

Challenging Attrition rates for IT & ITeS industries: Causes and Control measures

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Abstract- HR Teams globally are being bugged by high attrition rates. Its a mounting challenge with little that hr teams can do in order to control it or to reduce its impact, making attrition a topic of research for companies that are involved in routine talent hunt activities. Careful measures and goal setting is required in order to manage attrition. In order to change the direction of attrition versus time graphs, not only careful observation of potential reasons is necessary but also there is essential requirement of an intro-scope mechanism that helps in reducing the ill-impacts of employees leaving where it is necessary and retain them wherever its possible.

The uniqueness of this study is in its approach where it brings down the traditional notions that have been wrongly considered top reasons for attrition and highly analytical approach of newly established causes have been deeply analyzed. It has been established that employees start leaving their organisations when they are not connected with their work or they feel displaced in the whole hierarchy of their work environment. Beyond these, there are traditional factors that have been considerably contributing to attrition still in place like higher salaries, better located workplaces and people skills of the supervisors.

The causes have been discussed in detail along with their connection with the tenure of an employee in a particular organisation. A careful observation has been that employees have been staying with organisations in patterned structures which yields important information about their behavior. This has been connected with the reasons of employees feeling in-secured about their personal growth and being bothered more about the same rather than the work and hence planning to leave the organisation. There is a clear demarcation of traditional ways of handling issues related with attrition and the real causes of attrition. Whereas most companies have established policies and procedures in order to change the ever rising attrition graph' direction, this study challenges these traditionally established methods by clearly establishing that there is need to change the traditional understanding of these factors and the analysis of the same into a more clearly and openly understandable perspective. Where the later part of text establishes the clear need for employees to feel free about the expression of their experiences and this should not typically affect their feedback as most companies are running a background verification for newly hired employees and many a times employees stay worried about the same and hence usually want to avoid any such trouble so they do not share the typically true feedback while leaving.

Innovative approaches have been defined and put into practice through this research that include validating the data provided by an employee that is leaving an organisation because it has been observed the most employees do not share the real reasons of their leaving an organisation. There has to be a free environment

in order to receive honest feedback. Further, more precise description of one's work has to be established and explained in the employee induction and if required, there can be regular induction programs planned for employees of higher significance, this eventually makes them feel more connected and the roles and objectives of the employees will be clear to them at all times. It has been commonly seen that companies have been conducted monthly or quarterly meetings or sessions with employees, but those meetings mostly share the objectives, goals and visions of the organisation, and not the significance of an employee in achievement of the same application.

Index Terms- Attrition, causes, measures, employee satisfaction, attrition departments.

I. INTRODUCTION

IN today's rapidly changing and developing business world, business had become directly dependent on people and this makes these people involved in business at different levels of organisational structure critical for business. No organisation wants its business to downsize eventually making the employees all the more critical assets for the organisations. This is why HR managers worldwide are facing challenges in strategically bring to lower quarters high attrition rates and some of the rapidly developing economies like India sees highest attrition rates in their core IT and ITeS Sectors as the biggest challenge that is affecting businesses and hence overall growth of the nation.

A study India Attrition Survey 2008 was conducted by Assesspeople in Indian IT and ITeS industry in which the relationship between push and pull factors and the imbalance in these two factors was targeted and established and the results were alarming. It was noticed that where compensation was listed to be fifth relevant factor on the push list, it was listed to be number one factor on the pull list. Similarly other factors were analyzed and researched in detail. This article also entails from the same study and tries to dig deeper into the woos of the HR Managers of Indian IT Industries that have been witnessing attrition rates as high as 23% in FY 2011 (Study conducted by MyHiringClub.com) which is highest among all sets of industries. According to experts, the attrition rate for Indian Inc. in June '12 quarter is set to touch as high as 33% which is 9-10% more than the previous quarter (Jan '12 – Mar '12) when average attrition rate was 27%.

Also, Retention and Employee Attrition has been listed as the most challenging tasks by most HR Managers as compared against strategic policy management and hiring. The top reason for an employee leaving an organisation has been traditionally identified (63% of the respondents) as a higher salary. Beside

higher salaries, role of immediate supervisor, concerns about individual's career are usually other top of the list reasons. While latest researchers(Parker, 11) have established that these reasons are significant in specific regions only. For example, the research done by Dr. Parker in this context came up with alarmingly different set of results, where an overarching factor was located to be employees lacking the feel of connection with the purpose of their work and their progress in the same context. This study was conducted in South eastern countries.

As per the results of study conducted in 2011 by a reputed HR firm (MyHiringClub.com- An Asian and Gulf/Middle East recruitment tendering platform), employees with up to 5 years of experience had the highest rate of attrition (39%) while employees with higher experience ranging from 5-10 years were less vulnerable (27%), employees with 10-15 years of experience were even less prone (22%). Interestingly, employees with experience more than 15 years were the least vulnerable and had a very low attrition rate of just 15%.

Even though the issue is clear and widely observed, the solution is far from reality. The need of the hour is to focus on business as the entire world is hooked to India as the growing economy and hence strategies need to be developed in order to deal with these challenging high attrition rates. The issue can be bifurcated into two aligned parallels – Retention and Employee Attrition. This conceptual study will dig deep into the issue considering retention and employee attrition as two parallels and factors going green with them, affect of the same and towards the end of the text discuss the list of strategies that can be used at different levels of organisational hierarchy to address this issue with grace, as eradication is definitely a distant dream.

Attrition more or less had been an overlooked issue in times when global economies were facing potential threats and South Asian employee grade was fighting it out to survive the bad times. As the economies started recovering from the ocean of recession, attrition rates started to rise as well. So, if put in other words, is it a corporate behavior that if an organisation does not guarantee an employee a safe job, the employees also earns a right to act the same way? Lets start drilling down this issue by a simple question : How many employees plan to quit a job just because they do not feel safe in their current jobs? 67% of the respondents are of the view that is a favorable answer to this question. This shows that the need of the hour is not just to make money, but also to ensure that the contribution of employees is well placed and managed in a way that the connection is strong and is valued. Attrition (usually through normal retirement or through resignations) has been traditionally discussed as one of the potential challenge areas in the field of Knowledge Management, because although a vacant position might be filled in easily, but void in the knowledge gap is not. This comes from the concept of a potentially challenging economy where all-size-fits-all phenomenon is no longer working, and a vacant position by attrition is basically a gap of knowledge-base, and this vacancy in knowledge base cannot be filled in by just any newperson. This is precisely what is referred to as tacit knowledge, which most organisations today are grappling to capture and retain. This very nearly pertains to what AQPC referred to as the Cultural and Historical knowledge, in addition to the Individual or Proprietary knowledge that goes off without

being codified and migratory, and therefore is never assimilated in the organisation as invisible knowledge.

II. CAUSES

Invisibility of one's purpose of work: Most of the times one would find monetary considerations to be the top reason for an employee leaving an organisation and joining another organisation in published material, whereas recent research has established that one of the top reasons of employees leaving an organisation is that they are not clear about the purpose of their work and hence they perform their work only for the sake of their job and not for the sake of their own growth. It has been established that employees that understand and connect with the reason of their work are more motivated and are successful in their respective roles. HR Manager of a reputed IT company while sharing his experiences said that an employee was given the charge of a department where the employee had no previous functional experience in that domain. The HR Manager said that this was based on the capabilities and the understanding of one's purpose of the work. As the person was clear about his objectives and the significance of the role he was going to perform, this exceptional decision was taken. This was primarily linked with the purpose of one's being in a particular role. People who understand their purpose of work and connect with their particular roles in an organisation, have been observed as more successful and resulting.

Uncertainty of career growth path: The reason that appears later in the list of top causes of high attrition rates has been identified as employees being more and more conscious about the growth of their careers. Most corporates have started implementing policies for the enhancement of careers of their employees, but the policies most of the times are so restricted and so restrained that employees are unable to fetch the mentioned benefits of these policies directly. So, companies offering lucrative salary hikes and direct benefits are more suitable to employees seeking direct growth in their careers. Employees being more and more oriented towards their growth are posing a potential challenge to the HR Teams globally in order to contain their employees by implementing change policies and policies for employee retention. Most companies lack policies that connect the employees with senior management in the organisational structure and this also makes employees more vulnerable. Although changes in the structure of organisations during the last decades are diverse and difficult to summarize by a few key concepts, there has emerged an agreement that employee involvement is an important measures in modern personnel management (Delery and Doty 1996), (Appelbaum et al. 2000), (Godard 2004). Addison et al. (2000) shows that establishments of different sizes might be affected differently by employee involvement. Typical measures to make employees clear about the growth path are involvement in the larger picture than in only teamwork, lean management, and reduced hierarchic levels (Godard 2004).

Lack of connection: Traditionally the task at hand of most HR managers have been considered as hiring and firing, but the right time to bust these kind of myths has finally arrived when the most trivial tasks including understanding and coping up with the psych of most employees has been attributed to the HR vertical as well. From hiring to induction, from allotting an employee

with a team to managing their day to day issues and resolving them has been all taken care of by HR managers. Now, that attrition is becoming a routine worry, HR managers have to further drill down and keep the employees connected with the company and also with their work. This has been identified as yet another cause of high attrition rates across IT-ITeS companies. An employee feels left out when they are not directly involved and are mostly informed about the latest happenings at the company through news or other media. This leaves them disconnected with the company. Employees leave disconnected when they are just a part of the ladder and they don't even realize which level they are completing in that ladder. HR managers mostly face challenges when employees come across with challenges pertaining to their job profiles. Detailed understanding of the broader picture is necessary for most employees. They need to understand their specific role in the overall development of an organisation. This makes them feel more connected and more involved eventually bringing down the grievances in terms of lack of involvement. Another advantage of this is employee engagement which is a 21st century phenomenon and most researchers have been engaged in typically defining and observing it by implementing it in a number of workplaces. The results so far have been great. To be precise, the more an employee is connected to one's work, the more actively and more sincerely does one work.

Better pays: Attrition is a direct response to a number of factors that have been traditionally classified as Internal (to the push/current employer) and External (with reference to outer industry standards or to pull employer). The top cause has been identified as monetary considerations. IT industry worldwide is facing a continuous thirst for talent and this makes it challenging for HR teams globally to retain employees. Most sought out cause of an employee leaving an organisation has been cited as an offer where they have been offered a higher salary. Also, in today's challenging world every employee wants to leverage their experience and needs a better pay.

Behavior of immediate supervisor: 33% of the respondents in a research conducted by NASSCOM Mckinsey in 2010-2011 enlists unacceptable behavior of immediate supervisor as a top reason for their leaving an organisation, which is a noticeable amount of respondents. It has been widely observed that most people working in IT environment understand their responsibilities and are dedicated to them, but in order to produce results they need a free environment whereas most supervisors of this category create a suffocating environment for them and they are unable to cope with this kind of environment. There are some who enlist gender related issues to be a contributor to this factor although the reason cannot be generalized to a specific gender and is most commonly observed in all genders equally.

A lot has been researched and attributed till date about causes of attrition, but nothing can be generalized. If there is a need, there is a need to control it and in order to control it, it is very important to make employees feel comfortable and safe in their roles and jobs. Most important is to appreciate the employees to speak up openly, work in freedom, make them more accountable, make them feel secured in their jobs and by initiating a process of open environment where all are equal in terms of benefits and accountability. Most companies fail to achieve this and hence have higher rates of attrition. In the res part of this text, measures

to control attrition have been discussed. These are some measures that have been constantly ignored as the entire focus has been in location the reasons for attrition rather than spending a decent amount of effort in establishing its relationship with was to control attrition and merging both together in order to reduce it.

III. MEASURES TO CONTROL ATTRITION

Lukas Dockal of Czech IT recruitment firm Advanced Search Technology told me about their loyalty study and the results were quite interesting. Over 50 percent of the software developers remained on the job for 4 years, although by the year 5 the number goes down to 37 percent. It is probably normal, that after 4 years, programmers look for new challenge – at least a mini survey conducted at LinkedIn Q&A board about the average longevity of an employee confirms that 4 years is typical.

Despite recruiters' concern about new hires leaving during the trial period, the study shows that only 5 percent leave on average and over 70 percent stay with that employer for at least a year. This figures, which may demonstrate how well Advanced Search Technology is doing, are also useful to further fine-tune a business case taking into account additional costs to replace those who leave. As for the reasons, alas the most common being money and satisfaction with their job. So an employer calculates cost of attrition (recruiter's fees and training cost) and chooses to offer annual bonuses instead, the attrition rate is likely to go down. The remaining part of the article discusses in detail the important measures to control attrition at organisational level.

Authentication of attrition data: In the most likely events, employees cannot be expected to share the exact or real reason of leaving an organisation, which furthers makes it difficult to contain attrition as alteration of policies or procedures would have no effect unless it is driven by facts. Exit interviews are rhetoric than reality, there has to be some more measures that assist leaving employees in a comfortable exit and that saves the organisational loss in future. If this data is to be believed, it has to be well validated. In order to make this data calculate, it can be anonymously put across to the team members from where a member is leaving and their feedback can genuinely be counted. Further, most HR have been getting this data filled in just for the sake of a process and hence it is absolutely useless. HR should adopt measures to validate this data where employees leaving an organisation share their experiences and perhaps reasons of leaving their current jobs.

More precise employee inductions: As we cast the most important reason of employees leaving their current jobs to be a missing purpose, a challenging task is to make them see the bigger picture and explain how they fit in for a particular role and how important is their contribution to the entire cause of organisation. A survey conducted by a top end surveying company in south east Asia brings to light the fact that most employees do not feel interested in an induction session as it does not talk about the role of the employee in the organisation but is all about the organisation and its key operations. These things can be discussed but the role of individuals is also to be discussed precisely. This makes the newly hired feel more connected and this can be a repeated process as well, wherein employees are repeatedly exposed to their respective roles and their individual importance.

Formal and informal information exchange: Another type of disconnection that has been widely seen and observed in organisations affected by attrition is that employees are unaware of the details of information that is not necessarily confidential. The employees need to be kept connected with information or details that are not confidential subjects of matter for the organisation. This keeps a balance in the relationship and employees who get to know about company policies and other relevant details like revenue details, etc from newspapers are largely dissatisfied with the same. Team Leaders or Managers can manage this very easily by organizing regular small and friendly talks with team members individually, can even be discussed over an unplanned break for coffee. This keeps employees connected and the leaders of managers are also aware of what exactly is going on in their teams.

Pull back interactions: Employees must be retained but to what extent can organisations expand the scope of their policies in order to do that is the question. A free and honest interaction once an employee has submitted the resignation must be organized and the name must not be an exit interview. The idea is always to hold onto them not throw them out. Most employees have been observed considering exit interviews as negative term and hence also they are not bothered about the same. In pretext, we have already noticed that these interactions have to be really validated as the results of this are valuable in a number of ways. Pull back interaction is a method through which an employee who wishes to leave is encouraged to share the issues and challenges faced and to express the exact reason of them leaving. Also, based on the experience in a profile and other factors, HR managers can decide whether they want to hold an employee back or not. This may be a crucial decision as sometimes, employees do value their relationship with the organisation but unfortunately are unable to bring the change they want to feel in the organisational structure or work culture. To reap the maximum benefit out of these interactions, the entire set of reasons and issues must be kept highly confidential and in case HR department fails to retain an employee, the feedback received from the leaving employee should be used in making the workplace better for the remaining employees.

Department of attrition: A new approach towards working out these high attrition rates can be to take this burden off the shoulders of already bugged HR departments and define a new department to deal with it. As mostly sought out that HR professionals are usually equipped with mostly people skills along with a major emphasis on business oriented principles and procedures, whereas the need for control measures of attrition is altogether different. The most important characteristic that has been found missing in most organisations losing employees is an emotional connection. This emotional connection could not be directly correlated with HR professionals rather professionals with appropriate skills need to be included in the chain. Some companies have already started hiring similar individuals in their HR teams, but a distinction of department would further clear the sky and a separate department with specific roles and responsibilities would be easy to observe and evaluate.

IV. CONCLUSION

A predictive and workable analysis entails creating multidisciplinary regression model and good data access and a skilled analyst to understand it. Deliberate discussions, detailed and in-depth analysis of data and feedback from multiple channels put together can bring a change in the direction of attrition graphs, but there is no denying that it is a challenging task and the road ahead is full of innovative strategies that have to be put together in order to deal with the same. There is need for organisations to start understanding employees in a better way and to create a more reliable and concrete relationship with their employees. The golden objective of achieving remarkably low attrition rates is possible, only few factors are to be taken care of and have to be dealt with somewhat emotional attitude. This certainly is an ambitious and rewarding endeavor for any organisation, but the strategies that flow from these analyzes often yield insights into your base capabilities that can dramatically transform entire attrition chaos if implemented in proper way.

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