover. The impact of employee turnover on organizations is that it often engenders far-reaching consequences and may jeopardize efforts to attain organizational objectives.

The research paper analysis the data collected from the employees of the IT industry and attempts to find out the reasons for employee turnover and the strategies followed by the organization to retain its key employees as they are the assets of the organisation

Key words: Employee Retention, Talent Enhancement, Employee Satisfaction, job enrichment.

Objectives of the study

1. To evaluate the influential factors, causes increase in employee turnover
2. To assess the level of employees satisfaction towards various retention strategies of small and medium scale IT industries
3. To assess the various organisations strategies which are planned and implemented in the small and medium scale IT industries to retain employees

Research Methodology

Primary data: Questionnaires have been prepared and circulated among the IT employees and their responses have been collected and analyzed to arrive at the results.

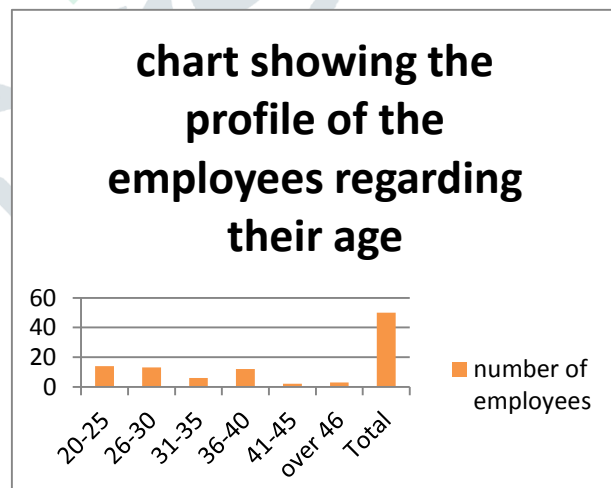
Review of Literature:

Companies today are interested in retaining valuable employees and good employees are increasingly becoming more difficult to find (Panoch, 2001). "As our community continues to experience significant growth in the hospitality industry, employee recruitment and retention has become a priority" (Czurak, 2011). Retention matters because high turnover creates high replacement costs and is clearly associated with low levels of customer satisfaction, customer loyalty, and lost revenues. Retention is particularly challenging today due to an aging work force and a growing imbalance in the supply and demand of qualified personnel (Padron, 2004). Many of the companies that already spend big bucks to recruit and train talented employees are bracing for even stiffer competition as baby boomers start to retire amid a shortage of skilled labor (Rawe, 2006)

Analysis and Interpretation from the data collected

Table no 1: Table and chart showing the profile of the respondents with response to the questionnaire with reference to their age

Age of the employees	Number of employees	Percent
20-25	14	28
26-30	13	26
31-35	6	12
36-40	12	24
41-45	2	4
over 46	3	6
Total	50	100

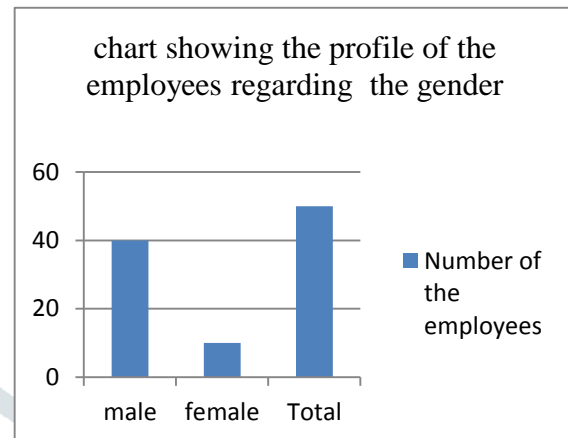


Inference : As per the table no 1 and chart no 1 it is found that 28% of the employees belong to the age group of 20 to 25 years, 26% belongs to the age group of 26 to 30 years 12% under the age of 31 to 35 years, 24% under the age group of 36 to 40 and about 10% over 40 years of age this depicts that the company has more of younger people working for the organization rather than experienced people which shows that this can also be the reason for employee turnover as the younger employees always lookout for more challenging

jobs and better salaries if not been provided in the present workplace they may lookout for a better place to work

Table no 2: Table and chart showing the profile of the respondents with response to the questionnaire with reference to gender

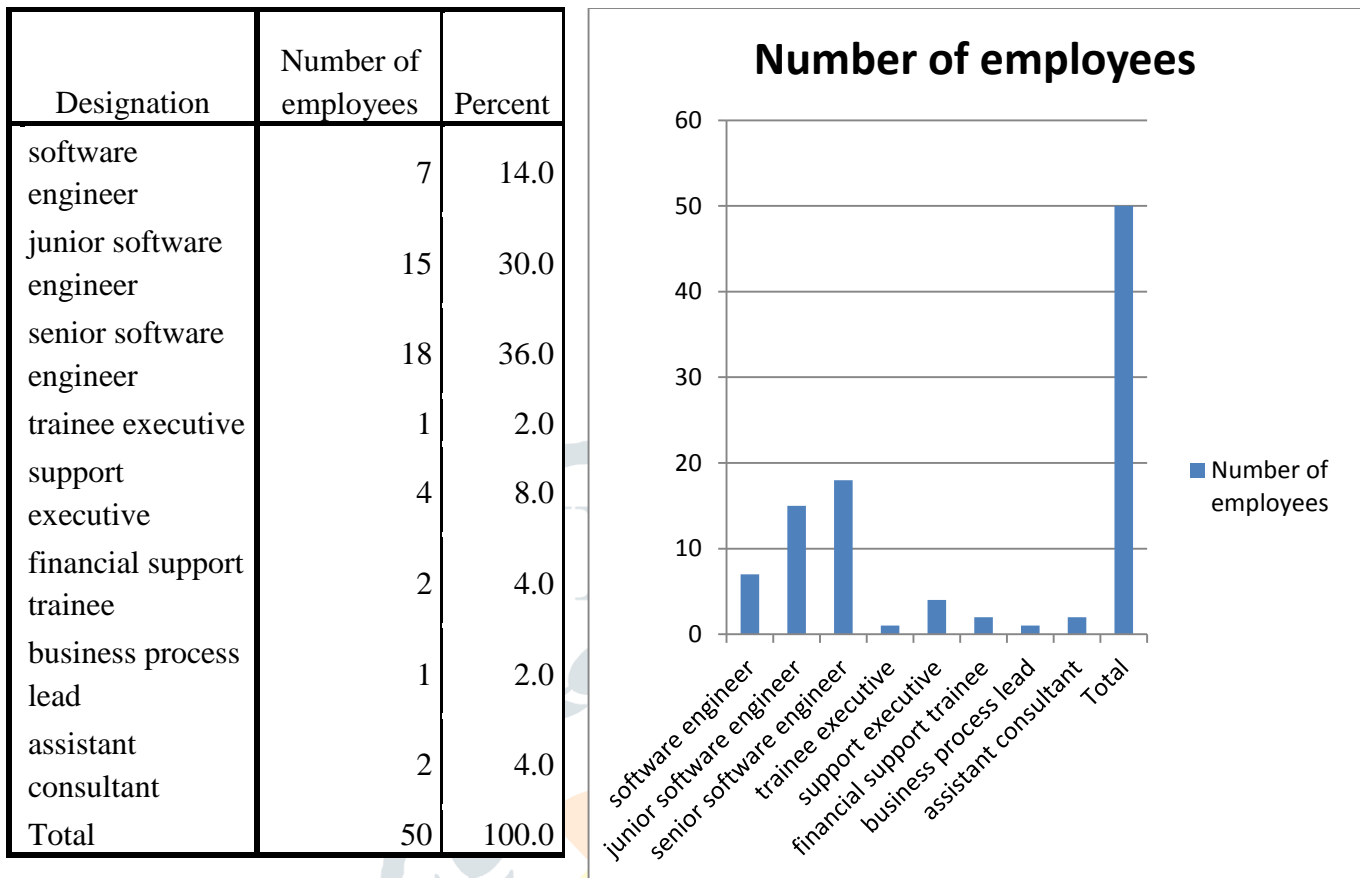
Gender of employees	Number of the employees	Percent
Male	40	80.0
Female	10	20.0
Total	50	100.0



Inference

As per the table no 2 and chart no 2 it is found that the company consists of 80% of male employees and 20% are female employees which depicts that the company consists of a majority of male employees who may continue to stay in the company for a longer period of time if the organization provides them a feasible work environment but women employees may have their own personal reasons to quit the organization, even if the work environment is feasible for them to continue. Hence in most of the IT organizations' the ratio of male employees is more compared to women employees.

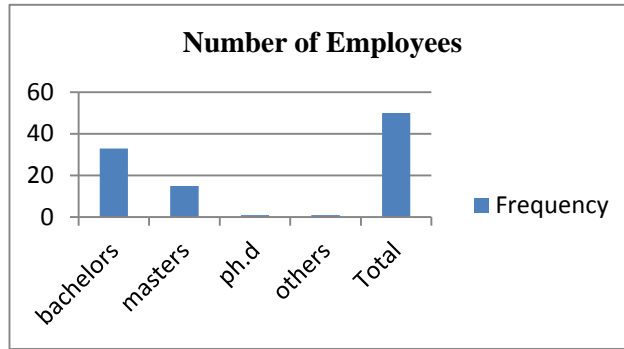
Table no 3: Table and chart showing the profile of the respondents with response to the questionnaire with reference to their Designation



Inference:As per the table no 3 and chart no 3 it is indicated that the company is having employees of different qualities and capabilities and the manpower planning has helped the organization to get the right person in the right place and which has supported for the betterment in the working of the organisation and the chart denotes about 30% of the employees are junior software engineers and 36% of the employees are senior software engineers which depicts the fact that there is an opportunity for the juniors to learn from their seniors and also proves that the recruitment policies are supporting and encouraging the young engineers by providing them employment

Table no 4: Table and chart showing the profile of the respondents with response to the questionnaire with reference to their qualification

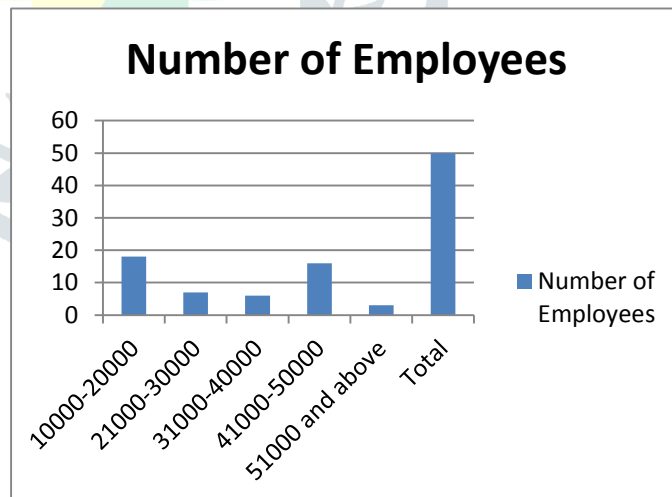
Qualification	Frequency	Percent
Bachelors degree	33	66.0
Masters	15	30.0
Ph.D.	1	2.0
Others	1	2.0
Total	50	100.0



Inference: As per the table no 4 and chart no 4 it is indicated that the company has 66% of the employees with the bachelor’s degree, 30% from master degree and 2% of the employees are doctorates and other degree.it depicts the fact that the IT companies need more employees with bachelor’s degree rather than other qualifications for pursuing their organizations’ growth as the people with Ph.D and other degrees may not be required in more number for the running of the company

Table no 5: Table and chart showing the profile of the respondents with response to the questionnaire with reference to their salary

Salary in rupees	Number of Employees	Percent
10000-20000	18	36.0
21000-30000	7	14.0
31000-40000	6	12.0
41000-50000	16	32.0
51000 and above	3	6.0
Total	50	100.0



Inference As per the table no 5 and chart no 5 it is indicated that the company has the employees in the salary range of 10000 to 20000 is about 36% , 21000 to 30000 is about14%, 31000 to 40000 is about 12%, 41000 to 50000 about 32% and 51000 and above is 6% which indicates that the employees are paid according to their qualification and experience as the company has more of junior software engineers and they have their bachelor’s degree which also are paid in the first two categories which is acceptable in the IT

sector. The salary is also one of the important factors in the retention of the employees as the financially dissatisfied employees are tend to move out of the organisations hence the salary factor is also a retention tool.

Tools to retain key employees:

- Actively encourage learning in every employee
- Moral Support
- Open and transparent culture
- Communication and contacts
- Employee Remuneration and Employee Appreciation
- Clarity of Role
- Encourage Flexibility.

Conclusion

This paper has thrown light on how IT companies make strategic moves in retaining their talent. This study attempted to fill the gaps by analyzing the impact of the demographic factors also in retaining the employees. Retention strategies are an inexpensive way of enhancing workplace productivity and engaging employees emotionally. The main aim of any organization is to earn profit. But to attain the maximum profit, the organization should concentrate more on employees and the ways to retain them for their long run.

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