# Deficiency and Sufficiency of Critical Factors Greatly Affect Attrition and Leverage Retention in IT Companies) –Madurai District, Tamilnadu, India.

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*Abstract: The IT sector is the backbone of service sector in Indian economy and brings significant foreign revenues which boost our economy. Even during the economic turmoil over the globe, particularly in developed countries, Indian IT sector came out successfully managing the entire economic imbroglio. Tamil Nadu, particularly, Chennai is considered to be one of the biggest IT hubs in India having presence of very big IT companies. The availability of skilled employees with cheap labor cost in Tamil Nadu is an important reason. Given the rosy picture of IT sector, it is bound to have problems. High attrition in the IT industry has always been the greatest concern and a subject of considerable analysis and debate. Organizations use different methodologies for calculating the attrition rate. HR experts felt that it is a known factor that attrition calculation is grey area which does not depict the true picture, while a few techniques are common however there are no proven theories yet. Further, the approach to this calculation might vary from organization to organization. At the same time the rate of attrition is also felt in these companies. The study is conducted on Tier II cities like Madurai, and Coimbatore and employee retention is also felt in the IT companies. In this context, the researchers, attempted to decipher the reasons for attrition in IT companies situated in Madurai district. In order to study the situation, 55 IT companies in Madurai district were taken as global population and 300 samples were identified through Simple Random sampling method. Eleven critical factors with 92 predictors were selected. The results from the statistical analysis showed that all the eleven CFs were statistically significant and has close association with the employee attrition and retention process in IT companies in Madurai.*

*Keywords: Attrition, Retention, Information Technology, Human Resource, Critical factors.*

## I. INTRODUCTION

In the event of heavy attrition witnessed in IT sector, that too in the companies situated in Tier II cities like Madurai in Tamil Nadu, India, attains importance. It is now rare for an employee to stay with a single company for a long time or until his/her retirement. The present scenario is that employees are often willing to leave a company for better opportunities in terms of higher salary, seeking sophisticated life and to give better education to their wards. Sometimes, if

the work-life balance deteriorated they are subjected too much stress and hence leave the organization seeking another one. There are many more reasons to leave the organization. Lee (1997) defined attrition, "the termination of an individual's former membership with the organization." According to Reggio (2003) "Employee attrition refers simply to movement of employees out of an organization." Gaurav Bagga (2013) has examined the high rate of attrition in IT firms in India and tried to suggest ways and means to reduce the attrition. He found that the longer an employee remains with a company, the less he or she is likely to leave. He further suggested making the employee feel valued, keeping them informed of what is going on in the company, relating their work to the aims of the organization as a whole. Sengupta and Santoshi Gupta (2012) found that low perceived value, lack of equality, lack of advancement opportunities, and incompatible policy are some of the reason for attrition. Aziz Mehdi and Madhusudana (2012) found that the unwanted behaviour of immediate supervisor, their leadership style and their attitude have serious effect on attrition. Vishnuprasad Nagadevara (2012) found that influence on workplace-related factors play important role in attrition. Ho et al., (2010) found that employees of service industries are motivated for attrition by both push factors like improper work-life balance, poor relations with co-workers, stress at work etc., and pull factors like better compensations, more interesting work promotion opportunities, desire to return for academic studies etc., In spite of all the above findings, the researchers, attempted to study the attrition in IT companies in Madurai district, Tamil Nadu, India with selected important dimensions; Job Satisfaction, Employee Relationships, Working Environment, Work and Other Related Activities in the Job, Company Image, Compensation, Peer Group Behaviour, Concerns about Location, Relationship Management Practices, Continuing Relationship, and Presence of Retention Strategies.

The rest of the article is organized as follows. A review of the literature, methods, research gap, objectives, followed with analysis and results and conclusions and implication.

## II. REVIEW

Some of the important studies pertaining to the employee attrition and retention in IT industries which helped to frame the concept for this study have been presented below:

Laura Piela (2011) has reported that the monotonous work content, uncompetitive salary and lack of feel success were some of the reason for attrition. Niharika Gaan (2011) conducted an empirical study in Indian IT Industry.

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The author examined the relationship between job satisfaction, organizational commitment and employee turnover. The results revealed that the relationship between organizational commitment and employee turnover and job satisfaction seems to be explaining significant amount of incremental variance in turnover intention. Bibhu Prasad Kar et al., (2011) have studied the attrition in SMEs in India. They found that the working condition, nature of work, organizational philosophy, salary, and career progression were some of the factors affecting attrition. Abdul Rahman et al., (2008) reported that availability of alternative job opportunities had significant positive impact on turnover intensions. Several studies based on western research, have shown that work-related factors are major determinants of job satisfaction, organizational commitment and turnover intension among employees. Hom. P.W. and Griffith (1984) have concluded from their studies that when high performances receive inadequate remuneration/rewards, employees look out for alternative employment. Mobley et al., (1977) noted that age, tenure, overall satisfaction, job content, intentions to remain on the job and commitment were all negatively related to turnover. Griffith et al., (1995) found that the turnover process is indeed caused by job dissatisfaction. Again, Hom P.W., and Griffith (2000) showed that job satisfaction is a significant predictor of turnover. Delfgaauw (2007) suggested that self-reported level of job satisfaction is a good predictor for job mobility and employee attrition. O'Leary and Deegan (2005) reported that the employees left the industry because of the incompatibility of work and family life and that he incompatibility hampered their advancement in the industry. Stalcup and Pearson reported that long working hours and regular relocation are additional reasons for hotel management turnover. Participants in their study emphasized that primary concern regarding work time was not having to spend too much time on work and not having enough time to spend with family. Other factors observed by the authors that cause employee turnover include heavy workloads and work stress. Al-Kilani (2010) examined the impact of human resource management practices on employees' turnover intentions. The employees have a tendency to change their job when they have poor supervision, do not receive adequate or relevant training and most important of all, low wage.

Boxall et al. (2003) have found that work-related accident or illness supervisor's, unrealistic expectations from job, excessive work demands, lack of promotion, non-redressed of grievances, work methods, lack of job security, inadequate pay, change of career, work-life demands, lack of training opportunities, non-recognition of employee merit and more interesting work elsewhere may lead to turnover intention resulting in actual turnover. Khatri et al. (2001) in a study on employee turnover have used three groups of factors influencing employee turnover, viz., demographic, uncontrollable and controllable factors. Demographic factors include age, gender, education, and tenure, and income level, managerial and non-managerial positions. Uncontrollable factors are the perceived alternative employment opportunity and job-hopping. Controllable factors include pay, nature of work, supervision, organizational commitment, distributive justice and procedural justice.

## III. METHODS

This study was conducted based on the Hackman and Oldham's job characteristics model (1976). Slight modifications were made by incorporating some dimensions taking into considerations of the geography and the socioeconomic conditions of the society and the employees of IT Industries in Madurai district. The questionnaire was structured by the researchers keeping demographic factor as a base and eleven dimensions into which ninety two variables which were considered to be the factors which influence attrition.

## IV. VALIDITY

Pilot study was conducted with 100 employees of IT industries in Madurai district to test the validity of the questionnaire structured by the researchers. Confirmatory factor analysis was adapted to test the validity of questionnaire. Content validity was also tested by having consultation with HR experts, Academicians, and with experienced employees of the IT industries. Regarding internal consistency, the calculated Cronbach alpha with respect of all the variables and the eleven dimensions were above 0.7 (Nunnaly 1967) which indicates good validity.

## V. SAMPLES

To conduct the main study, the list of IT industries in Madurai district was drawn from Software Industries Development Association of South Tamil Nadu (SIDA). According to the list, there were 55 companies in Madurai district with nearly 1500 employees. A sample of 300 employees was identified through Simple Random sample.

## VI. DATA COLLECTION

The self structured and validated questionnaire was distributed among the employees. 300 duly and correctly filled in questionnaires were considered for the study.

The researchers met most of the employees in person and some were distributed through their friends. Even though the data collection was very fluid and smooth, there were some constraints due to non-cooperative attitude of the management. In spite of vivid explanation given to the employees, some questionnaires were not filled in correct way and hence those were left out.

## VII. RESEARCH GAP

The few studies that have done with employee perceptions either relied upon very small samples or upon small numbers of workers spread across a larger number of organizations. Research done in the are of employee motivation and satisfaction has discussed domains like education, private public employment, financial institutions, oil industry, government ministries and labour market to name a few but not more on IT industry.

There is no systematic and comprehensive work has been found that includes the facets like, employee attrition and retention, motivational effect, employee satisfaction, employee involvement, and employee commitment. Further, the perceptions of individual may vary according to the geography of the area, socioeconomic conditions and like. There are no such studies taken Tier II cities like Madurai and the area around Madurai. This study is an attempt to investigate the attrition and retention process in IT industries belong to entirely the different geographical and socio-economical environment.

## VIII. RESEARCH QUESTIONS

This study was attempted mainly to answer the following question. It was the intention of the researcher to investigate, what are the dimensions to be the important indicators to cause employee attrition and retention in IT industries in Madurai district? The deficiency of the dimensions may cause attrition. At the same time, the sufficiency of those dimensions may lead to retention.

## IX. OBJECTIVES

1. To Study the significant importance of the selected eleven dimensions in employee attrition and retention process in IT industry in Madurai District.
2. To study the significant association of profile factors of employees of IT industry with employee attrition and retention process.
3. To suggest ways and means to plan suitable strategy for holistic implementation of retention process based on the facets lead to attrition.

## X. NULL HYPOTHESES

Ho: There is no significant difference of perception among various profile factors in respect to the eleven dimensions in the process of employee attrition and retention process in IT industries in Madurai district.

## XI. DATA ANALYSIS

Critical analysis of data were performed by using various statistical tools like,'t' test, One Way ANOVA, Discriminant Function Analysis (Wilk's Lambda) and Pearson Product Moment Correlation Analysis.

The profile factors, age, Gender, monthly salary and educational qualification were taken for this study. The frequencies of the above four profile factors were presented in Table 11.1

**11 .1 Frequency Analysis**

The frequency distribution of different age groups of respondents has been given in Table 11.1.1 to 11.1.4 below:

**Table 11.1 .1 Frequency Distribution of Respondents According to Different Age Groups**

| Sl.No. | Age in Years | Frequency | Percentage |
|--------|--------------|-----------|------------|
| 1 | Below 25 | 75 | 25.0 |
| 2 | 26-35 | 132 | 44.0 |
| 3 | 36-45 | 37 | 12.3 |
| 4 | 46-55 | 37 | 12.3 |
| 5 | Above 56 | 19 | 6.3 |
| | Total | 300 | 100.0 |

Source: Primary Data

It was verified from Table 11.1.1 that there were 75 (25.0) respondents in the age group of below 25 years, 132 (44.0) in the age group of 26-35 years and 37 (12.3) each in the age group of 36-45 and 46-55 years respectively. The respondents with above 56 years of age were 19 (6.3).

**Table 11. 1.2 Gender-wise Frequency Distribution of Respondents**

| Sl.No. | Gender | Frequency | Percentage |
|--------|--------|-----------|------------|
| 1 | Male | 226 | 75.3 |
| 2 | Female | 74 | 24.7 |
| 3 | Total | 300 | 100.0 |

Source: Primary Data.

Out of 300 respondents considered for this study, 226 (75.3) were Male and 74 (24.7) were Females. The sample consisted of mainly Male respondents.

**Table 11.1.3 Frequency Distribution of Respondents According to their Monthly Salary**

| Sl.No. | Monthly Salary in Rupees | Frequency | Percentage |
|--------|--------------------------|-----------|------------|
| 1 | Below Rs.15,000 | 132 | 44.0 |
| 2 | 16,000 – 30,000 | 131 | 43.7 |
| 3 | Rs.30000 and above | 37 | 12.3 |
| | Total | 300 | 100.0 |

Source: Primary Data

It is ascertained from Table 11.1.3 that out of 300 respondents, 132 (44.0) were in the salary group of below Rs.15, 000 per month, 131 (43.7) were in the group of Rs.16, 000-30,000 and 37 (12.3) were in the group of Rs.30, 000 and above. The first two groups represent the sample population nearly equal in number and form the majority.

The profile 'Educational Qualification' was stratified into four groups as those who qualified only at Diploma Level (DL), Undergraduate Level (UG) and the Post Graduate (PG) Level and Others.

**Table 11.1.4 Frequency Distribution of Respondents According to their Educational Status**

| Sl.No. | Educational Status | Frequency | Percentage |
|--------|--------------------|-----------|------------|
| 1 | Diploma | 38 | 12.7 |
| 2 | UG Degree | 169 | 56.3 |
| 3 | PG Degree | 75 | 25.0 |
| 4 | Others Qualifications | 18 | 6.0 |
| | Total | 300 | 100.0 |

Source: Primary Data

According to Table 11.1.4, the respondents having Diploma Level qualification were 38 (12.7), UG degree were 169 (56.3), PG degree (75 (25.0), and Other Qualifications 18 (6.0).

**11.2 Critical Analysis**

This section has been entirely devoted in bringing the significant difference in perception among various subgroups of respondents in respect of the predictors under the critical factors concerned. In order to evaluate the significant differences, the statistical tools, 't' test and the One Way ANOVA test were employed. In case of two subgroups under a group,

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't' test was employed, and, if there were more than two subgroups, One Way ANOVA test was employed. The perceptions obtained in respect to the variables under each dimensions through the 5 point Likert scale were converted to numerical data enabling fitting it into the statistical tools. The average score from the total scores of the variables under each dimension was calculated and the differential analysis was done according to the sequence of the profile factors, namely, age, gender, salary per month, educational qualification, work experience, marital status and nature of family according to the eleven dimensions.

**Analysis on the Perspectives of Different 'Age' Groups of Respondents**

Accordingly, the result of the One Way ANOVA test fitted to the data in respect of eleven critical factors, as perceived by the different age groups of respondents have been presented below in Table 11.2.1

**Null Hypothesis:** There is no significant difference of perception among different age groups of respondents in respect of the critical factors which drive Employee Attrition and Retention Process.

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**Table 11.2 .1 Association of Critical Factors/Dimensions towards Employee Attrition and Retention as Perceived by Different Age Groups of Respondents**

| Sl. No. | Job Satisfaction | Mean Scores - Age (in Years) | | | | | "F" Ratio | "F" Probability |
|---|---|---|---|---|---|---|---|---|
| | | Below 35 N= 75 (Gr.1) | 26 – 35 N=132 (Gr.2) | 36-45 M=37 (Gr.3) | 46-55 N=37 (Gr.4) | Above 56 N=19 (Gr.5) | | |
| 1 | Job Satisfaction | 4.1045 | 3.6193 | 3.5943 | 3.1900 | 2.8600 | 27,4104* | 0.0000 |
| 2 | Employee Relationships | 4.2036 | 3.3250 | 3.5224 | 2.8722 | 1.5000 | 39.5077* | 0.0000 |
| 3 | Working Environment | 4.2897 | 3.3829 | 3.3919 | 2.9184 | 1.4200 | 50.0899* | 0.0000 |
| 4 | Work and Other Related Activities in the Job | 4.0240 | 3.4288 | 3.7135 | 2.9108 | 1.4000 | 40.5695* | 0.0000 |
| 5 | Company Image | 4.2533 | 3.3970 | 3.1876 | 2.9549 | 1.3300 | 37.0030* | 0.0000 |
| 6 | Compensation | 4.2515 | 3.3606 | 3.4532 | 2.8932 | 1.0000 | 63.5252* | 0.0000 |
| 7 | Peer Group Behaviour | 4.1040 | 3.3833 | 3.3243 | 3.0595 | 1.4000 | 38.1522* | 0.0000 |
| 8 | Concerns about Location | 4.0836 | 3.3250 | 3.2703 | 2.6289 | 1.3300 | 48.7645* | 0.0000 |
| 9 | Relationship Management Practices | 4.2196 | 3.3577 | 3.2719 | 3.0895 | 1.3800 | 38.3587* | 0.0000 |
| 10 | Continuing Relationship | 3.8792 | 3.2848 | 3.2703 | 2.9595 | 1.5000 | 32.8399* | 0.0000 |
| 11 | Presence of Retention Strategies | 3.9788 | 3.3021 | 3.2154 | 2.6546 | 1.5000 | 40.7206 | 0.0000 |

*Significant at 5 percent level

It was observed from Table 11.2.1 that the first three sub groups (Gr.1-3) of respondents have rated all the eleven critical factors/dimensions with moderate to high mean scores. The remaining two groups (Gr.4 and 5) perceived all the dimensions with low to very low mean scores.

All the eleven dimensions were found to be statistically significant having significant difference of perception among the five subgroups of respondents. Five dimensions were found to be highly significant. They were; Compensation (63.5252), Working Environment (50.0899), Concern about Location (48.7645),Presence of Retention Strategies (40.7206) and Work and Other Related Activities in the Job (40.5695). Therefore the null hypothesis is totally rejected in this regard.

**Analysis of Perception of Male and Female employees/respondents**

The data related to the eleven dimensions as perceived by Male and Female employees were fitted to 't' test to find out the association of the dimensions with the attrition and retention process and the result has been presented in Table 11.2.2

**Null Hypothesis:** There is no significant difference of perceptions between Male and Female respondents in respect of eleven dimensions related to employee attrition and retention.

**Table 11.2. 2 Association of Critical Factors Dimensions towards Employee Attrition and Retention as Perceived by Male and Female Respondents**

| Sl. No. | Job Satisfaction | Male N=226 | | Female N=74 | | "t" Value | Level of Significance |
|---|---|---|---|---|---|---|---|
| | | Mean $\overline{X}$ | Std. Deviation 'S' | Mean $\overline{X}$ | Std. Deviation 'S' | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Job Satisfaction | 3.6085 | 0.660 | 3.7222 | 0.660 | -1.29 | 0.201 |
| 2 | Employee Relationships | 3.3311 | 1.030 | 3.6005 | 1.313 | -1.61 | 0.110 |
| 3 | Working Environment | 3.3526 | 1.052 | 3.6627 | 1.154 | -2.05* | 0.043 |
| 4 | Work and Other Related Activities in the Job | 3.4133 | 1.037 | 3.3319 | 1.109 | -0.20 | 0.845 |
| 5 | Company Image | 3.4159 | 1.223 | 3.3505 | 1.153 | 0.42 | 0.677 |
| 6 | Compensation | 3.3569 | 1.126 | 3.4815 | 1.102 | -0.84 | 0.403 |
| 7 | Peer Group Behaviour | 3.3150 | 1.065 | 3.6216 | 1.078 | -2.13* | 0.035 |
| 8 | Concerns about Location | 3.2357 | 1.004 | 3.4789 | 1.244 | -1.53 | 0.130 |
| 9 | Relationship Management Practices | 3.3753 | 1.026 | 3.4928 | 1.429 | -0.65 | 0.514 |
| 10 | Continuing Relationship | 3.2503 | 0.964 | 3.3645 | 1.080 | -0.81 | 0.420 |
| 11 | Presence of Retention Strategies | 3.2646 | 1.022 | 3.2728 | 1.037 | -0.06 | 0.952 |

**\*** Significant at 5 percent level in 2 tailed test

It was ascertained from Table 11.2.2 that both male and female respondents have rated all the seven predictor variables moderate to high scores. The two critical factors "Working Environment" (-2.05) and "Peer Group Behaviour" (-2.13) were found to be statistically significant at Five percent level and the remaining nine dimensions were insignificant showing no significant difference of perception. Therefore, the null hypothesis framed in this regard was mostly accepted

**Analysis in the Perspective of the Profile Factor "Salary per Month"**

Perceptions from the respondents drawing different quantum of monthly salary were obtained on a 5 point Likert scale in respect to the eleven Critical Factors (CFs) in order to evaluate the association of the CFs with the process of attrition and retention of IT employees in Madurai District. The profile factor was stratified into three groups. Therefore, One Way ANOVA test was employed to find out the significant factors acting upon to Perceptions from the respondents drawing different influence the subject under study and the result has been depicted in Table11.2.3

**Null Hypothesis:** There is no significant difference of perceptions among the employees drawing different quantum of monthly salary in respect to the eleven criterions towards employee attrition and retention process.

**Table 11.2.3 Association of Critical Factors Dimensions towards Employee Attrition and Retention as Perceived by Respondents Drawing Different Quantum of Monthly Salary**

| Sl. No. | Job Satisfaction | Mean Score-Salary Per Month | | | F Ratio | F Proba-bility |
|---|---|---|---|---|---|---|
| | | Below Rs.15,000 N= 132 | 15,000-30,000 N=131 | Above Rs.30,000 N=37 | | |
| 1 | Job Satisfaction | 3.4754 | 3.6349 | 4.2170 | 20.5942* | 0.0000 |
| 2 | Employee Relationships | 3.0846 | 3.4262 | 4.4127 | 23.9242* | 0.0000 |
| 3 | Working Environment | 3.1555 | 3.4749 | 4.2432 | 16.2499* | 0.0000 |
| 4 | Work and Other Related Activities in the Job | 3.0833 | 3.5122 | 4.2973 | 23.0481* | 0.0000 |
| 5 | Company Image | 3.0602 | 3.4805 | 4.3259 | 18.3830* | 0.0000 |
| 6 | Compensation | 3.0727 | 3.4500 | 4.2900 | 19.5958* | 0.0000 |
| 7 | Peer Group Behaviour | 3.0667 | 3.4336 | 4.33946 | 25.9759* | 0.0000 |
| 8 | Concerns about Location | 3.0602 | 3.3341 | 4.0000 | 12.1106* | 0.0000 |
| 9 | Relationship Management Practices | 3.0698 | 3.5038 | 4.2449 | 18.1927* | 0.0000 |
| 10 | Continuing Relationship | 2.9955 | 3.2911 | 4.2432 | 26.7328* | 0.0000 |
| 11 | Presence of Retention Strategies | 2.9955 | 3.3137 | 4.0668 | 17.8846* | 0.0000 |

* Significant at 5 percent level

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It was observed from Table 11.2.3 that the respondents belong to Gr.1 and Gr. 2 perceived all the eleven CFs with moderate mean scores. The respondents belong to Gr.3 have perceived the eleven CFS with high mean scores. Therefore, it was presumed that the above CFs was given much importance by the employees.

It was found that all the eleven CFs were found to be statistically significant, since the 'F' values were above the tabled value of 'F'. It was presumed that all the eleven CFs have close association with the employee attrition and retention process and have the power to influence the process in the IT companies in Madurai District. The null hypothesis stated above was totally rejected.

**Analysis through the Perspective of the Profile factor "Educational Qualification"**

The profile factor "Educational Qualification" was further stratified into four groups namely, 'Diploma' holders, UG degree qualifiers, PG degree qualifiers, and others. The perceptions in respect of seven variables were obtained through 5 point likert scale and were converted to numerical data and the average score were calculated to enable for employing statistical tools. The statistical tool One Way ANOVA was employed to study the association of the eleven criterions towards the employee attrition and retention process. The calculated results have been neatly presented in Table 11.2.4 according to the sequence of the critical factors (criterions) with suitable interpretations.

**Null Hypothesis:** There is no significant difference of perceptions among the four groups of employees having different educational qualifications in respect of the critical factors towards employee attrition and retention process.

### Table 11.2.4 Association of Critical Factors Dimensions towards Employee Attrition and Retention as Perceived by Respondents Having Different Educational Qualifications

| Sl. No. | Job Satisfaction | Mean Scores -Educational Qualification | | | | "F" Ratio | "F" Probability |
|---|---|---|---|---|---|---|---|
| | | Diploma N=38 | UG Degree N=169 | PG Degree N=75 | Others N=18 | | |
| 1 | Job Satisfaction | 3.9250 | 3.6220 | 3.4021 | 4.1400 | 9.8808[*] | 0.0000 |
| 2 | Employee Relationships | 3.8350 | 3.3192 | 3.0880 | 4.5000 | 11.1283[*] | 0.0000 |
| 3 | Working Environment | 3.8300 | 3.4037 | 3.0261 | 4.5000 | 12.3215[*] | 0.0000 |
| 4 | Work and Other Related Activities in the Job | 3.8000 | 3.3059 | 3.2507 | 4.4000 | 8.7895[*] | 0.0000 |
| 5 | Company Image | 3.8350 | 3.3783 | 2.9228 | 4.6700 | 13.8348[*] | 0.0000 |
| 6 | Compensation | 3.9250 | 3.3075 | 3.0792 | 4.2900 | 9.7870[*] | 0.0000 |
| 7 | Peer Group Behaviour | 3.7000 | 3.3172 | 3.1093 | 4.6000 | 11.7781[*] | 0.0000 |
| 8 | Concerns about Location | 3.8350 | 3.2468 | 2.9636 | 4.0000 | 8.9921[*] | 0.0000 |
| 9 | Relationship Management Practices | 3.8750 | 3.3293 | 3.0404 | 4.6300 | 13.4340[*] | 0.0000 |
| 10 | Continuing Relationship | 3.7550 | 3.1472 | 3.0396 | 4.5000 | 16.6786[*] | 0.0000 |
| 11 | Presence of Retention Strategies | 3.7550 | 3.2049 | 2.9821 | 4.0000 | 8.7257[*] | 0.0000 |

* Significant at 5 percent level

It was ascertained from Table 11.2.4 that the respondents with different educational qualifications belong to Gr.1 Gr.2 and Gr.3 have perceived the eleven CFs with moderate to high mean scores. The Group 4 respondents perceived all the eleven CFs with high mean scores. It was found that all the eleven CFs were found to be statistically significant, since the 'F' values were above the tabled 'F'Value. Hence, it was presumed that the eleven CFs have close association with the subject under study and have power to influence the employee attrition and retention process in the IT companies. The null hypothesis stated above was totally rejected due to significant difference of perceptions among the different groups of employees.

### 11.3 Correlation Analysis

To study the trend of Inter-correlation between the critical factors, Pearson Product Moment Correlation Technique was employed and the result has been presented in the matrix form in Table 11.3.1

**TABLE 11.3.1 INTER CORRELATION MATRIX**

| CFs | CF 1 | CF2 | CF3 | CF4 | CF5 | CF6 | CF7 | CF8 | CF9 | CF10 | CF11 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| CF1 | 1.0000 | | | | | | | | | | |
| CF2 | 0.9627* | 1.0000 | | | | | | | | | |
| CF3 | 0.9487* | 0.9856* | 1.0000 | | | | | | | | |
| CF4 | 0.9326* | 0.9750* | 0.9821* | 1.0000 | | | | | | | |
| CF5 | 0.9318* | 0.9414* | 0.9689* | 0.9601* | 1.0000 | | | | | | |
| CF6 | 0.9405* | 0.9722* | 0.9842* | 0.9763* | 0.9759* | 1.0000 | | | | | |
| CF7 | 0.9526* | 0.9681* | 0.9698* | 0.9589* | 0.9583* | 0.9717* | 1.0000 | | | | |
| CF8 | 0.9589* | 0.9880* | 0.9806* | 0.9733* | 0.9484* | 0.9790* | 0.9741* | 1.0000 | | | |
| CF9 | 0.9386* | 0.9835* | 0.9832* | 0.9758* | 0.9646* | 0.9752* | 0.9692* | 0.9846* | 1.0000 | | |
| CF10 | 0.9562* | 0.9835* | 0.9647* | 0.9630* | 0.9373* | 0.9620* | 0.9805* | 0.9830* | 0.9776* | 1.0000 | |
| CF11 | 0.9589* | 0.9558* | 0.9518* | 0.9489* | 0.9672* | 0.9728* | 0.9759* | 0.9747* | 0.9593* | 0.9700* | 1.0000 |

*Significant at 5 percent level

It was ascertained from Table 11.3.1 that all the eleven critical factors were highly and significantly correlated with each other to enable the employee attrition and retention process in the IT companies in Madurai district.

**11.4 DISCRIMINANT ANAYLSIS**

The below Table 11.4 clearly shows the Discriminant power of the dimension towards employee attrition and retention process. Out of the four profile factors subjected to analysis, three profile factors (age, salary and Educational Qualification) perceived all the eleven dimensions having power to discriminate each other towards employee attrition and retention process. The only profile factor, which differed with other factors, was "Gender". The two sub groups of male and female perceived only the two dimensions, namely, "Working Environment" and "Peer Group Behaviour" having discriminant power.

**Table 11.4 Discriminant power of Dimensions**

| Sl.No | Dimensions | Wilk's Lambda | | | |
|---|---|---|---|---|---|
| | | Age | Gender | Salary per Month | Educational Qualification |
| 1 | Job Satisfaction | 0.72904* (27.4104) | 0.99448 (1.6548) | 0.87821* (20.5942) | 0.90897* (9.8808) |
| 2 | Employee Relationships | 0.65117* (39.5077) | 0.98902 (3.3069) | 0.86125* (23.9242) | 0.89864* (11.1283) |
| 3 | Working Environment | 0.59553* (50.0899) | 0.98476* (4.6131) | 0.90137* (16.2499) | 0.88898* (12.3215) |
| 4 | Work and Other Related Activities in the Job | 0.64512* (40.5695) | 0.99986 (0.0410) | 0.86565* (23.0481) | 0.91820* (8.7896) |
| 5 | Company Image | 0.66590* (37.0030) | 0.99945 (0.1637) | 0.88984* (18.3830) | 0.87703* (13.8348) |
| 6 | Compensation | 0.53724* (63..52.52) | 0.99769 (0.6895) | 0.88342* (19.5958) | 0.90976* (9.7870) |
| 7 | Peer Group Behaviour | 0.65906* (38.1522) | 0.98482* (4.5933) | 0.85112* (25.9759) | 0.89336* (11.7781) |
| 8 | Concerns about Location | 0.60197* (48.7645) | 0.99039 (2.8919) | 0.92460* (12.1106) | 0.91648* (8.9921) |

| 9 | Relationship Management Practices | 0.65784* (38.3587) | 0.99801 (0.5950) | 0.89086* (18.1927) | 0.88016* (13.4340) |
|---|---|---|---|---|---|
| 10 | Continuing Relationship | 0.69190* (32.8399) | 0.99754 (0.7352) | 0.84744* (26.7328) | 0.85540* (16.6786) |
| 11 | Presence of Retention Strategies | 0.64427* (40.7206) | 0.99999 (0.0036) | 0.89251* (17.8846) | 0.91875* (8.7257) |

*Significant at 5 percent level

* Note: The figures in the Parenthesis indicate "F" values

## XII. DISCUSSION

The frequency distribution of profile factors were that there were 75 (25.0) respondents in the age group of below 25 years, 132 (44.0) in the age group of 26-35 years and 37 (12.3) each in the age group of 36-45 and 46-55 years respectively. The respondents having above 56 years of age were 19 (6.3). With regard to gender-wise samples, 226 (75.3) were Male and 74 (24.7) were Females. The sample consisted majority of Male respondents. According to monthly salary drawn by the employees, 132 (44.0) were in the salary group of below Rs.15, 000 per month, 131 (43.7) were in the group of Rs.16, 000-30,000 and 37 (12.3) were in the group of Rs.30,000 and above. The first two groups represent the sample population nearly equal in number and form majority. The respondents having Diploma Level qualification were 38 (12.7), UG degree were 169 (56.3), PG degree (75 (25.0), and Other Qualifications 18 (6.0).

The item-wise perceptions with regard to eleven dimensions were obtained. Then the total item-wise (predictor wise) perceptional scores were calculated and from the total score, the average score of each dimension was arrived at. Therefore, the predctor wise discussion has been presented in this section. The result of One Way ANOVA test performed on the data perceived by different "age" groups of employees clearly showed that all the predictors under the eleven critical factors had significant difference of perceptions among the different age groups and hence inferred that all the predictor variables under the eleven critical factors were statistically significant having close association with the concerned critical factors towards employee attrition and retention process in IT/ITES industries in Madurai district. Therefore, it is further concluded that these eleven critical factors have the power to influence the above process through its predictor variables. Therefore, the null hypotheses framed in respect of the eleven critical factors were totally rejected to state that there was significant difference of perceptions among the different age groups of employees in respect of the predictors under the criterions.

**Findings from the Perceptions of Profile Factor "Gender"**
The findings from the result of ''t' test performed on the data obtained from the perceptions of Male and Female employees with regard to the predictor variables under the eleven critical factors have been furnished below:

With regard to the critical factor "Job satisfaction", the two groups of employees have perceived the following five predictors to be statistically significant. That are; Job itself/contents, Trust of the company, Way of approach, Immediate response to complaints and queries, and New system introduction. The variable, "immediate response to complaints and queries" was considered to be more important by the employees.

With regard to the critical factor "Employee Relationship -Technological Aspects", out of six predictors, only three predictors namely; Process involved in completing the given task, Time taken to complete the assignment and Maintenance of equipments were found to be statistically significant

With regard to the critical factor "Working Environment Ambience of the company", the Male and Female employees have perceived, out of the twelve, the eight predictors to be statistically significant; Clean & Comfort are, Convenient Location, presence of Fire Exist, Methodological arrangement of Computers for easy navigation, Workplace, Work Environment, Water facilities, and Campus Hygiene.

With regard to the critical factor "Work and Other Related activities in the Job", the employees classified on gender diverse (male and female) perceived that out of ten predictors, the two predictors were perceived to be statically significant; Skills required, and Need for training. According to their perceptions, the three predictors under the critical factor "Company Image" did not have any significant importance and hence the Company Image never had a say in employee retention process. Further these respondents have perceived the only predictor "Amount spent on recreational activities" to be significant player in under the critical factor "Compensation". The two predictors namely, Behaviour of co-staff, and Behaviour of supporting staff were considered to be significant players under the critical factor "Peer Group Behaviour". Both male and female employees have perceived the three predictor variables, namely; Location of Company, Security and Safety, and Parking Facility to be significant under the critical factor, Concern about Location" of the company. There were eight predictors under the critical factor "Relationship Management Practice", of which, the male and female employees did not give significant importance to all the eight predictors. Out of eight predictors under the critical factor "Continuing Relationship", the only factor "If the organizations were to raise the employee practices, I would still continue to be an employee of the organization" was perceived to be significant and have the power to influence the subject under study.

Out of eight predictors under the critical factor "Presence of Retention Strategies", the following four predictors; Flexible Work arrangement, Work-Life Balance, Health and Safety, and Welfare Programme and Employee Engagement Programme of the employees"   were perceived to be significant to play important role and have power to influence the subject under study. However, the 't' test on the average scores of the dimensions revealed that, two dimensions, namely, "Working Environment" and "Peer Group Behaviour" were presumed to be statistically significant.

**Findings from the Perceptions of the Profile Factor "Salary per Month"**

The result of the One Way ANOVA test performed on the perceptions of employees drawing different quantum of monthly salary. Interestingly, the three groups have performed all the predictors under eleven critical factors to be statistically significant (except one predictor "Parking facilities under "Concern about Location) and drive towards employee attrition and retention process in the IT/ITES companies in Madurai District. The null hypothesis framed in its regard was totally rejected.

**Findings from the Perceptions of Profile factor "Educational Qualification"**

According to the perceptions of four groups of employees having different educational qualifications, moreover, most of the predictors were perceived to have significant importance in driving the retention strategy in the IT/ITES companies in Madurai district. However, few factors namely; Way of approach (under Critical Factor (CF) Job Satisfaction), Work Environment (under CF "Working Environment-Ambience of the Company"), Job content and Supervision required (under CF "Work and Other Related Activities in the Job"), The Nature of Peer Group system and their behaviour inside the working area (under the CF "Peer Group Behaviour"), Availability of banks near by the company (under the CF "Concerns about Location"), Salary/Monetary Benefit, Leave Travel Allowances, and Greeting on occasion (under CF "Relationship Management Practice') were not at all perceived to be significant by them. However, when the average scores of the dimensions as perceived by the above profile factor revealed that all the eleven dimensions were statistically significant and have the power to influence employee attrition and retention process.

## XIII.  CONCLUSIONS

The average perceptional scores of all the eleven dimensions clearly revealed that the dimensions have the power to influence in steering the employee attrition and retention process in IT industry in Madurai district. On the whole, the IT companies in Madurai district, so far, not applied any retention strategy in order to retain the employees. In case of employees, that are particularly the spinsters going out of the company due to matrimonial aspect, cannot be contained. However, the employees locally residing mostly in reachable distance of the company, leaving the company, poses a big question and has to be investigated thoroughly. These types of incidents may be due to loss of job satisfaction, work stress, low salary, loss of ownership, bad supervision, negative behaviour of peer groups and less engagement with the company. These important aspects have to be given utmost preference and suitable strategy to be planned for holistic implementation. The study made a

successful attempt to apply the Hackman and Oldham Model in connection with HR Strategies to retain the employee and this model proposed the job characteristic which supports the HR Issues in IT Companies. This study makes significant contribution to both theory and practice; it has suggested the strategies for implementation to retain the employees, it also proposed the retention model and it has some limitations and leaves scope for future research direction.

## XIV.  LIMITATIONS AND FUTURE RESEARCH

This research study confined to the employees of IT companies situated in Madurai district, Tamil Nadu, India. Future studies can also extended to the current study Trend of Employees' Attrition and Retention in Service Industries: Socio-Economic conditions and the Geography of the area are some of the Important Causes, and the effect of economic recession in developed Countries and Employees' Attrition and Retention process in Indian IT/ITES industry.

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