

## FACTORS AFFECTING THE ATTRITION OF IT PROFESSIONALS IN KERALA IT INDUSTRY

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### ABSTRACT

The main aim of this research work was to study about the determinants of attrition of IT professionals in Kerala IT industry. For this study, the descriptive approach was adopted. The study conducted by using both primary and secondary data. Primary data is collected with the help of questionnaire and secondary data is collected from research papers, books, internet, journals, dissertations and articles. In this research, a sample of 381 IT professionals was selected. The study used both independent and dependent variables. Independent variables or alternatives are manipulated by the researcher and whose effects are measured and compared. Dependent variables are the variables that measure the effect of the independent variables on the test units. After the review of literature, the variables were identified which were described in the theoretical framework. IT professional's turnover intention (Attrition) was the dependent variable and demographic factors, external factors were considered as independent variables. Based on the uniqueness of the study, the researcher used various tests.

**KEYWORDS:** Attrition, IT Professionals, Perceived Job Alternatives, Threat of Professional Obsolescence, Work Life Balance

### INTRODUCTION

With the boom in the IT industry of Kerala, the state has become one of the most promising destinations for software development and e-business. This growing and successful Information Technology (IT) organization in Kerala provides various job opportunities for the IT professionals. As a result of this, a large amount of people leave from one organization to the other. This high attrition rate is one of the important HR challenges which most IT organizations face today. **Attrition** may be defined as gradual reduction in membership or personnel through retirement, resignation or death (Brijesh Kishore Goswami and Sushmita Jha , 2012). In a human resource context, it refers to the percentage of employees leaving the organization for whatever reasons (Jack j Phillips, 2008). Attrition/Turnover is costly for the organization and the consequences of the employee turnover can be positive or negative. If we consider dysfunctional turnover, there are some direct and indirect costs attached. According to Mehra and Soroosh Abhar (2011), the direct costs associated with turnover can be categorized as; Recruitment costs, selection costs, separation costs, replacement costs and training costs. Literature on turnover indicates that an IT employee's attrition is a function of their individual attributes, Job related factors, organizational related factors psychological related factors and external factors (Amir Hossein Ghapanchi and Aybuke Aurum, 2011; Kevin Scartz et al, 2002). This study investigates the relationships between attrition of IT employees with their external factors.

## REVIEW OF LITERATURE

External factors influencing IT professional's turnover intention are those factors which are external to the work place. Work -Life Balance, Perceived Job Alternatives and Threat of Professional Obsolescence are the main sub categories of environmental factors (Amir Hossein Ghapanchi and Aybuke Aurum, 2010)

### Work -Life Balance

Work life balance is the term used to describe those practices at work place that acknowledge and aim to support the needs of employees in achieving a balance between the demands of their family life and work life (Tanuja Agarwala, 2010). Work -life balance is important for IT employees to maintain a healthy balance between work and their private lives so that both they and the company benefit in the long term (Andrew Iserson et al 2000; Guna Seelan Rethinam and Maimunah2007). Past research showed that the employees who perceive family support from their organization are more committed to the organization and tend to remain in the organization (Una Byrne 2005). The study by *Thirulogasundaran and S.A Senthil Kumar (2012)* also found that the individual factors like health problem, children's education and work/family life are significantly related to the attrition of IT professionals.

### Perceived Job Alternatives

Availability of employment or perceived job opportunities has a significant impact on the attrition of IT employees (Muhammed Aminu bawa and Muhammad Jantan, 2005). IT employees are more likely to express turnover intentions when they perceive that there are other suitable employment opportunities. Often people leave their jobs when the probability of finding other employment is high. The study by Jason Bennett Thatcher et al (2002) found that organizational commitment and perceived job alternatives demonstrated distinct effect on turnover intention of IT professionals. The study of Abdul Rahman et al, (2008) also revealed that alternative job opportunities had a significant positive relation with turnover intention of IT professionals.

### Threat of Professional Obsolescence

The threat of professional obsolescence is a common challenge for IT employees. Professional obsolescence is defined as the attrition of professional competence essential for winning performance (Joseph D and Ang, S., 2011). Professional obsolescence represents a shortage that occurs to the extent a mismatch develops between career requirements and abilities possessed by the qualified professionals. It includes knowledge, adaption to latest technology, updating and communication. Research found that the threat of professional obsolescence had a direct and positive relationship with IT employee's attrition (Damien Joseph *et al*, 2011; Anantharaman and Rajeswasri, 2003).

## OBJECTIVE OF THE STUDY

To find out the determinants of the attrition of IT professionals in Kerala IT Industry.

## RESEARCH HYPOTHESIS

Based on the review of literature, the following hypothesis formulated for this study.

External factors are associated with employee Attrition

H<sub>0</sub>: there is a significant relationship between IT professional's attrition and external factors and attrition

## RESEARCH METHODOLOGY

A descriptive survey design was adopted. The population for this study comprised of IT professionals from Kerala IT industry. Data were collected from IT professionals through questionnaire and the total respondents of IT professionals were 381. The survey responses were evaluated using a variety of statistical tools like, descriptive statistics and multiple regression analysis.

## DATA ANALYSIS AND RESULTS

### Demographic Profile

IT profession in Kerala is dominated by men and out of the 381 IT professional respondents, males were 60.4% and females were 39.6%. The majority of respondents were programmers (22.8%), followed by system administrators (15%), and system analyst (13.9%). 141 respondents belonged to the 20-24 age category, comprising 37% of the total sample followed by 24-29 years age categories (34.6%). About 27.6% of the respondents had a PG as their highest education level followed by UG (18.6%). Technically qualified employees' response rates are 16.5% (B. Tech holders) and 3.7% (M. Tech holders). About 57.2% respondents had tenure between 1-5 years.

### Descriptive Statistics Result of Opinion about External Factors

**Table 1: Overall Mean Scores of External Factors**

Variables	N	Mean	SD	Minimum	Maximum
Work Life Balance	381	3.336	.986	1.000	5.000
Perceived job alternatives	381	3.407	.972	1.000	5.000
Threats of Professional Obsolescence	381	3.571	.961	1.000	5.000

Source: Primary data

Table 1, highlights the overall mean and standard deviation values of external factors. Out of three external factors, threat of professional obsolescence shows the highest mean value (mean = 3.571, SD = .961) followed by perceived job alternatives (mean = 3.407, SD = .972) and work life balance (mean = 3.336, SD = .986).

### Regression Analysis (External Factors and Attrition)

In the regression analysis, the dependent variable was Attrition and the independent variables were work life balance, perceived job alternatives and threat of professional obsolescence.

**Table 2: Regression Model Summary: External Factors on Attrition**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715 <sup>a</sup>	.511	.507	.47904
a. Predictors: (Constant), Perceived Job Alternatives, Work Life Balance, Threat of Professional Obsolescence				

Source: Primary Data/SPSS output

From the regression model summary table (Table 2), the R square value is .511 and adjusted R - square value is .507

The R - square value of 0.511 indicating that, the three given External determinant variables explain about 51.1 % of the variance in the Attrition.

**Table 3: ANOVA (External Factors and Attrition)**

ANOVA <sup>s</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	90.328	3	30.109	131.208	.000 <sup>a</sup>
Residual	86.513	377	.229		
Total	176.841	380			

a. Predictors: (Constant), Job Alternatives, Work Life Balance, Threat of Professional Obsolescence  
b. Dependent Variable: Attrition

Source: Primary Data/SPSS output

The ANOVA table (Table 3) implies that the F – statistics (131.208) is large and the corresponding p - value is = .000 which is less than 0.05. Therefore null hypothesis will be rejected and alternative hypothesis will be accepted. Found *there is a significant relationship between IT professionals attrition and external factors.*

**Table 4: Regression Coefficient: External Factors on Attrition**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.827	.170		4.857	.000		
Work Life Balance	-.228	.039	-.245	-5.909	.000	.757	1.321
Perceived Job Alternatives	.419	.057	.341	7.384	.000	.610	1.639
Threats of Professional Obsolescence	.576	.044	.547	13.213	.000	.758	1.319

a. Dependent Variable: Attrition

Source: Primary Data/SPSS output

From the coefficients table (Table 4), the estimated regression model external factor is  $Y (A) = .827 + -.228 (X1) + .576 (X2) + .419 (X3) + E$

Where A = Attrition

X1 = Work Life Balance

X2 = Perceived Job Alternatives

X3 = Threats of Professional Obsolescence

From the model, estimated coefficients and t value of work life balance is - 5.909 (beta = -.245,  $p < 0.05$ ), Perceived Job Alternatives is 7.384 (beta = .341,  $p < 0.05$ ) and threats of professional obsolescence is 13.213 (beta = .547,  $p < 0.05$ ).

However, above all variables, threats of professional obsolescence shows highest significant result compared to other external factors followed by perceived job alternatives and work life balance.

Based on coefficients table, (Table 4), VIF statistics are less than 5 and none of tolerance value less than 0.2. This indicated that there is no serious multicollinearity problem among the determinants variables of the regression model. Hence it is reasonable to say that the estimated regression model is valid.

## FINDINGS AND SUGGESTIONS

- The overall mean value of work life balance was 3.336 and the corresponding SD (Standard deviation) value was 0.986. In general, this descriptive statistics indicating that the respondents perceive relatively low level of work life balance.
- The overall mean value for perceived job alternatives was 3.407 and the corresponding SD (Standard deviation) value was 0.972. In general, this descriptive statistics indicating that the respondents perceive relatively moderate level of job opportunities.
- The overall mean value of threats of professional obsolescence was 3.571 and the corresponding SD (Standard deviation) value was 0.916. In general, this descriptive statistics indicating that the respondents perceive relatively high level threats of professional obsolescence.
- The result found that the threat of professional obsolescence is the most significant external predictor of attrition of IT professionals in Kerala. IT employee needs up to date knowledge because that impacts his/her reward/compensation and career development possibilities. The lack of up to date skills reduces the information technology professional's worth in the current competitive labor market. Hence, IT professionals think that their technical skills are not up to date; they are more likely to think about a further job opportunity that will allow them to get latest skills. It was found that the IT professionals in Kerala perceive relatively high level threats of professional obsolescence. Therefore employers in the Kerala IT organizations need to work with their employees to allow and encourage them to maintain and enhance their skills.
- Perceived job alternative was another predictor of IT employees' attrition. When an IT employee perceives that the alternative job opportunity is high, his intention to make a turnover increases.
- Next predictor of IT professionals' attrition in Kerala is their work life balance and it is defined as the balance between an individual's work and personal life. In IT sectors, the workers spending more time in their work place rather than their family. This will leads to imbalance between work life and personal life. It was also reported that the respondents perceive relatively low level of work life balance. Hence employers provide work life balance benefits for IT employee to lead lives with better work life balance.

## CONCLUSIONS

In this changing business scenario, retaining skilled talent offers a key challenge for the HR managers in all Kerala IT companies. In Kerala, IT professional's external factors like work life balance, threat of professionals obsolesces and perceived job alternatives are the significant factors of attrition. Therefore the HR managers in IT organizations may take into consideration the problems with the external factors of their workers to reduce the turnover intention of the skilled employees.

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