

RETENTION AS AN ISSUE IN INDIAN SOFTWARE INDUSTRY

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ABSTRACT

It is an established fact that the success of any organization depends largely on its employees. To attract the talented employees has never been a problem in software industry, however retaining them has always been a challenge. Employee turnover is the never ending problem faced by the Indian software industry due to less compensation and less career growth, dissatisfaction with the work environment or with the superiors, less onsite opportunities and misbalance between personal and professional life. Indian software professionals are in great demand in India as well as in abroad. The study focuses on employee retention strategies adopted by the software industry.

Keywords: *Employee Retention, ITS Industry, Retention Strategies, Retention Factors.*

INTRODUCTION

In simple terms, 'Employee Retention' means adopting measures which motivate and encourage the employees to stay with the organization for the maximum period of time. In the modern times particularly, the software companies are facing huge problem in retaining employees over a longer period of time.

Current scenario of Software Industry in India

The Indian Software Industry plays a critical role in India's economic growth. Software industry in India is viewed as growth engine of Indian economy, contributing in increase of Gross Domestic Product (GDP), urban employment and exports. Over the last decade the Software industry has grown at more than 30 percent annually. In India Software companies are concentrated in certain places like Bangalore, Cochin, Chandigarh, Chennai, Delhi, Gurgaon, Hyderabad, Calcutta, Mysore, Mumbai, Noida and Pune.

REVIEW OF LITERATURE

Tripathi and Pareek (2015) opined that employees can be retained directly or indirectly in the organization. Directly by signing legal bond with the employee or indirectly by following some strategies. He categorized retention strategies at three level low, medium and high levels. At low level employees should be provided with good working conditions and some fun activities, at medium level focus should be at providing them training and development opportunities and at high level they are more interested in family holiday packages provided by company and timely good appraisal.

George (2015) explored two types of retention factors one at organization level and at job level. Organizational factors are management, pleasant environment, social support and developmental opportunities. Factors at job level are compensation, autonomy, work-load and work life balance. It was found that organizational level factors are more important for employee retention than job level factors.

Dominguez et al (2014) identified that there are several factors that affect the intentions of an employee to leave the organization. These factors include attitude towards work, support, attachment, justice, policies and practices, stress, leadership, behavior and individual personality. Employee's intentions to leave job can be reduced by favored policies and practices, development

of opportunities and motivation. Stress is important factor that triggers the employee to leave it can be reduced by favorable work alternatives.

Hassan (2014) identified that there are various factors that affect the turnover intentions of employees. These factors include organizational commitment, job stress, job characteristics, promotion opportunities, pay level and rewards, quality of work-life and job satisfaction. Job stress is the most significant factor influencing turnover intentions.

Janani(2014) stated push factors and pull factors that affect employee turnover intentions. Push factors include benefits and facilities, size of organization, location of organization, nature and kind of organization, communication system in organization and pull factors are high salary, career advancement, new challenges and interesting job. There are some personal factors also that affect employee turnover intentions are age, marital status, health problems and family related issues.

Suhasini and NareshBabu(2013) identified that employee leave the organization due to dissatisfaction with organizational culture, compensation, lack of motivation and challenging work environment but if the employees are provided with better career development opportunities, environment of openness and trust, effective utilization of employee's skills and management policies regarding rewards and recognition then employee retention can be encouraged.

Hassan et al (2013) identified that job training plays very important role in employee retention. The type of training and duration of training is very important. Rewards and supervisory support is very important for retaining the employees.

Nazia and Begum (2013) suggested that work load is a reason of employee turnover so the strategies that can reduce work load should be adopted. It can reduced by job rotation, change in work location or by some other recreational activities. Strategies that can provide respect, rewards and recognition should implement in the organization. Welfare measures and grievance handling should be improved. The companies should provide recreational activities and yoga/meditation to its employees. Frequent reviews should be conducted in the organization.

Joseph and Shastri(2013) suggested that relocation is very important factor for the turnover intentions of an employee. Peers influence also affects the turnover intentions of an employee. Work-life balance, better job content, management policies and salary norms influenced the intentions to quit the job.

Boyar et al (2012) identified six reasons that help in explain why individuals leaving their jobs. These factors are family situations, travel distance, job-content, work related stress, relationship with friends and managerial support. It was found that employees who have less financial obligations are more likely to leave the organization.

Zachariah and Roopa(2012) indicated that there are personal reasons for leaving the organization; Organizational factors that influence employee to stay back in the current organization, personal factors that influence employees to stay back in the current organization, attitude of employees towards work and work relationship and expectation of IT professional from organization.

Sinha (2012) identified that skill recognition is a very effective retention strategy at any age. Employees can be retained in an organization by providing them good compensation structure. Other retention strategies are providing employee with supportive and learning environment, Flexi timing, training and development opportunities are very important retention strategies for retaining the employees.

James and Mathew (2012) identified some important retention strategies. They include rewards and recognition, training and development opportunities, mentoring and coaching sessions, career planning, flexi work timing, annual performance appraisal, on site and day care facilities. At graduate level flexible work timing is very important retention strategy. Rewards and recognition is very important for retaining the employees. Best way to enhance the employee retention is to understand what employees want from organization.

SreeRekha and Kamalanabhan(2012) identified that turnover intentions have two dimensions one at individual level and other at organizational level. At organization level organizational support and organizational justice affect the turnover intentions of an employee and at individual level job satisfaction, alternative job opportunity and organizational commitment are important factors for quitting job.

OBJECTIVES

The researcher' basic aim here is to study the Employees Retention in software industry with Special Reference to National Capital Region Delhi to be achieved by studying the following objectives:

- Identifying reasons for employee turnover in the software industry.
- Explore the significance given by the software companies for employee retention in current scenario.
- To explore the methods for reducing employee turnover.

MATERIAL AND METHODS

The author has reviewed the current employee retention processes of the organizations (selected software companies in NCR Delhi, they are HCL, Tata Consultancy Services and Dan Foss) by interviewing the employees of the organizations. There were some issues to be considered with inductive research such as it's time consuming nature and the danger that no key themes emerge from the data (**Easterby et al, 2002**) the author considered these potential issues and felt that the benefits of this approach outweigh the potential downsides. A questionnaire survey research method has been used by the author to seek responses from the employees of the organizations (selected software companies in NCR Delhi). The author selected a sample size of 180 employees of three software companies' in NCR Delhi (60 respondents from each company) and raised a questionnaire to seek responses from them.

ANALYSIS AND DISCUSSION

ANALYSIS FOR DAN FOSS

According to the survey done in Dan Foss, the reason which prompts employees to leave the company appear to be" Dissatisfaction with Payroll & Benefits" with 27% followed by Personal Reasons (Relocation health Marriage) as it has got 23%.

Reason wise Analysis

Interview Analysis Total Respondents 60

Reasons	Numbers	Percentage
Personal Reasons(Relocation health Marriage)	14	23%
Higher Education	4	7%
Other Reasons	5	8%
Inadequate career growth/developmentopportunities	6	10%
Dissatisfaction with Payroll & Benefits.	16	27%
Problem with reporting manager	3	5%
Dissatisfied with Induction/ Training	3	5%
Dissatisfaction with working condition	3	5%
Lack of reward & Recognition opportunities	6	10%
Total	60	

Analysis on areas of improvement for organization

Improvement Areas	Numbers	Percentage
Improvement in services like transport & cafeteria	10	17%
Any other areas	5	7%
Improvement in communication channels with TL's /Managers	10	17%
Improvement in HR policies/guidelines/practices	15	25%
Improvements in organizational policies and practices	10	17%
Improvements in resources /materials infrastructure	10	17%
Total	60	

Areas of Improvement: Dan Foss employees think that HR policies need be improved which got 25%votes.

Adequacy of training

Feedback	No.	Percentage
Yes	38	63.33%

No	22	36.67%
Total	60	

Training: Around 63% employees are satisfied with the training programmes

Was the Induction adequate?		
Feedback	No.	Percentage
Yes	36	60%
No	24	40%
Total	60	

Induction: Around 60% employees think that induction program was adequate

Analysis on Most and Least liked practices

Best liked Practice		
Practice	No.	Percentage
Medical	11	18%
Education Policy	6	10%
Bi- Annual Appraisal	17	28%
All Policies are good	12	20%
Leave Policy	10	17%
Marriage	4	7%
Total	60	

Best Liked Practices: “Bi annual appraisal” appeared to be the best liked practices whereas about the least liked practice, “leave policy” seem to be fall in this category

Least liked Practice		
Practice	No.	Percentage
Leave Policy	19	32%
No Incentives	11	18%

Appraisal	17	28%
Transport	6	10%
Transfer Policy	7	12%
Total	60	

Referring or suggesting their Friends to join the Company or Not?

Yes	44	73%
No	16	27%
Total	60	

Referring to Friends: About 73% employees said that they will refer this company to their family and friends.

Prevention from departure

Change	No.	Percentage
Nothing	13	22%
Good Pay Package	25	42%
Long Leave	12	20%
Promotion	10	16%
Total	60	

Prevention from departure: “Good pay package” seem to be the primary reason which can prevent employees from leaving

Major Factor Of Joining New Organization

Factor	No.	Percentage
Not Joining any Company	22	30%
Salary	18	37%
Promotion & Salary	6	10%
Change of TL	9	15%
Designation	5	8%
Total	60	

Major factor joining other company: “Salary” appears to be the primary reason for joining the other company.

ANALYSIS FOR TCS

Reason wise Analysis Total Respondents = 60		
Reasons	Numbers	Percentage
Personal Reasons(Relocation health Marriage)	6	10%
Higher Education	5	8%
Other Reasons	5	8%
Inadequate career growth/development opportunities	6	10%
Dissatisfaction with Payroll & Benefits.	10	17%
Problem with reporting manager	13	22%
Dissatisfied with Induction/ Training	4	7%
Dissatisfaction with working condition	4	7%
Lack of reward & Recognition opportunities	7	12%
Total	60	

According to the survey done in TCS, the most prompting reason for the employees appears to be “problem with the reporting manager” as it got 22% votes followed by “Dissatisfaction with Payroll & Benefits” with 17%.

Analysis on areas of improvement for organization		
Improvement Areas	Numbers	Percentage
Improvement in services like transport & cafeteria	13	22%
Any other areas	10	17%
Improvement in communication channels with Managers	12	20%

Improvement in HR policies/guidelines/practices	10	17%
Improvements in organizational policies and practices	7	12%
Improvements in resources /materials infrastructure	8	12%
Total	60	

Areas of Improvement: TCS in spite of being considered as one of the place to work, majority of employees think “Improvement in communication channels with Managers” need to be improved with 20% votes

Was the training adequate?		
Feedback	No.	Percentage
Yes	34	56.67%
No	26	43.33%
Total	60	

Training: Around 57% employees are satisfied with the training programmes

Was the Induction adequate?		
Feedback	No.	Percentage
Yes	33	55%
No	27	45%
Total	60	

Induction: Around 55% employees think that induction program was adequate

Analysis on Most and Least liked practices		
Best liked Practice		
Practice	No.	Percentage
Medical	12	20%
Education Policy	12	20%
Bi- Annual Appraisal	26	43%
All Policies are good	3	5%
Leave Policy	5	8%
Marriage	2	4%
Total	60	

Best Liked Practices: “Bi annual appraisal” appeared to be the best liked practice in TCS which has got 43% whereas about the least liked practices, “NO INCENTIVES” got 32%

Least liked Practice		
Practice	No.	Percentage
Leave Policy	16	27%
Nothing	4	6%
No Incentives	19	32%
Appraisal	6	10%
Transfer Policy	15	25%
Total	60	

Referring or suggesting their Friends to join the Company or Not?

Feedback	No.	Percentage
Yes	39	65%
No	21	35%
Total	60	

Referring to Friends: About this 65% employees said that they will refer this company to their family and friends.

ANYTHING WHICH COULD PREVENT FROM DEPARTURE

Change	No.	Percentage
Nothing	11	18%
Good Pay Package	20	33%
Long Leave	4	7%
Promotion	6	10%
Good hr practices	10	17%
Change of TL	9	15%
Total	60	

Prevention from departure: “Good pay package” seems to be the primary reason which can prevent employees from leaving

MAJOR FACTOR OF JOINING NEW ORGANIZATION

Factor	No.	Percentage
Not Joining any Company	9	15%
Salary	21	35%
Promotion & Salary	12	20%
Good hr practices	10	17%
Designation	8	13%
Total	60	

Major factor joining other company: “Good pay package” appears to be the primary reason with 35% for joining the other company followed by “salary and promotion” with 20% supports

ANALYSIS FOR HCL

Interview Analysis		
Total Respondents = 60		
Reason wise Analysis		
Reasons	Numbers	Percentage
Personal Reasons(Relocation health Marriage)	8	13%

Higher Education	11	18%
Other Reasons	4	7%
Inadequate career growth/development opportunities	10	17%
Disatisfaction with Payroll & Benefits.	10	17%
Problem with reporting manager	7	12%
Dissatisfied with Induction/ Training	2	3%
Dissatisfaction with working condition	5	8%
Lack of reward & Recognition opportunities	3	5%
Total	60	

In HCL, the reason which prompts employees to leave the company is “higher education” which has got 18% votes. The least important reason comes out to be dissatisfaction with training and induction” as employees were really satisfied with this.

Analysis on areas of improvement for organization		
Improvement Areas	Numbers	Percentage
Improvement in services like transport & cafeteria	26	43%
Any other areas	15	25%
Improvement in communication channels with TL's /Managers	3	5%
Improvement in HR policies/guidelines/practices	3	5%
Improvement in HR policies/guidelines/practices	7	12%

Improvement in HR policies/guidelines/practices	6	10%
Improvement in HR policies/guidelines/practices	60	

Areas of Improvement: HCL employees think that improvement in services like transport & cafeteria should be improved which got 43% where as the least important reason comes to be "Improvement in communication channels"

Analysis on Induction and Training		
Was the training adequate?		
Feedback	No.	Percentage
Yes	47	78.33%
No	13	21.67%
Total	60	

Training: Around 73% of the employees are satisfied with the training programmes

Was the Induction adequate?		
Feedback	No.	Percentage
Yes	34	57%
No	26	43%
Total	60	

Induction: Around 57% employees think that induction program was adequate

Best liked Practice		
Practice	No.	Percentage
Fast tracker	28	47%
Medical	11	18%
Buddy Boom	2	3%
Education Policy	3	5%
IJP	4	7%
Bi- Annual Appraisal	2	3%
All Policies are good	2	3%

Leave Policy	5	8%
Marriage	3	5%
Total	60	

Best Liked Practices: “Fast Tracker” appeared to be the best liked practices whereas about the least liked practices, “leave policy” seem to be fall in the category of least liked practices

Least liked Practice		
Practice	No.	Percentage
Leave Policy	12	20%
Nothing	14	23%
CAP Letters	8	13%
No Incentives	11	18%
Appraisal	2	3%
Transport	6	10%
Fast Tracker	4	7%
Transfer Policy	3	5%
Total	60	

Referring or suggesting their Friends to join the Company or Not?

Feedback	No.	Percentage
Yes	42	70%
No	18	30%
Total	60	

Referring to Friends: About 70% employees said that they will refer this company to their family and friends

ANYTHING WHICH COULD PREVENT FROM DEPARTURE

Change	No.	Percentage
Nothing	13	22%
Day Shift	25	42%
Good Pay Package	6	10%

Long Leave	5	8%
Promotion	6	10%
Change of TL	5	8%
Total	60	

Prevention from departure: Day Shift seems to be the primary reason which can prevent employees from leaving

MAJOR FACTOR OF JOINING NEW ORGANIZATION

Factor	No.	Percentage
Day Shift	25	42%
Not Joining any Company	9	15%
Salary	8	13%
Promotion & Salary	7	12%
Designation	11	18%
Total	60	

Major factor joining other company: Day Shift appears to be the primary reason for joining the other company.

FINDINGS

DAN FOSS

1. According to the survey done in Dan Foss, the reason which prompts employees to leave the company appear to be "Dissatisfaction with Payroll & Benefits" with 27% followed by Personal Reasons (Relocation health Marriage) as it has got 23%.
2. Areas of Improvement: Dan Foss employees think that HR policies need be improved which got 25% votes.
3. Training: Around 63% employees are satisfied with the training programmes.
4. Induction: Around 60% employees think that induction program was adequate.
5. Best Liked Practices: "Bi annual appraisal" appeared to be the best liked practices whereas about the least liked practice, "leave policy" seem to be fall in this category.
6. Referring to Friends: About 73% employees said that they will refer this company to their family and friends.
7. Prevention from departure: "Good pay package" seem to be the primary reason which can prevent employees from leaving.

8. Major factor joining other company: "Salary" appears to be the primary reason for joining the other company.

TCS

1. According to the survey done in TCS, the most prompting reason for the employees appears to be "problem with the reporting manager" as it got 22% votes followed by "Dissatisfaction with Payroll & Benefits" with 17% votes. It was quiet surprising to get such kind of results from a company which is considered to be as one of the best place to work.
2. Areas of Improvement: TCS in spite of being considered as one of the place to work, majority of employees think "Improvement in communication channels with Managers" need to be improved with 20% votes.
3. Training: Around 57% employees are satisfied with the training programmes.
4. Induction: Around 55% employees think that induction program was adequate.
5. Best Liked Practices: "Bi annual appraisal" appeared to be the best liked practice in TCS which has got 43% whereas about the least liked practices, "NO INCENTIVES" got 32%.
6. Referring to Friends: About this 65% employees said that they will refer this company to their family and friends.
7. Prevention from departure: "Good pay package" seems to be the primary reason which can prevent employees from leaving.
8. Major factor joining other company: "Good pay package" appears to be the primary reason with 35% for joining the other company followed by "salary and promotion" with 20% supports.

HCL

1. In HCL, the reason which prompts employees to leave the company is "higher education" which has got 18% votes. The least important reason comes out to be "dissatisfaction with training and induction" as employees were really satisfied with this.
2. Areas of Improvement: HCL employees think that improvement in services like transport & cafeteria should be improved which got 43% where as the least important reason comes to be "Improvement in communication channels with TL's /Managers" and HR policies as the communication system really seems to effective and open.
3. Training: Around 73% of the employees are satisfied with the training programmes.
4. Induction: Around 57% employees think that induction program was adequate.
5. Best Liked Practices: "Fast Tracker" appeared to be the best liked practices whereas about the least liked practices, "leave policy" seem to be fall in the category of least liked practices.
6. Referring to Friends: About 70% employees said that they will refer this company to their family and friends.
7. Prevention from departure: Day Shift seems to be the primary reason which can prevent employees from leaving.

8. Major factor joining other company: Day Shift appears to be the primary reason for joining the other company.

CONCLUSION

This paper concludes that employee retention has become major concern for corporate now days. The retention of the precious IT workers become difficult day by day due to complex nature and demands of the work and inability of management to understand their need leading them to change their jobs. This study brings out that work environment, family problems, compensation, relation with superiors are the prominent factors that may be considered while planning a job change by an IT professional. Every company wants to retain its employees but when they get trained have tendency to move to other organization for better prospects. This paper concludes that companies felt the importance of retention strategies and accepted that without it they won't be able to survive in competitive market. Some benefits like lucrative salary, flexible timing, better work environment and better career growth helps in retention. If any employee is leaving organization then HR department should intervene and know the exact reason for leaving. Organization should aim at developing effective retention practices and policies which increase employee retention

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