

# A STUDY ON IMPACT OF DEMOGRAPHIC FACTORS AFFECTING ATTRITION IN IT INDUSTRY



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## ABSTRACT

Information Technology (IT) plays an imperative role in almost every aspect of our lives. The world today has become one global village due to the widespread use of Information Technology. It has revolutionized the way businesses are conducted today by the government and private alike. The government and business have become so reliant on IT that it is hard to imagine how they would function without it. It has become an ever increasing resource with which organizations have created and sustained their competitive advantages. But attrition of employees plays a vital role in industry.



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## I. ATTRITION

Attrition is broadly defined as the total number of employees who leave the company because of any reason whatsoever. Attrition is broadly categorized into two: Involuntary and voluntary attrition.

## II. MOTIVATION AND PROBLEM STATEMENT

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

## III. OBJECTIVES OF THE STUDY

1. To examine the influence of demographic factors on attrition level of employees in IT companies.

## IV. REVIEW OF LITERATURE

**Gender :** The IT society is portrayed mostly a male dominated society, unsociable, unique, competitive all around and religious. In the aspect of leadership style men always have a tendency to use command and control. Men also care about formal authority and influence the people. (Sudarmo, 2006). Gefen & Straub, (1997); Ono & Zavodny, (2005); Venkatesh & Morris, (2000) studies protracted that ,Women's use of technology as a social instrument and also introduces opportunities to extend the benefits of technology discussion groups to an online medium, potentially making them more accessible, particularly to larger Vijay bhaskar et al (2001), Varma and Sasikumar (2004) and many others found male domination in Indian IT industry. Even if NASSCOM claims increasing women employment in IT industry and expects to reach 45:65 male-female ratio at the entry level jobs, that too accepts that less than 4% reach the top level. Top positions are dominated by men whereas lower entry level jobs are filled with women. Hence jobs with more status and pay and technical expertise are with men and jobs with less status, pay and technical knowledge are with women.

### AGE

Bal, P., et al., (2008) recent studies investigated how younger workers differ from older workers in terms of ethics. Specifically, they find younger workers are more willing to leave their current positions while older worker are more.

**Work Experience :** According to Rahul Sharma (2012) in his research investigation attrition in IT Industry stated that the high levels of attrition in the IT companies especially in India based on experience.

Employees having working experience less than three years. The nucleus of this group belongs to freshers and comparatively newcomers in the industry. For these associates, money is the primary factor. The company that offers these associates more money, irrespective of the work that they do (let it be maintenance, production support, documentation, etc.), will be able to attract them. There is not much of a retention plan that can be built for this group of resources – What the Manager will have to prepare is a Work-around, not a Mitigation strategy. . The trigger can be anything as small as a dispute with another team-member or as big as dissatisfaction

in the work-content, if not money. Mainly, the point I am driving at, is that “Prevention is better than cure” doesn't work in this case. One has to be alert to be able to gauge the mindset of the associate and have an alternative available. Effective usage of Buffer resources is one of the alternative solutions. Most often, the associates tend to compare themselves with their other fellow associates with the nature of their work and feel that the Grass is greener on the other side, whether it is to do with money, technology, culture, etc.,.

## V. RESEARCH METHODOLOGY

### Selection of Study Area: Chennai

### Sample size 500

### Research Design: Descriptive research design

**Research Questions:** How does the demographic factors influence on attrition level of employees in IT companies?

**Sampling Procedure:** Among the different IT hubs in Tamil Nadu, the Chennai city has been purposively selected for the present study. The employees of IT companies have been selected for the present study by adopting random sampling technique.

**Period Of Study :** The data and information collected from the employees of IT companies pertains to the year 2016-17.

### Data Collection :

- a) **Primary Data:** The data and information is collected from the primary source of the employees of IT companies through pre-tested structured questionnaire.
- b) **Secondary Data:** The data and information is collected from the secondary sources of journals, research papers, research reports, conference proceedings, magazines, newspapers and websites.

**Pilot Study :** The pilot survey was carried out with 50 employees of IT companies and reliability was checked by using Cronbach's alpha for different segments of the questionnaire. The reliability test for various features of attrition of employees in IT companies was measured using a five point scale and the reliability coefficients are From the results, it is clear that the Cronbach's alpha of the scale for overall questionnaire is 0.78 indicating acceptable level of internal consistency.

**Limitations Of The Study :** The present research is carried out for employees of IT companies only. The study area is restricted to Chennai city only. The present study is based on the primary data collected from employees of IT companies. Hence, the drawbacks and limitations of the field level survey are very much applicable to the present research. The data and information collected from the employees are subjected to recall bias.

## VI. DATA ANALYSIS AND INTERPRETATION

**Demographic Profile :** The demographic profile of the employees of IT companies were analysed and the results are here under discussed.

**Gender :** The gender wise distribution of the employees of IT companies was analysed and the results are presented in Table 1.

**Table-1: Gender wise Distribution of Employees of IT Companies**

Gender	Frequency	Per cent
Male	344	68.80
Female	156	31.20
<b>Total</b>	<b>500</b>	<b>100.00</b>

Source: Primary Data

The results show that about 68.80 per cent of the employees of IT companies are males and the rest of 31.20 per cent of the employees of IT companies are females. It is inferred that the majority of the employees of IT companies are males.

**Age :** The age wise distribution of the employees of IT companies was analysed and the results are presented in Table 2.

**Table-2: Age wise Distribution of Employees of IT Companies**

Age (Years)	Frequency	Per cent
20 to 30	305	61.00
31 to 40	177	35.40
41 to 50	16	3.20
51-60	2	0.40
<b>Total</b>	<b>500</b>	<b>100.00</b>

Source: Primary Data

The results indicate that about 61.00 per cent of the employees of IT companies belong to the age group of 20 to 30 years followed by 31 to 40 years (35.40 per cent), 41 to 50 years (3.20 per cent) and 51-60 years (0.40 per cent). It reveals that the most of the employees of IT companies belong to the age group of 20 to 30 years.

It is found through subsequent analysis that attrition level in very high in the age group of 20 to 30. This is obvious because person belonging to this age group join an organisation on first employment earn experience and the leave the organisation to improve their carrier prospects.

**Educational Qualification :** The educational qualification wise distribution of the employees of IT companies was analysed and the results are presented in Table 3.

**Table-3: Educational Qualification wise Distribution of Employees of IT Companies**

Educational Qualification	Frequency	Per cent
Diploma	6	1.20
Under Graduation	307	61.40
Post-Graduation	174	34.80
Others	13	2.60
<b>Total</b>	<b>500</b>	<b>100.00</b>

Source: Primary Data

It is clear that about 61.40 per cent of the employees of IT companies are educated up to under graduation followed by post-graduation (34.80 per cent), others (2.60 per cent) and diploma (1.20 per cent). It is inferred that the majority of the employees of IT companies are under graduates.

**Specialization :** The specialization wise distribution of the employees of IT companies was analysed and the results are presented in Table 4.

**Table-4: Specialization wise Distribution of Employees of IT Companies**

Specialization	Frequency	Per cent
Arts	19	3.80
Commerce	44	8.80
Engineering	420	84.00
Others	17	3.40
<b>Total</b>	<b>500</b>	<b>100.00</b>

Source: Primary Data

It is observed that about 84.00 per cent of the employees of IT companies are specialized in engineering followed by commerce (8.80 per cent), arts (3.80 per cent) and others (3.40 per cent). It reveals that the most of the employees of IT companies are specialized in engineering.

**Marital Status :** The marital status wise distribution of the employees of IT companies was analysed and the results are presented in Table 5.

**Table-5: Marital Status wise Distribution of Employees of IT Companies**

Marital Status	Frequency	Per cent
Unmarried	262	52.40
Married	238	47.60
<b>Total</b>	<b>500</b>	<b>100.00</b>

Source: Primary Data

It is apparent that that about 52.40 per cent of the employees of IT companies is unmarried while the rest of 47.60 per cent of the employees of IT companies is married. It is inferred that the majority of the employees of IT companies are unmarried.

From the subsequent analysis it was found that attrition all levels is high with unmarried employee than the married employees. This could be the experienced as married employees would not prefer to frequently change the job as they have family to support. But such a comparison is not applicable to unmarried employees.

**Total IT Experience :** The total IT experience wise distribution of the employees of IT companies was analysed and the results are presented in Table 6.

**Table-6 : Total IT Experience wise Distribution of Employees of IT Companies**

Total IT Experience (Years)	Frequency	Per cent
0 to 1	64	12.80
1 to 3	135	27.00
3 to 6	128	25.60
6 to 10	127	25.40
10 to 15	33	6.60
15 and Above	13	2.60
<b>Total</b>	<b>500</b>	<b>100.00</b>

Source: Primary Data

It is observed that about 27.00 per cent of the employees of IT companies have the total IT experience of 1 to 3 years followed by 3 to 6 years (25.60 per cent), 6 to 10 years (25.40 per cent), o to 1 year (12.80 per cent), 10 to 15 years (6.60 per cent) and 15 year and above (2.60 per cent). It is inferred that the majority of the employees of IT companies have the total IT experience of 1 to 3 years

**Experience In Current Organisation :** The experience in current organisation wise distribution of the employees of IT companies was analysed and the results are presented Table 7.

**Table-7: Experience in Current Organisation Distribution of Employees of IT Companies**

Experience in Current Organisation (Years)	Frequency	Percent
0 to 1	67	13.40
1 to 2	130	26.00
2 to 3	142	28.40
3 to 5	96	19.20
5 and Above	65	13.00
<b>Total</b>	<b>500</b>	<b>100.00</b>

Source: Primary Data

It is apparent that about 28.40 per cent of the employees of IT companies have the experience of 2 to 3 years in the current organisation followed by 1 to 2 years (26.00 per cent), 3 to 5 years (19.20 per cent), 0 to 1year (13.40 per cent) and 5 years and above (13.00 per cent). It reveals that the most of the employees of IT companies have the experience of 2 to 3 years in the current organisation.

## VII. FINDINGS

- The results indicate that about 68.80 per cent of the employees of IT companies are males and the rest of 31.20 per cent of the employees of IT companies are females. It is inferred that the majority of the employees of IT companies are males.
- The results show that about 61.00 per cent of the employees of IT companies belong to the age group of 20 to 30 years followed by 31 to 40 years (35.40 per cent), 41 to 50 years (3.20 per cent) and 51-60 years (0.40 per cent). It reveals that the most of the employees of IT companies belong to the age group of 20 to 30 years.
- It is observed that about 61.40 per cent of the employees of IT companies are educated up to under graduation followed by post graduation (34.80 per cent), others (2.60 per cent) and diploma (1.20 per cent). It is inferred that the majority of the employees of IT companies are under graduates.
- It is clear that about 84.00 per cent of the employees of IT companies are specialised in engineering followed by commerce (8.80 per cent), arts (3.80 per cent) and others (3.40 per cent). It reveals that the most of the employees of IT companies are specialised in engineering.
- It is apparent that about 52.40 per cent of the employees of IT companies are unmarried while the rest of 47.60 per cent of the employees of IT companies is married. It is inferred that the majority of the employees of IT companies are unmarried.

- The results indicate that about 39.40 per cent of the employees of IT companies have dependants of 1 to 2 followed by 0 to 1 (31.20 per cent), 2 to 3(18.40 per cent), 3 to 4(6.80 per cent) and 4 to 5 (4.20 per cent). It reveals that the most of the employees of IT companies have dependants of 1 to 2.
- It is apparent that about 69.60 per cent of the employees of IT companies are living in rented residence and the rest of 30.40 per cent of the employees of IT companies are living in owned residence. It reveals that the most of the employees of IT companies are living in rented residence.
- It is clear that about 27.00 per cent of the employees of IT companies have the total IT experience of 1 to 3 years followed by 3 to 6 years (25.60 per cent), 6 to 10 years (25.40 per cent), o to 1 year (12.80 per cent), 10 to 15 years (6.60 per cent) and 15 year and above (2.60 per cent). It is inferred that the majority of the employees of IT companies have the total IT experience of 1 to 3 years.
- It is observed that about 28.40 per cent of the employees of IT companies have the experience of 2 to 3 years in the current organisation followed by 1 to 2 years (26.00 per cent), 3 to 5 years (19.20 per cent), 0 to 1year (13.40 per cent) and 5 years and above (13.00 per cent). It reveals that the most of the employees of IT companies have the experience of 2 to 3 years in the current organisation.

## VIII. RECOMMENDATIONS

The findings of this study hold specific recommendations and these recommendations are summarized below.

- Employee attrition is critical issue that will affect the long term growth and success of any business organisation, particularly in case of IT companies where the companies spend so much in the recruitment and their initial and ongoing training of the employees.
- Organisational issues such as time and investment involved in training, knowledge lost due to attrition; mourning and insecure coworkers and a costly replacement of candidate costs a lot to the organisation. Employee retention is a matter of concern for almost all the IT companies.
- The concept of employee retention should be very distinctly understood and realised by IT companies. The retention strategies designed should be such that the retentive forces are maximized and the debilitating forces minimized

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