

Assessment of Individual and Propel intention for Job Attrition on Software Industry: Voice from Software Employees in Bangalore city, India

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ABSTRACT: It has been observed that professional software employees retention become a challenge for software Industry in India as the attrition rate has been significantly increased in recent years. The main objective of this paper assessment of Individual and Propel concern for Job Attrition on Software Industry. Primary data were collected from 100 employees of 10 software Industry using questionnaire methods. The results indicate that all factors (Individual and Propel) have contributed in the employees' attrition intentions. However, some facets of individual factor have significantly contributed in attrition intentions.

Keywords: Job attrition, Individual factors, Propel factors, Software industry and Bangalore City

INTRODUCTION

Global outsourcing and the astounding amount of foreign direct investment pouring into China, Russia, and India have created tremendous opportunities and competition for talented software professionals in those countries. The downside of this increased competition is a rising rate of attrition, particularly in India. Fiscal first-quarter 2010 results filed by Infosys, Wipro, and TCS listed attrition rates between 7.6% and 17.7%. Vendors that we have interviewed place the numbers much higher, at 25%–60%, while an April 2011 Business Week article estimated an attrition rate of 60%, with some India service providers experiencing up to 80% attrition. It is not

easy to find out as to who contributes and who has the control on the attrition of employees. Various studies/survey conducted indicates that everyone is contributing to the prevailing attrition. Attrition does not happen for one or two reasons. The way the industry is projected and speed at which the companies are expanding has a major part in attrition. For a moment if we look back, did we plan for the growth of this industry and answer will be no. The readiness in all aspects will ease the problems to some extent. In our country we start the industry and then develop the infrastructure. All the major software companies have faced these realities. If you look within, the specific reasons for attrition are varied in nature and it is interesting to know why the people change jobs so quickly. Even today, the main reason for changing jobs is for higher salary and better benefits. But in call centers the reasons are many and it is also true that for funny reasons people change jobs. At the same time the attrition cannot be attributed to employees alone.

The employees always assess the management values, work culture, work practices and credibility of the organization. The Indian companies do have difficulties in getting the businesses and retain it for a long time. There are always ups and downs in the business. When there is no focus and in the absence of business plans, non-availability of the campaigns makes people too quickly move out of the organization. Working environment is the most important cause of attrition. Employees expect very professional approach and international working environment. They expect very friendly and learning environment. It means bossism; rigid rules and stick approach will not suit the call center. Employees look for freedom, good treatment from the superiors, good encouragement, friendly approach from one and all, and good motivation. No doubt the jobs today bring lots of pressure and stress is high. The employees leave the job if there is too much pressure on performance or any work related pressure. It is quite common that employees are moved from one process to another. They take time to get adjusted with the new campaigns and few employees find it difficult to get adjusted and they leave immediately. Monotony sets in very quickly and this is one of the main reasons for

attrition. Youngsters look jobs as being temporary and they quickly change the job once they get in to their own field. The other option is to move to such other process work where there is no pressure of sales and meeting service level agreements (SLA). The employees move out if there are strained relations with the superiors or with the subordinates or any slightest discontent.

REVIEW OF LITERATURE

The importance of employee's retention and cost of employees' quitting is well known in the literature. Quitting of an employee means quitting of tacit knowledge and loss of social capital. Attrition increased operation cost and cost on induction and training (Ongori, 2007 and Amah, 2009). The available literature indicated various factors that why employees quit job. There is also much discussion on the relationship between various factors and attrition. For example, Mobley's (1977) study focused on the relationship between job satisfaction and attrition. Mohammad (2006) worked on the relationship between organization commitment and attrition. Another study to show the relationship between work satisfaction, stress, and attrition in the Singapore workplace was conducted by Tan and Tiong (2006). Steijn and Voet (2009) also showed the relationship between supervisor and employee attitude in their study. A research was conducted in China to show the relationship between job satisfaction, organizational commitment or career commitment by Zhou, Long and Wang (2009). The results of each study were different as each study was carried out in different countries (having different socio-economic and culture), in different setting, for different organizations and used different independent variables. Review of various research studies indicated that employees resign for a variety of reasons, these can be classified into the following:

Demographic Factors: Various studies focus on the demographic factors to see attrition across the age, marital status, gender, number of children, education, experience, employment tenure.

Individual Factors: Individual factors such as health problem, family related issues, children education and social status contributes in attrition intentions. However, very little amount of

empirical research work is available on individual related factors. There is another important variable “Job-Hopping” also contributes in attrition intentions.

Unrealistic expectation of employee is also an important individual factor which contributes in attrition. Many people keep unrealistic expectations from organization when they join. When these unrealistic expectations are not realized, the worker becomes disappointed and they quit. One of the individual factors which have been missed in many research studies is the inability of employee to follow organizations timings, rules, regulations, and requirement, as a result they resign. Masahudu (2008) has identified another important variables “employers’ geographic location” that may determine attrition. The closeness of employees to their families and significant others may be a reason to look elsewhere for opportunities or stay with their current employers. For instance, two families living and working across two time zones may decide to look for opportunities closer to each other.

Propel factors: Propel factors are aspects that Propel the employee towards the exit door. In the literature it is also called controlled factors because these factors are internal and can be controlled by organizations. According to Loquercio (2006) it is relatively rare for people to leave jobs in which they are happy, even when offered higher pay elsewhere. Most staff has a preference for stability. However, some time employees are 'Propeled' due to dissatisfaction in their present jobs to seek alternative employment. On the basis of available literature, Propel factor can be classified as follows Organizational Factors: There are many factors which are attached with an organization and work as Propel factors for employees to quit. Among them which are derived from various studies are: salary, benefits and facilities; size of organization (the number of staff in the organization); location of the organization (small or big city); nature and kind of organization; stability of organization; communication system in organization; management practice and polices; employees’ empowerment. There is another Propel variable called organizational justice. According to Folger & Greenberg (1985), organizational justice means fairness in the workplace. There are two forms of organizational justice: distributive

justice, which describes the fairness of the outcomes an employee receives; and procedural justice, which describes the fairness of the procedures used to determine those outcomes.

Attitude Factors: In the literature, attitude is another kind of Propel factor which is mostly attach with employee behavior. Attitude factors are further classified into job satisfaction and job stress. Job satisfaction is a collection of positive and/or negative feelings that an individual holds towards his or her job. Satisfied employees are less likely to quit. Job satisfaction is further divided into extrinsic factors and intrinsic factors. Extrinsic factors include variables such as job security, physical conditions/working environment, fringe benefits, and pay. Intrinsic factors include variables such as recognition, freedom, position advancement, learning opportunities, nature, and kind of job and social status (workers with a high hierarchical position who link their social position with their job want to retain it). Job stress includes variables such as role ambiguity (e.g. my job responsibilities are not clear to me), role conflict (e.g. to satisfy some people at my job, I have to upset others), work-overload (e.g. it seems to me that I have more work at my job than I can handle) and work-family conflicts (e.g. my work makes me too tired to enjoy family life).

Organizational Commitment: There are many factors which are attached with employee and organization and work as propel factors for employee to quit. Organizations are interested in not only finding high performing employees, but those who will be committed to the organization. Similarly employees are also interested to work in an organization which is committed to pursue their carriers and benefits. Organizational commitment is recognized as a key factor in the employment relationship and it is widely accepted that strengthening employment commitment, reduce attrition (Mohammad, 2006). Johns (1996) defines organizational commitment as “an attitude that reflects the strength of the linkage between an employee and an organization.” Ugboro (2006) identified three types of organizational commitment: affective, continuance and normative, detail of which is given below: Affective commitment is employee emotional attachment to the organization. It results from and is induced by an individual and organizational

value congruency. It is almost natural for the individual to become emotionally attached to and enjoy continuing membership in the organization. Continuance commitment is willingness of employee to remain in an organization because of individual investment in the form of nontransferable investments such as close working relationships with coworkers, retirement investments and career investments, acquired job skills which are unique to a particular organization, years of employment in a particular organization, involvement in the community in which the employer is located, and other benefits that make it too costly for one to leave and seek employment elsewhere.

The following hypothesis were tested in this study

H1: There is relationship between individual factors and job attrition intentions

H2: There is relationship between propel factors and job attrition intentions

H3: Individual factors will have significant contribution in attrition intentions

RESEARCH METHODOLOGY

Data Collection: Data were collected from 100 professional software employees with 10 software companies at Bangalore city , India In questionnaire each statements was measured using a 1-5 Likert Scale with a rating of 1 indicating “Strongly Disagree” and a rating of 5 indicating “Strongly Agree.” The questionnaire was divided into 3 Parts. Part A contains questions regarding socio demographic factors of the software employees, Part B Individual factors and Part C propel factors

Sample Size: Total 140 questionnaires were dispersed 10 leading software companies in Bangalore city. Finally we received 100 questionnaires from respondent, the respondent response ratio 71.24%

Dependent Variable: Attrition intentions, the dependent variable of the study, were assessed using two statements. The statements in the instrument measure the probability of software employee’s intention to leave the organization with the following statements: 1) “As soon as I can find a better job, I will quit at this organization”; 2) “I often think about quitting my job”.

Each statement is represented with 5 points Likert Scale to indicate their intention of leaving the organization in the near or distant future. A higher score indicates a higher intention to leave the organization.

Independent Variables: Individual, pull and Propel factors are the independent variables in the study. Individual and propel factors were measured using five points Likert Scale from strongly disagree to strongly agree. Individual factors were consisted of 12 questions, propel factor 19 questions.

Statistical Methods: Correlation was used to find out the relationship between dependent variable (Attrition Intentions) and independent Variables (Individual and propel). In other words, correlation was used to test hypothesis H1, H2, and H3. Regression analysis was conducted on the data to find out how much Individual and propel variables contribute in attrition intention.

RESULT ANALYSIS AND DISCUSSION

Respondents' Profile: Total ten software companies were selected randomly for data collection. Data were collected from 100 software employees using questionnaire method. Out of 100 participants we were classified all social aspect. Details which are given table 1

Individual Factor: Relationship and contribution in attrition intention (H1 and H3): In order to find out software employees attrition intention, 12 questions (table 2) belonging to their individual life which may intend them to quit job were asked. The descriptive statistics of these questions is given in Table 2: The respondents were slightly agreed to three facets of individual factors i.e. those they are intended to quit job because of family related problems (mean 3.13 & SD .92), they do not like their boss (mean 3.34 & SD 1.08), and their expectation from organization has not been fulfill (mean 3.34 & SD 1.06). However, they were not agreed to the nine facets of individual factors i.e. they are disagreed to quit job because of health problem (mean 2.38 & SD 0.89), social status (mean 2.67 & SD 1.01), because of children education (mean 2.33 & SD 0.84), job is difficult (mean 2.15 & SD 0.79), their relative are changing jobs (mean 2.14 & SD 2.14), because of fun (mean 2.48 and SD 0.98), family living in other area (mean 2.35 & SD 0.88), unable to concentrate other work (mean 2.17 & SD 0.84) and unable to follow organization

rules (mean 2.24 & SD 0.88). The overall, employees were slightly disagree to quit job because of individual factors (mean 2.58 & SD 0.73) Pearson correlation to test the hypotheses H1 and H3.

The results supported only five facets out of 12. The first facet is that there is statistically positive relationship between attrition intention and health related problem was strongly supported by the results -0.221 at $p \leq 0.0271$. Similarly, the other three facets i.e. family related problem (0.216 at $p \leq 0.031$), because of fun (0.023 at $p \leq 0.006$) and family living in other area (0.260 at $p \leq 0.009$) are strongly supported. The fourth i.e. children education and attrition intentions and shows negative relation and were also strongly supported by the results -0.211 at $p \leq 0.035$. The H1 is accepted and there is strong relationship between individual factors and attrition intention. In order to find out the contribution of each facets of individual factor in attrition intention of employees, coefficient of correlation is calculated in Table 27.

Table 27 shows the contribution of each factor in attrition intention. The most significant factors which contribute in attrition intentions are family living in other area (2.75% at $p = 0.00$) and health related problems (2.52% at $p = 0.001$). The other factors which also significantly contribute in attrition intentions are: social status (1.87% at $p = 0.012$), children education (1.58% at $p = 0.31$), fun (1.80% at $p = 0.013$), unable to follow organization rules (1.61% at $p = 0.030$). The overall contribution of individual factors which contribute in attrition intentions is given in Table 2 and shows that 17.5% variations in attrition are associated with individual factors. Thus, the hypothesis H3 is accepted as individual factors have significant contribution in attrition intention of university employees.

Propel Factors

H2 In order to find out software employees attrition intention, 19 questions (table 4) belonging to Propel factors which may intend them to quit job were asked. The descriptive statistics of these questions is given in Table 33. The respondents were slightly agreed to quit present job because of seven Propel factors of present organization: small size organization (mean 3.57 & SD 1.06), social status (mean 3.57 & SD 1.01), working environment (mean 3.61 & SD 1.08), and employees conflict (mean 3.51 & SD 1.13), lack of promotion (mean 3.71 & SD 1.06), life-work balance (mean 3.45 & SD 1.04) and no fairness/justice in present organization (mean 3.47 & SD 1.05). However, the employees were not agreed to quit the present job because of twelve Propel factors: less salary (mean 2.29 & SD 0.93), less fringe benefits (mean 2.40 & SD 0.94), no security in present job good (mean 2.65 & SD 0.94), organization

location (mean 2.19 & SD 0.83), encouragement (mean 2.16 & SD 0.83), work recognition (mean 2.00 & SD 0.66), freedom (mean 2.47 & SD 0.93), lack of research facilities (mean 2.57 and SD 0.93), more office work (mean 2.21 & SD 0.83), more teaching load (mean 2.38 and SD 0.93), more work (mean 2.41 & SD 0.97) and bad behavior of boss (mean 2.38 & SD 0.94). Overall the employees were slightly disagree to quit job because of Propel factors (mean 2.79 & SD 0.96) Pearson correlation. The results supported only 2 facets out of 19. There is significant negative relationship between attrition intention and lack of motivation (0.221 at $p \leq 0.027$). Similarly, significant relationship was found between attrition and more office work (0.187 at $p \leq 0.063$). In order to find out the contribution of each facets of Propel factor in attrition intention of employees, coefficient of correlation is calculated in Table 4 and shows the contribution of each facet of Propel factor in attrition intention. However, no variable has significant contribution in attrition intention. The overall contribution of Propel factors which contribute in attrition intentions is given in Table 36. The above table shows that 1.3% variations in attrition are associated with Propel factors. However, hypothesis H3 is not accepted as pull factors are not significantly contributed in the attrition intention.

Comparison of Individual and Propel Factors in Attrition Intention:

Each facet of individual and Propel factor is compared in Table 4 to show which facet is significantly contributed more in attrition intentions. Similarly, the overall contribution of individual factor and Propel factor in attrition intention has been shown in the last section of Table 5 from comparison point of view. Most significant facets of individual factors which contributed in attrition intention are difficulty in software work and health problem. The other significant facets of individual factors are children education, unrealistic expectation for organization, living close to family and because of fun (enjoy in changing job). The overall contribution of individual factors in attrition intention is 17.5%. In Propel factor no significant reasons were found due to which employees quit. Similarly, the overall contribution of Propel factors in attrition intention is 1.3% which is not significant.

CONCLUSION

In literature various factors / reasons have been identified for the employee's attrition intentions. These factors of attrition intentions are different from organization to organization to some extent. In this paper all factors were divided into two main factors i.e. Individual and Propel factors in order to find out the

contribution of each factor in attrition intention of the software employees in Bangalore city, India This paper concludes that the most significant factor is individual factor (17.5% contribution in attrition intention). The Propel factor also contributed in attrition (1.3%) but not significantly. The most significant reasons in individual factor are difficulty in software heavy work and health problem (employees quit a job because they have health related problem). Other reasons which were found significant are: children education (employees quit jobs because they did not find good education facilities in the area), unrealistic expectation for organization (employees quit job because the organization did not meet their expectation), living close to family (employees quit job because they are away from their family) and because of fun (employees quit job because they enjoy in changing job).In Propel factor no significant reasons were found due to which employees quit. The overall conclusion is that individual factors are the more significant in attrition intention in software industry employees in Bangalore city, India. Therefore the organization may take into consideration the individual problems of their employees to reduce attrition of their good employees.

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Table: 1 RESPONDENT PROFILE

VARIABLE	CATEGORY	PERCENTAGE
Age (in years)		
25-33	15	15.0
34-40	80	80.0
Above 41	5	5.0
Total experience (in years)		
1-3	21	21.0
4-7	44	44.0
8-10	24	24.0

11 & above	12	12.0
Tenure in current organization (in years)		
1-3	58	58.0
4-6	33	33.0
7 & above	9	9.0
No. of Children		
No children	34	34.0
1	22	22.0
2	33	33.0
3 and Above	11	11.0
Gender		
Male	68	68.0
Female	32	32.0
Marital Status		
Married	79	79.0
Unmarried	21	21.0
Level of Education		
UG	31	31.0
PG	60	60.0
Above PG Like MS/Phd	09	9.0
Present Position/Scale		
Top Level	51	51.0
Middle Level	19	19.0
Lower Level	30	30.0

Table 2: Descriptive Statistics - Mean , SD, Coefficients of Correlation and Beta (Individual Factors)

Variable	Mean	SD	Coefficients of Correlation – Individual Factors			
			Standardized Coefficients		t	Sig
			Std. Error	Beta		
(Constant)	-	-	0.533	-	1.200	0.232
Health Problem	2.380	0.897	0.060	0.252	3.426	0.001
Family related problem	3.130	0.928	0.056	0.060	0.837	0.404
Social Status	2.670	1.016	0.053	0.187	2.547	0.012

Children education	2.330	0.842	0.063	0.158	2.180	0.031
Difficult Job	2.150	0.796	0.066	0.084	1.170	0.244
Relative are changing job	2.140	0.817	0.065	0.027	0.367	0.714
Because of fun	2.480	0.990	0.052	0.180	2.525	0.013
Do not like boss individuality	3.430	1.085	0.052	0.025	0.320	0.749
Expectation not fulfill	3.340	1.037	0.049	0.097	1.397	0.164
Family living in other area	2.350	0.880	0.058	0.275	3.916	0.000
Unable to personal work	2.170	0.841	0.064	0.093	1.263	0.208
Unable to follow organization rules	2.240	0.877	0.061	0.161	2.190	0.030
Attrition Intention	30.81	11.006	Dependent Variable			

Table : 3 Regression Summary of Individual Factors

R	R Square	Adjusted R Square	Std. Error of Estimate	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
0.524	0.275	0.175	0.66173	0.275	2.746	12	87	0.003

Table:4 Descriptive Statistics - Mean , SD, Coefficients of Correlation and Beta (Propel Factors)

VARIABLES	MEAN	SD	Coefficients of Correlation (Propel Factors)			
			Standardized Coefficients		t	Sig
			Std. Error	Beta		
(Constant)	-	-	1.127	-	2.002	0.049
Less salary	2.290	0.935	0.098	0.201	1.605	0.112
Less fringe benefits	2.400	0.943	0.086	0.116	1.049	0.297
No job security	2.650	0.946	0.086	0.073	0.653	0.516

Small size of organization	3.570	1.066	0.084	0.194	1.571	0.120
Organization location	2.190	0.837	0.101	0.022	0.188	0.851
Social status	3.570	1.018	0.083	0.125	1.076	0.285
Working environment	3.610	1.082	0.078	0.039	0.332	0.741
Lack of motivation	2.160	0.837	0.101	0.185	1.598	0.114
Employees conflict	3.510	1.133	0.072	0.023	0.210	0.835
Lack of recognition work	2.000	0.667	0.125	0.014	0.127	0.899
Lack of freedom	2.470	0.937	0.092	0.035	0.297	0.767
Lack of career advancement	3.710	1.067	0.079	0.042	0.367	0.715
Lack of QIP	2.570	0.935	0.100	0.084	0.659	0.512
More office work load	2.210	0.833	0.098	0.148	1.329	0.188
Heavy work	2.380	0.930	0.090	0.130	1.129	0.262
Too tired to enjoy family life	2.410	0.975	0.090	0.050	0.415	0.679
Not enough time for family	3.450	1.048	0.082	0.050	0.423	0.673
Bad behavior of boss	2.380	0.940	0.092	0.193	1.628	0.108
No fairness	3.470	1.058	0.081	0.102	0.868	0.388
Attrition Intention	41.29	14.116	Dependent Variable			

Table : 5 Regression Summary of Propel Factors

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
0.450	0.202	0.013	0.72382	0.202	1.066	19	80	0.400

Table: 6 Comparison of Personal and Propel Factors in Attrition Intention

R ²	0.275	0.202
Adj. R ²	0.175	0.013
Sig F Change	0.003	0.400