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## The Turnover Intention And Turnover In Indian IT Industry –HR Personnel Perspective

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### **Abstract:**

*This study was undertaken as a preliminary study to unearth potential variables for the study of turnover intention and turnover in the Indian IT industry. The study explored through the understanding of HR personnel in various organizations. It was understood that relocation concerns, peerpressure, work life balance, better job content, management policies and salary norms influenced the intention to quit in general. The research on turnover intention which is to be undertaken in future should study the above cited variables in detail.*

### **1.Introduction**

The study of job turnover has been done in depth world over from the past four decades. However such studies have been minimal in the Indian IT industry. The Indian IT industry established itself only in the current decade. The Indian IT has been growing at a whopping pace in the current decade. In an effort to be part of the bandwagon, efforts to study the negativities that churned alongwith the process was kept in the back burner. Indian IT professionals were happy moving from one firm to the other for the simplest of the reasons. Firms were happy hunting down professionals from outside rather than breeding their existing ones. Negative effects of this job turnover were seldom considered. Also the loss for the employer and the employee when the employee sports the intention quit was neglected. As the Indian IT industry is maturing it is gettingaware of these facts. HR initiatives are undertaken but ittry to settle the issues based upon on the study results conducted on the foreign soil. There is a dire need to understand how, why and when employee develops that intention to quit or may be on a more measureable note why an employee actually quits the organization within the Indian context.

When one venture to a study on intention to quit for which extensive literature is available from outside India, there is a need to perform preliminary studies within the Indian context so that hypothesis formation becomes more sensible. Literature survey and the preliminary studies can help determine the variables upon which focus needs to be studied. As the first preliminary study to aid this purpose,HR professionals were interviewed and their awareness on the entire process is gauged.

### **2.Objectives Of The Study**

The objectives of this study are to unearth variables that are Indian IT industry specific which affect intention to quit and thereby quitting itself. This study navigates through the thought process of the HR professionals on how they deem employees from their organization quit. Understanding of this aspect also sheds light into more important factors. For instance the measures to curtail the employee turnover within that organization would invariably be based on such 'beliefs' of the HR personnel.Also it sheds light on what exactly is considered as a worrisome turnover. Standing apart from other industries or even the IT industry outside the country, a much higher level of tolerance is shown towards turnover within this industry. Exploration to the mindset of HR personnel can help to understand new variables to the study of intention to quit that were never considered in the literature or some variables may assume more prominence based on the study. Also the current philosophy on retaining the employees could also be understood.

### **3.Methodology**

Questionnaire (seeAnnexure 1) was prepared based on the review of literature. Telephonic interviews were conducted with four HR personnel from different IT firms. The firms included multinationals of European and Asian origin and also start up firm based in India. The interview was structured; however the personnel were provided opportunity to express their understanding on the turnover process.

### **4.Research Findings**

There is a common agreement within the HR fraternity that simply by giving more salary no employee can be held back in the company. This assumes importance, as even in a developing country like India people do not perceive monetary benefits as the sole criterion for making the decision to quit. Management policies or more specifically the attitude of the immediate superiors is perceived to be major factor in the formation of decision to quit. Another major factor is the satisfaction from the perceived higher job content. Also companies now have identified employee turnover as a major threat and have incorporated measures like

employee stock option plans, part time work and the sabbatical. The part time job and the sabbatical help people who has a feeling of caught up in the wrong job or who wants to contribute outside the chosen field of work. One striking factor is the common agreement among all HR personnel that the gender do not affect the turnover in any manner. Another dangerous perception that has crept into the thought process is that if an employee intends to quit then he will. This may be assumed to be true in the case of Indian IT industry which provides lot avenues of alternate opportunities. There was also a common agreement that a certain behavioural patter tend to get developed in employees who nurture the intention to quit.

## 5. Discussions

The reasons identified for quitting from the interview were better job content, better salary, management policies, relocation and higher studies and also work life balance.

Better job content is always a haunting factor for the IT professionals India. Most of the Indian IT industry revolves around the service aspect. Even the multinational companies which are of product development nature transfers mediocre work to the Indian counterparts. This general tendency has in a way made the IT professionals look down upon themselves. Like a prick of the conscience majority has this feeling that they have to put in the work just for monetary benefit. Hence there is up surging feeling among the professional to aspire for job of higher intellectual nature. At the outset, job satisfaction could be triggered on this perceived content of the job one perform and ultimately would result in the intention to quit.

The economics involved in developing the intention to quit and quitting can never be underestimated. In a country like India where the prices fly and where no governmental policies exist on the annual salary increment, market forces purely determines salary. There is also a general tendency among the firms to give more salary to hires compared to the salary of the existing employees of same experience. When employees are made aware of such disparity a tendency to reap big when the sun shines arises. All the golden handcuffs may be broken and the employee may decide to flee.

It is often said that the employees leave the manager and not the company. The company may have the best of the policies available. However policies will remain policies unless the responsibility to put them in practice are given to the right hands. All the company provisions if read carefully could be seen to have accommodated for some unforeseen emergency. This often appears in the form of 'subject to approval from managers'. This invariably converts the policies into suggestive strategies rather than policies which should be strictly adhered to, unless in the event of an emergency. The slightest of the turn of the event would be categorized as an emergency and manager takes the policies into their own hands and shred them into pieces; twist and turn them to favour the current situation overlooking the long run impact.

Relocation is seen as a major factor in shifting jobs in the Indian context. The existing literature underplays this to a great level and often categorizes such a turnover as one instigated by the relocation of spouse. However the Indian context should be seen in a different light. The IT industry boomed all of sudden and it was not a planned development. This nature made it to accumulate in certain pockets of the country. The job aspirants flew in from different parts of the country for the status and the remuneration such a new avenue offered. Currently when the IT industry is maturing, the tier 2 cities are also getting its share of the fortune. Companies are being started in these tier 2 cities and there is always a feeling within the professionals to go back to their hometown when such opportunities are provided. People sometime move in to their hometown for pay cuts as well. The sense of belonging and the Indian culture which nurtures nostalgic remembrances to the past make the professionals to make this drastic switch over. Though India is one nation the fact that it is a conglomeration of varied and different cultures cannot be neglected. With culture tolerance also taking a back seat, the urge to be back in their hometown has only strengthened for the professionals. Lacking in social engagement can bring in the frustration to the employees. This factor could also be studied within the organizational set up as well.

More often than not, students soon after the completion of under graduate courses join the job of IT. They may kill the quest for further studies when they join the job for the family or for their own satisfaction. Also the assertiveness to say no to a lucrative job may be found lacking in the graduates, given the Indian history of unemployment. Once they joined the job and continue their job for a while the awareness to study more dawn on them. The rude awakening to study more, results in drastic measures like quitting and the job and moving on.

Work balance is an important factor and the pressures from family can cause the intention to turnover. Also the family pressures could also be binding factor if the family perceives the company as a great one. Hence even when the employee wants to quit, the family may exert pressure to the employee to stay back. Such a pressure from family can majorly evolve from the factor of work life balance.

In general a particular period in the year cannot be said to have hectic activities on turnover. However the chances that this activity is related to the appraisal are high. People may want to quit after getting even the last bit of the benefit. The appraisal puts them in a higher salary bracket and on quitting immediately, the chances of getting better remuneration is high. Also annual loyalty bonus makes activity of quitting cyclical within a company. However in the industry as a whole such a period could not be identified as the financial year varies from companies to companies. European companies will have their financial year starting from January; Indian companies from April; American companies from July/October. Also in some companies the appraisal cycle is semi annual. Independence of the time period within in a year is a great indicator to the intended study as it indicates that the time of study does not probably affect the result.

Gender based difference in job turnover could be expected due to the peculiar yet stable nature of women in India. However such assumptions were blown apart when it was categorically stated by HR personnel such differences are a rarity. However caution needs to be put in the future study as the influencing factors may have huge differences among gender but they might be mutually cancelling each other. This would mean that the intervening strategy should account of this factor.

There were contrasting views on the influence of peers in the decision to quit. When a majority agreed that quitting of peers influence in forming the intention to quit, there was a contention that peers in fact make the employees stay within an organization. Analyzing in depth it could be understood that both facets are correct. When an employee makes a decision to quit

the investment he has made in the organization like the experience definitely come into play in his mind. The social relationships are one such investment which will bind them to the organization. Everyone wants to be identified as a part of the herd and may remain within the herd. But as one from the herd leaves, it may be a tipping point and may result in subsequent quitting from others in the herd if the situation in general aids the turnover. Hence the peer pressure is a double edged sword which should be intricately handled in HR intervention strategies.

There is a definite pattern observed for employees who have developed the intention to quit. It could be absenteeism, tardiness, slackness and the like. This observation is very important as this is the starting point of curative intervention strategies. However the current trend shows a dismal helplessness among the HR personnel once they observe such tendencies in the professionals. They believe that the employees have made up their mind to quit and no matter what is said and done the employee will quit. The intention to quit too is cyclical. It may diminish in strength after time and may vanish altogether; just to reappear again at a later point in time.

The hypothesis assumed on marital status was that more stability would be acquired after marriage. However HR personnel differ in their opinion. They generally tend to believe that marital status more or less does not affect the turnover. It's rather surprising, as anyone would have expected a factor of stability for married people. It could also be doubted whether married people quit more of economic reasons than other reasons. There may not be any noticeable difference in the turnover for different age groups. However there could be a huge difference in the factors that lead to these. The difference in factors as mentioned earlier would call for a difference in HR intervention strategies.

Another unique observation made out by the HR personnel is regarding the functional and dysfunctional turnover. Contrasting views like high performers only leave, low performers only leave and both categories leave aroused. Also, an observation that in high performing company high performers does not leave was made. This was because the high performers' need would definitely be addressed by a good performing company. This in fact adds a new variable on the performance aspects of the company but it is definitely of economic nature though not without implications to other areas. When in a situation where only the high performers leave it is a big pondering point for the company in question. This is the aspect which needed to be analysed more. However if only low performers quit it is functional turnover and can be seen in positive light though not completely.

Job tenure more or less influences turnover negatively. After few years in career people tend to settle down at a job as per the HR personnel. Either the employees learnt the hard way that all companies are the same or they might have found the job that they were looking for or they have started to look at the long term benefits. Whatever may be the cause there is a general agreement that tenure affects turnover.

## 6. Conclusions And Recommendation

Variables like relocation emerged as a major variable from this study. Also the effect managers have and better job content are perceived as triggers for turnover. The pervasiveness in the observed unique behaviour on having an intention to quit is very important in developing a curative HR intervention strategy. The influence of peers has to be considered in different dimensions when studying turnover. Tenure of the employment is also a factor that requires analysis. Also factors like work life balance needs to be taken care. When a study on intention to quit is undertaken in future these aspects have to be considered in a more focussed manner.

## 7. Annexure

### 7.1. Annexure 1: Questionnaire

In general, why do think employees leave your company, if at all they do so.

Is there a specific period in the year when people leave?

Have you observed any gender based differences in attrition?

Is the employee turnover in Bangalore comparable to other Indian location? How drastic is the difference in turnover compared to your locations outside India.

Do you think peer pressure plays a major in employee's decision making process of quitting?

Is there a relationship between managerial attitude and the decision to stay or quit?

Can we simply retain the employees by paying them more?

What else is the company doing to retain the employees?

Do you think that these retention measures are helpful?

What according to you would help prevent employee turnover?

Have observed a pattern of absenteeism before the employees actually leave?

Is there a relationship between marital status and attrition?

Who does actually leave -- the low performer or the high performer?

Does tenure in your company make decision point in quitting-- like does people with 2 years' experience in the company tend to quit more compared to others?

Any Final Comments?

### 7.2. Annexure 2 : Interview Firm 1 Hr Manager

In general, why do think employees leave your company, if at all they do so.

Higher job content, Relocation.

Is there a specific period in the year when people leave? Mid of the year after the appraisals are done. But this is not the case all the time

Have you observed any gender based differences in attrition? No.

Is the employee turnover in Bangalore comparable to other Indian location? How drastic is the difference in turnover compared to your locations outside India. Varies from country to country. But within India it is comparable. Also it depends on the opportunity available within the city. For instance you may see a less turnover ratio than Bangalore.

Do you think peer pressure plays a major in employee's decision making process of quitting? At times, yes. It's like a chain action. I wouldn't say it as a pressure; rather it definitely influences.

Is there a relationship between managerial attitude and the decision to stay or quit? Definitely Yes

Can we simply retain the employees by paying them more? No.

What else is the company doing to retain the employees? Extra shares, part time work option, sabbatical

Do you think that these retention measures are helpful? Depends. If a person has to leave, he will leave. Economical benefits can prevent turnover for short term but not for long term.

What according to you would help prevent employee turnover? Good salary—need not be the best in the country because what ever a company gives other company would be able to give out 10-20% more. So if an employee can take pride in his work and has feeling that he contributing to a great thing it will make the employee stay. The environment and the manager also matters.

Have observed a pattern of absenteeism before the employees actually leave? I haven't observed absenteeism but lack of interest would be there.

Is there a relationship between marital status and attrition? No .Even unmarried people can have personal issues based on which they may quit.

Who does actually leave -- the low performer or the high performer? It is a combination..If the company is good high performers generally does not quit as their need would be taken care.

Does tenure in your company make decision point in quitting-- like does people with 2 years experience in the company tend to quit more compared to others...

In general for IT companies we say they tend to quit in 3 years. In this company I feel it's more or less 4 years.

Final Comments: I think you missed out on the work life balance.

### 7.3. Annexure 3: Interview Firm 2 Hr Manager

In general, why do think employees leave your company, if at all they do so. Salary, Management Policies

Is there a specific period in the year when people leave? Not that I observed of.

Have you observed any gender based differences in attrition? No

Is the employee turnover in Bangalore comparable to other Indian location? How drastic is the difference in turnover compared to your locations outside India. It's more in Bangalore compared to other Indian cities.

Do you think peer pressure plays a major in employee's decision making process of quitting? Yes

Is there a relationship between managerial attitude and the decision to stay or quit? Not exactly the manager but management policies.

Can we simply retain the employees by paying them more? Not always

What else is the company doing to retain the employees? We provide them better opportunities and assure them better future.

Do you think that these retention measures are helpful? What I mentioned was one of the methods. We don't wait for the employees to come and put the resignation. Once the resignation is put it's decided. We take precautionary measures. We treat them at a personal level. We offer them all the help.

What according to you would help prevent employee turnover? As I said, better opportunities

Have observed a pattern of absenteeism before the employees actually leave? Yes

Is there a relationship between marital status and attrition? Yes. In the case of female employees.

Who does actually leave -- the low performer or the high performer? High performers do not leave.

Does tenure in your company make decision point in quitting-- like does people with 2 years experience in the company tend to quit more compared to others? Ours is an organization where the skills are not that difficult to be trained people hence people jump more. It's not that tenure dependent.

Final Comments: No additional points I can think of at the moment.

### 7.4. Annexure 4 :Interview Firm 3, Hr Manager

In general, why do think employees leave your company, if at all they do so. Better prospects, Better salary, Relocation, Early Voluntary retirement, medical retirement. When new offices are set up people tend to leave to those offices

Is there a specific period in the year when people leave? No

Have you observed any gender based differences in attrition? Only 1% is women among the employees. So the question is not relevant

Is the employee turnover in Bangalore comparable to other Indian location? How drastic is the difference in turnover compared to your locations outside India. It's not city based. Its company based. In fact more people would love to come to Bangalore.

Do you think peer pressure plays a major in employee's decision making process of quitting? In fact peer pressure will make employees stay in the organization. They would hesitate to leave their friend circle.

Is there a relationship between managerial attitude and the decision to stay or quit? It's said employees leave the boss and not the company.

Can we simply retain the employees by paying them more? No

What else is the company doing to retain the employees? This company being a 125 year old company has well established welfare measures like fine arts society, free food, higher education facility, festival advance, etc. These are not taken as retention measures but these definitely help.

Do you think that these retention measures are helpful? This company experience very less attrition.

What according to you would help prevent employee turnover? Good work environment.

Have observed a pattern of absenteeism before the employees actually leave? Yes. We can observe some behavioural patterns like this.

Is there a relationship between marital status and attrition? Married people do not leave much. They tend to take less risk.

Who does actually leave -- the low performer or the high performer? High performers leave because of the high demand for them.

Does tenure in your company make decision point in quitting-- like does people with 2 years experience in the company tend to quit more compared to others? Yes. Whoever quits are in the range of 1-2 years. After that people get settled.

Final Comments: If we work certain aspects like making promotions and feedback transparent things would further improve. Managers should be given leadership training. Also sending acknowledgment of individual achievement to family would help because the family won't allow the employee to leave even if the employee wants to leave.

#### 7.5. Annexure 5: Interview Firm 4 Hr Manager

1. In general, why do think employees leave your company, if at all they do so.

Reasons are many fold starting from Better opportunities to relocation, personal reasons, higher studies etc

2. Is there a specific period in the year when people leave?

No

3. Have you observed any gender based differences in attrition

No

4. Is the employee turnover in Bangalore comparable to other Indian location. How drastic is the difference in turnover compared to your locations outside India.

Since we do not work closely with Delhi office we would not know the status at our other locations in India

5. Do you think peer pressure plays a major in employees decision making process of quitting?

It adds but is not the only reason

6. Is there a relationship between managerial attitude and the decision to stay or quit?

Employees leave their managers than an organisation, but reason as mentioned earlier could be manifold

7. Can we simply retain the employees by paying them more?

No, Salary is only one reason

8. What else is the company doing to retain the employees?

Employee Benefits, Technology, Learning opportunities at work, Avenues for self development, Fun at work etc

9. Do you think that these retention measures are helpful?

Helps to some extent

10. What according to you would help prevent employee turnover?

It's a sum total effect of all the above points put together

11. Have observed a pattern of absenteeism before the employees actually leave?

We at HTIPL have not conducted that kind of a correlative analysis

12. Is there a relationship between marital status and attrition?

Not sure

13. Who does actually leave -- the low performer or the high performer?

Both

14. Does tenure in your company make decision point in quitting—like does people with 2 years experience in the company tend to quit more compared to others

In my opinion SE-SSE category of people are more unstable than senior levels.

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