A Study based on Pune IT Millennials on Attrition and Retention

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Abstract

Attrition and Retention of IT Millennials is a critical challenge faced by IT organizations as Millennials look forward to career opportunities and quit organizations within a span of even less than one or two years. But it is also a fact that youngsters are more focused to work in IT organizations as compared to other sectors. This research study is based on attrition and retention of IT Millennials of Pune City as Pune of Maharashtra state is known as a city famous for IT organizations employing many youngsters especially Millennials known as Gen Y born between 1981 and 1994/6 and are at present around 25 to 40 years. IT sector also provides opportunities to new job entrants due to the growth of the IT industry and scarcity of qualified manpower due to technological advancements. In a developing economy like India, the IT sector plays a vital role and drives the economy to be a global leader in technology. It is not only important to employ Millennials but also equally important to ensure that they sustain in the organization, as the organization invests and incurs costs for their training and development, salary, perks, etc. It is also noted that in this competitive era and high cost of living, Millennials tend to leave the job due to reasons like low compensation and perks compared to their target, work-life imbalance, stressful long working hours, Job monotony, location, non-supportive boss, and many more to add to the list for their attrition. The turnover of employees can be either functional or dysfunctional. Functional turnover is when non-performing employees leave and dysfunctional when performing employees leave the organization. This research focused on why employees leave IT organizations and what are the measures and means to control attrition. The study was carried out by contacting IT professionals via personal visits and phone calls due to the current prevailing pandemic of Covid-19 and employees working from home. In this study opinion of 75 employees was taken for analysis.

Keywords: Millennials, Job entrants, Attrition, Retention, Technological Advancements

Introduction
Employee Attrition is termed as the decline in employees working in an organization due to death, resignation, and retirement. Attrition rates vary from industry to industry in terms of skilled and unskilled profiles due to salary which is one of the most important factors leading to job-hopping.

Employee Attrition: This can be defined in simple terms as the decline of employees working in an organization due to factors like low compensation compared to workload and target, lack of professional growth opportunities, gender bias, stretching working hours, lack of training, work-life imbalance, personal issues, etc. An employee might leave an organization either due to professional or for their reasons. Also when senior leaders quit the organization it leads to a gap in leadership and affects the workplace. Attrition may also be defined as a reduction in employees due to resignation, retirement, or death. As mentioned in the abstract, attrition can be dysfunctional which can be avoidable or unavoidable. Unavoidable attrition happens when an employee quits the organization due to his/her reasons which may be due to family issues, health issues, or relocation to another state or place which is inevitable. The attrition is avoidable when the organization does have control over employees leaving by satisfying their job or career needs. Examples of avoidable attrition may include poor pay scales or lack of opportunities to advance.

Employee Retention: This can be defined as an organization's ability to retain their valuable assets i.e. their employees by providing them valuable resources for their growth and thus motivate and encourage them to stay in the organization for the longer term. The main aim of employee retention is to ensure that both the stakeholders, i.e., employees and employers are happy. It also refers to the policies and rules applied within an organization to ensure that employees stick to their jobs and fulfill their responsibilities for the longer-term. The main asset of any organization is their Human capital and the effectiveness of employees depends directly on the organization itself by providing them with better salary and wages, training programs, motivation at the workplace, employee empowerment, and promotion. However, even with the above-mentioned efforts,

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organizations still face the constant threat of high employee attrition rates. Retaining a large number of talented employees within an organization will provide an important source of competitive edge for an organization (Mahmood & Zafar, 2016).

Review of Literature

Shikha N. Khera[1] and Divya[2] (December 2019) published an article on the topic "Employee Turnover in Indian IT Industry using Machine Learning Techniques" and concluded on the local and technological issues that the Indian IT sector have to face to retain their employees looking forward to career growth in organizations having the latest technology. The article also mentioned the discrimination in gender prevailing in organizations and has mentioned regarding SVM Model (Support Vector Machines) which can correctly predict the tenure and stability of the employees in the organization.

Priyada Sudhakaran[1] and Dr. Senthil Kumar[2] (September 2019) published an article on the topic "Talent Retention strategy using Structural Equation Modelling for Technology Professionals" - The article provides a broad view about voluntary turnover intentions and the issue of employee retention and challenges and states that employees prefer good package as salary for the work they perform which has a direct impact on their attributes to self-esteem and their means of living. Researchers have stated that employers have to frame suitable retention strategies to retain valuable talent and control job-hopping of their employees. The study highlights the need to examine the reasons why technology employees voluntarily quit the organization and prepare a good comprehensive framework for retention strategy.

S. Rabiyathul[1] and Ramyar Ahmed[2] (May 2019) published a paper on the topic "Attrition-Turnover Intentions of Employees" - Subjective research was carried out in retail outlets of Bangalore and concluded on their concern regarding representative turnover which indeed is a great worry for organizations. The research states that long-standing working hours, remuneration, working conditions, and work-life balance are the major factors for attrition to be taken care of for employee retention.

Dr. D. Ramadevi[1] and Dr. D. Sangeetha[2] (March – April 2019) published a research paper on the topic "Assessing the Role of Attrition in Adverse Workplace Environment" - The research paper focused on employee turnover in BPO organizations and measures to retain them for a longer-term. It was concluded that the reason for high attrition was due to lack of career growth, shift timings, monotonous job and low salary package hence for organization sustainability, employees should be given importance.

Archita Banerjee (March 2019) published a research paper on the topic "Failure of employee retention and its consequences on an organization through content analysis" - The researcher states that employees are the most valuable asset of the organization and it is very important to retain them for the growth of the organization and this can be achieved only when employees are ensured with career and growth prospects to shape their future. It was concluded by the researcher that, for retention of employees they should be provided with proper working conditions, friendly work culture for better teamwork.

Mrs. G. Arunmozhi (January 2018) in her thesis "An Empirical Analysis of employee attrition and Retention in IT Industry" stated that India is one of the biggest IT capital employing almost 10 million workforces which has a direct impact on the economic development of the country. It was concluded by the researcher that, India has moved from a bureaucratic economy to a land of innovation.

N. Subbu Krishna Sastry[1] and Dr. Raghunathan[2] (2018-19) published an article on the topic "A study on challenges faced by various Indian organizations in Arresting employee attrition" – The article stated the problems faced by HR professionals due to attrition of employees and focused on redefining HR policies. It was also stated that it is not possible to stop attrition but measures can be implemented to reduce the attrition by adopting retention strategies. The article concluded that the purpose of the study was to determine the factors influencing the decision of employees to continue working as well as leaving the organization.

Saket Rungta[1] and K. Madhava Rao[2] (May-2018) published a research paper on the topic "Employee Intention about Attrition in Indian IT Sector" - The researcher states that employee attrition is dynamic and is due to factors like age, gender, marital status, education, and designation. The focus was mainly on HR Managers due to the increasing attrition as they have to spend time on recruits. Issues regarding job specification, compensation, career growth, work culture were also addressed.

Dr. K. Vijayraj (October 2018) published a Research paper on the topic "Employee Engagement & Job Satisfaction" - The research focused mainly on employee engagement and job satisfaction and their predictability on attrition. A suitable and effective strategy to check employee attrition was mentioned which can result in retention of employees. It was concluded that organizations would be considered competitive only when employees apply their knowledge, experience, and skills to ensure continuity of organizational activities. Employee development, career planning, open communication, and sharing information were considered as key points for reducing turnover.

Objectives of Study

Below are the main objectives of the study;
1. To analyze the various retention strategies that exist in the organization.
2. To explore suggestions for reducing attrition rate and improving employee retention.
3. To identify factors causing voluntary and involuntary attrition.
4. To identify the characteristics of employee turnover in an IT organization.

Research Methodology

Based on the research objectives, a study was carried out mainly by focusing on a thorough investigation of the high rate of attrition in the Pune IT sector. The research study included the methods and sources of data collection in carrying out this research and evaluating the research objectives. In addition, the study also has an insight as to how an organization can control and empower employee retention. The method of data collection included both Pre-Covid 19 and Post-Covid 19 pandemic and vital data was collected accordingly. The Research methodology consisted of both Primary and Secondary data which was collected by way of questionnaires, surveys, and face-to-face interviews for which questions were prepared to take into consideration the employee attrition ratio of the current era.

4.1 Data Collection Techniques

The data collection technique involved both primary as well as secondary data. The collection of primary data was done majorly by field survey with consisted of closed/structured questionnaire in a precise manner which included concrete, definite and pre-determined questions carried out by face-to-face interview, self-completion and telephonic interview. The technique involved in the questionnaire was 5 point Likert -scale wherein the questionnaire administered for the study ranged from **1** as strongly disagree and **5** as strongly agree. The secondary data was collected by way of published Journals, literature reviews, research magazines, and various other published data. Data was also collected by way of a personal visit to 2 IT organizations through personal contacts. A separate questionnaire was circulated to employees regarding reasons for attrition.

    i)   Data collection tools: Questionnaire, face to face interview, and telephonic interview
    ii)   Sample Size: 75 employees

4.2 Research Type

For this research study, the research used was descriptive.

4.3 Sample Design and Sampling Frame

Sampling unit- IT sector Sampling size - 75

4.4 Limitations of the Study

The study was limited only to Pune city and more scope of research is possible as cities like Bangalore and Hyderabad is also a hub of IT organizations. The scope and limitation of the study are highlighted as follows –
1. The geographical area for study in Pune and the IT companies are spread over different areas of Pune which is not covered.
2. For the study maximum of 7 software companies were considered.

Data Analysis & Result

The researcher has collected the data from respondents based on the responses from the questionnaire provided to them. For a collection of data, quantitative methods were used and data analysis was done accordingly. Data was tabulated as per the criteria of the questionnaire and charts were used for interpretations. The interpretation of the respondent's questions wise is given below.

Figure 1:Major Reasons for Changing Organizations by Millennials
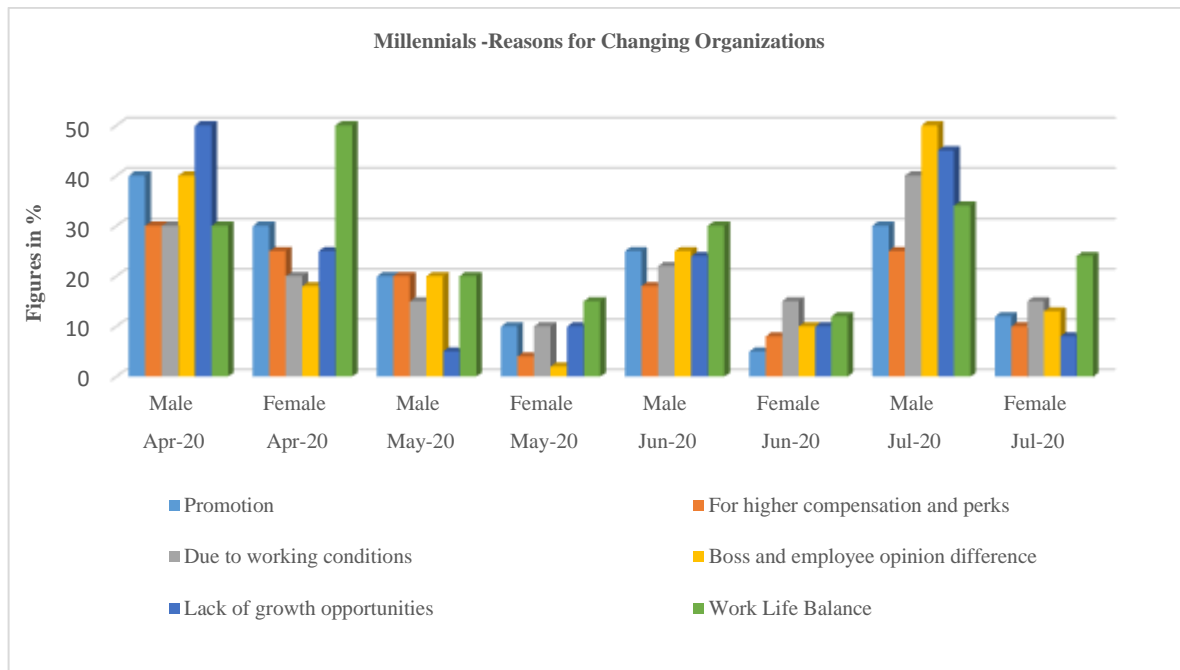
The above chart includes the responses collected during lockdown due to the Covid-19 pandemic when a majority of employees were working remotely and also many of them had to accept a reduction in their salary structure. Attrition during this period was mainly due to continuous working conditions by Management, Promotions were stopped and lack of growth opportunities, the difference in opinion of immediate boss and employees, switch to other jobs for higher compensation and perks.

This data collection was as per the discussions and face-to-face interviews with employees and telephonic calls. On analyzing the responses of employees, it was noted that many employees were staying on a rental basis and could not afford to pay their monthly rent due to which they had to look for better opportunities with a good hike to meet their needs. Also, work from home was getting monotonous for achieving the laid down target for employees.

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Figure 2: Married Millennials Attrition Factors
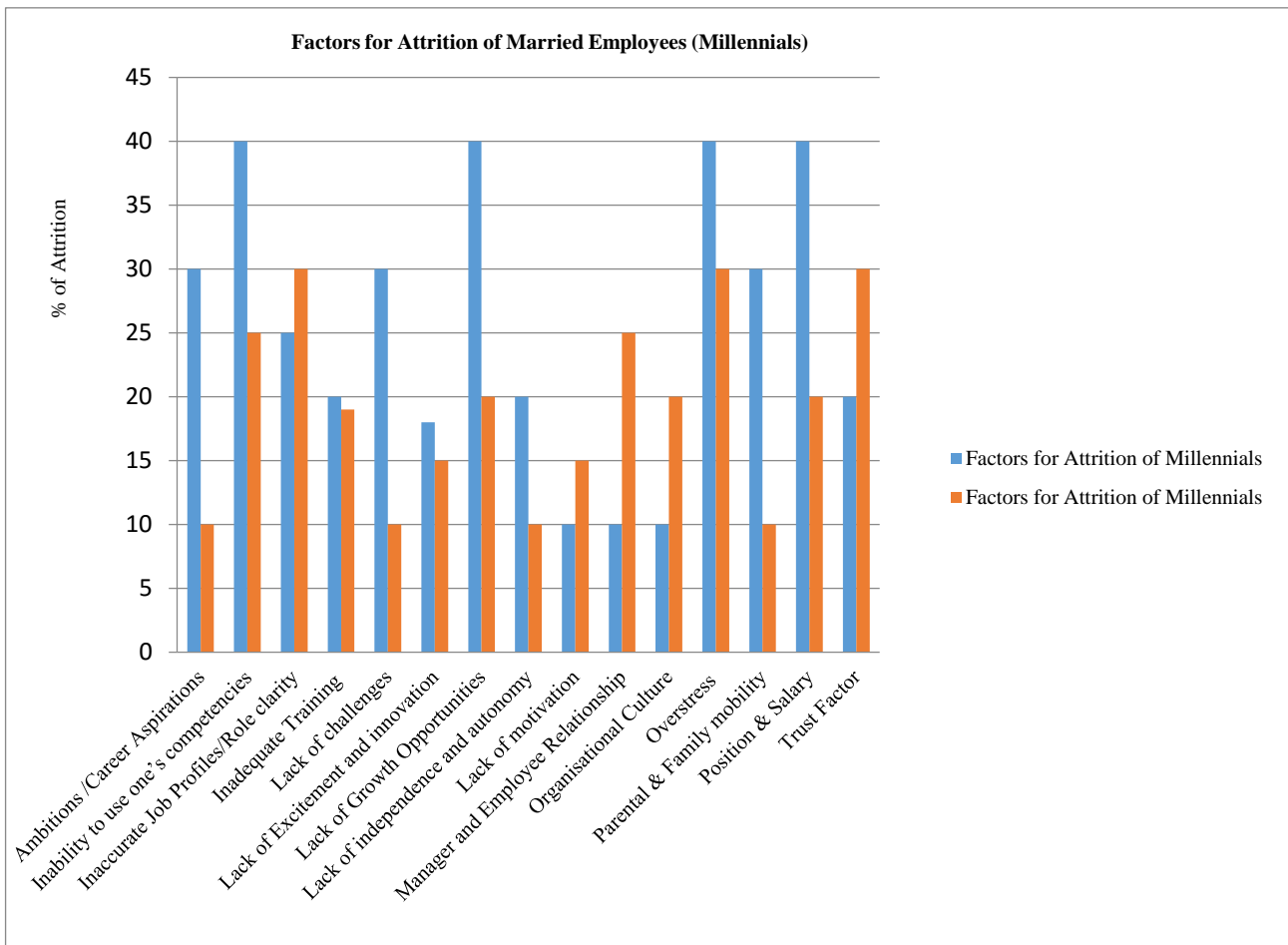
The above chart responses are analyzed from the data of married male and married female employees working in the IT sector. Most of the female employees leave their jobs due to family issues, timing, taking care of their children, work culture, lack of motivation, position and salary, lack of growth opportunities, and role clarity. Married men leave their existing job and look for better opportunities due to career aspirations, better profile, organizational culture, overstress, family issues, salary, and lack of trust factor from seniors.

Most of the married women employees also leave their jobs due to relocation of their husband's jobs, inconvenient timing of work due to shift in work timings, location of organization and commuting problem and many more as discussed during face to face interview with female employees.

**Figure 3: Unmarried Millennials Attrition Factors**
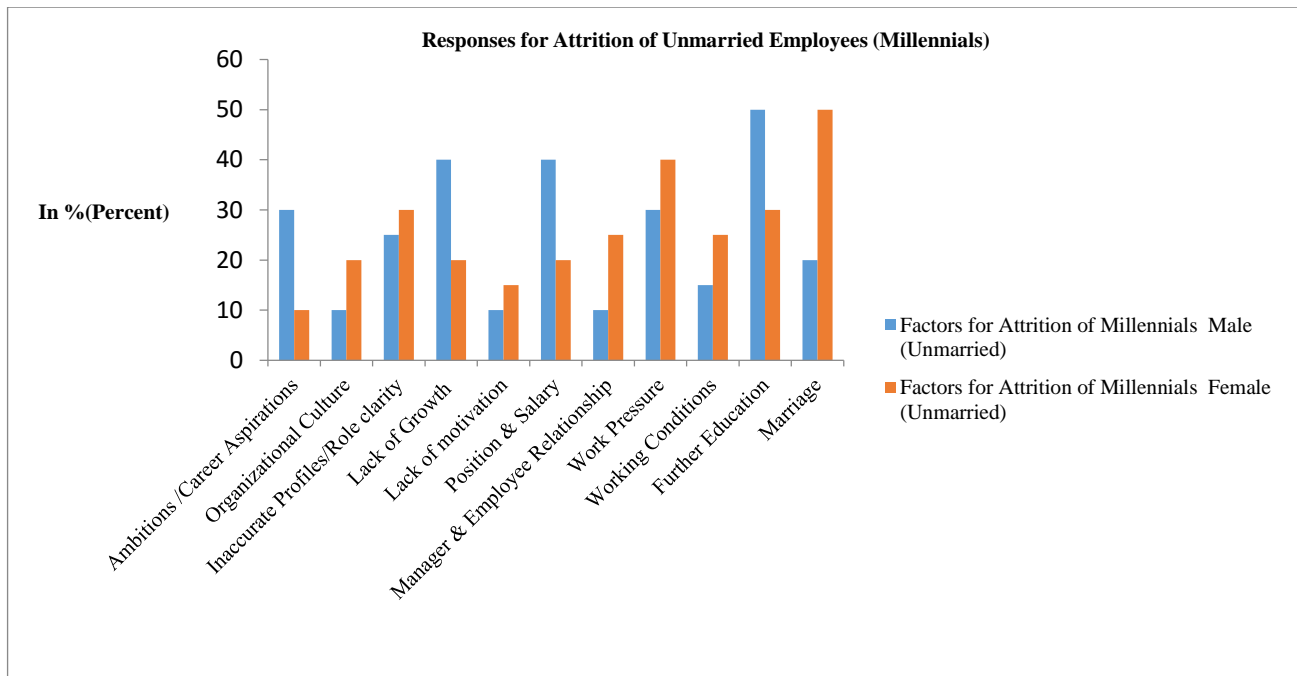
The questionnaire filled by employees was analyzed for those who were unmarried and was concluded that attrition happens mainly due to the following:

- As compared to married employees, unmarried employees are more focused and ambitious as they have to settle down in life.
- They easily get demotivated by the organizational culture and tend to leave the organization.
- They join the organization as soon as they get the opportunity without proper clarity on their role and later on regret joining.
- They are like free birds and do not want to follow the rules and restrictions laid down by Management.
- Some leave due to the option of further education for career prospects.
- They are not able to handle the pressure of work and decide to leave. This also happens due to the long working hours and shifts.
- Due to marriage, relocation, and family issues.
- Lack of motivation from their seniors for the work they perform.
- Not satisfied with the CTC they are offered after completion of probation period.
- Lack of growth opportunities.

Suggestions & Recommendation:

The below chart indicates the suggestions and recommendations to retain employees in the organization.

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Figure 4: Strategies Recommended for Retention of Employees
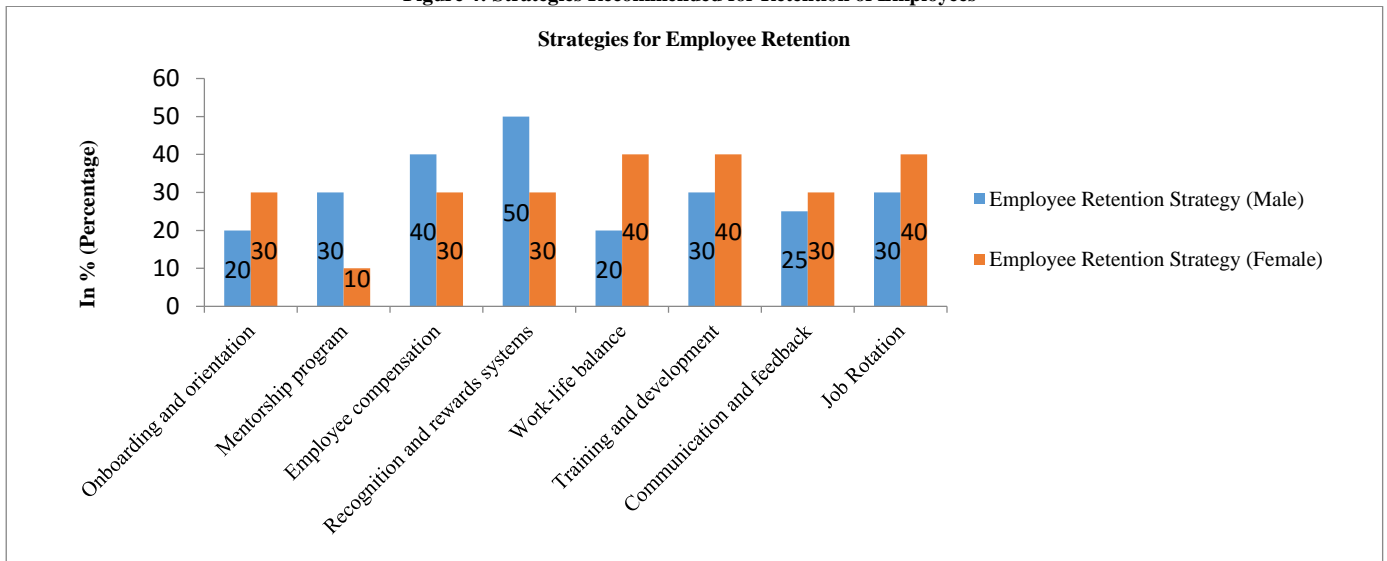
- Most of the employees during personal interaction shared that, if they are given compensation as per their profile and work responsibility they might consider not to switch the organization as they are also well aware that switching organizations frequently within a short tenure will create a bad image about them in the mind of their future recruiters.
- It is also equally important to make the new employee feel comfortable with their seniors and guide them and mentor them in case of any issues.
- A certain period should be given for training to get ready for the job without any hassle.
- Team spirit and coordination are a must for employees to work together.
- It was also shared by few employees that job rotation is very important if one is willing to learn and update oneself.
- The compensation offered should be as per the skills and abilities of a new entrant.
- Job monotony - Tedious repetition and same routine work should be avoided to retain an employee in an organization.

Following are some of the major prerequisites (Pictorial) which will certainly ensure retention of employees in an organization if taken care of by Management.

- ➢ Career
- ➢ Working Condition
- ➢ Inadequate Salary
- ➢ Gender bias
- ➢ Work-life balance
- ➢ Stress

Conclusion

To conclude, based on the above-reviewed articles, the following were the most commonly found reasons for employee attrition viz., inadequate salary, lack of career growth, improper working condition, stress, job dissatisfaction, job description discrepancies, organizational culture, organizational commitment, inadequate training, communication problems, centralization, gender discrimination, location, traveling distance, work-life imbalance, etc. The learning from this research paper with a sample of approx. 75 accounts for the affirmation that attrition in the IT sector is one of the fastest and growing issues that have to be tackled carefully and tactfully. Attrition for HR Managers is now a challenge to deal with. Employees now have to be retained by providing the stress busters, deserved recognition, fair treatment, and growth opportunities as they would prefer working at a place that keeps up their interest and growth in balance with the work and organizational goals.

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