Turnover Intention and Turnover in Indian IT Industry – Perspective of Employees who Shifted Jobs

Physiology

KEYWORDS :

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ABSTRACT   *This study was undertaken as a preliminary study to unearth potential variables for the study of turnover intention and turnover in the Indian IT industry. The study explored through the understanding of employees who shifted their jobs from various organizations. It was understood that relocation concerns, peer pressure, work life balance, better job content, management policies and salary norms influenced the intention to quit in general. The research on turnover intention which is to be undertaken in future should study the above cited variables in detail*

Introduction

The study of job turnover has been done in depth world over from the past four decades. However such studies have been minimal in the Indian IT industry. The Indian IT industry established itself only in the current decade. The Indian IT has been growing at a whopping pace in the current decade. In an effort to be part of the bandwagon, efforts to study the negativities that churned along with the process were kept in the back burner. Indian IT professionals were happy moving from one firm to the other for the simplest of the reasons. Firms were happy hunting down professionals from outside rather than breeding their existing ones. Negative effects of this job turnover were seldom considered. Also the loss for the employer and the employee when the employee sports the intention quit was neglected. As the Indian IT industry is maturing it is getting aware of these facts. HR initiatives are undertaken but it tries to settle the issues based upon on the study results conducted on the foreign soil. There is a dire need to understand how, why and when employee develops that intention to quit or may be on a more measureable note why an employee actually quits the organization within the Indian context.

When one ventures to a study on intention to quit for which extensive literature is available from outside India, there is a need to perform preliminary studies within the Indian context so that hypothesis formation becomes more sensible. Literature survey and the preliminary studies can help determine the variables upon which focus needs to be studied. As the first preliminary study to aid this purpose, HR professionals were interviewed and their awareness on the entire process was gauged (Joseph, 2011).The second study aims to explore variables within the Indian context by hearing it from the people who matter themselves—the employees who actually shifted. The viewpoint that is offered from the HR and the employee itself could be contrasting. HR could be seen only as an intermediary in the entire process of job change by an employee. HR primarily bases their idea of job change on the exit interviews. Veracity of the facts provided at the exit interviews could be doubted since employees may not want to take trouble when they are leaving. On the opposite as the employees are leaving they may want to put the black shade as much as possible to their immediate superiors as they leave. Considering these, it is mandatory to understand from the employees themselves whether there are any other variables that need to be considered when a study on turnover intention and turnover is undertaken.

Objectives of the Study

The objectives of the study are to unearth the variables that can influence the turnover intention and turnover by studying the employees who actually shifted jobs. Understanding the causes from the employees themselves is mandatory as the situation they face in the Indian IT industry is peculiar. There is no universal theme by which an employee decides to quit job. Each one would have their own combination of reasons for their job shift. The seeds of psychological causes need to be separated from the chaff. This study can also be seen as a pilot study before the real test. This test gives the indication on how the employees

could be approached and in what way the data can be extracted easily. Such a pilot study would help us understand the potential mistakes one may commit on an extensive research. The reverse technique of asking the employee on what they would have done if they were managers and if some others were there in their position can help us understand the retention strategies. More often than not, employees are a confused lot. With no one to provide clear suggestion they tend to take impulsive decisions. These are the decisions that could be altered with properly planned intervention strategies. Hence understanding the view point of the employee can help in devising a clear retention strategy.

Methodology

Questionnaire (*see* Annexure 1) was prepared based on the review of literature. Telephonic interviews were conducted with six IT professionals who actually shifted their jobs. The interview was semi- structured but it had the active involvement of the interviewer. For instance, when the interviewee did not understand a question, then the question was rephrased which would then enable the interviewee to answer the questions. However, efforts were made from the side of the interviewer to remain neutral and not put any answers into the mouth of the interviewee. Among the six IT professionals who were interviewed, 2 were married females and 4 were males among which two were married. All of them belonged to the age group 25-30 years. The job location of all the professionals were/are Bangalore. None of them are of Bangalore origin. The firms included multinationals of European, American and Asian origin. The interview was structured; however the IT professional were provided the opportunity to express their understanding on the turnover process. All of them had shifted their job 1.5 to 4 years after starting their career.

Research Findings

Different people quit their job citing different reasons. Job situation and higher remuneration of an alternate job were cited by majority of the people. Some people were heavily influenced by the actions of their peers; some were not at all influenced by their peers. The relationship with managers also had an assorted response. Some found the attitudes of managers accelerating the process of quitting; some identified managers as supportive. Interestingly there was a view point that the managers helpless.

The intention of quitting was there for everyone which finally resulted into quitting. For some the intention to quit was present much before they quit. But for a majority the intention to quit came few months before they actually quit. One striking aspect is that none of the IT professionals claimed monetary benefit as a reason for intention to quit to originate. This assumes lot of significance when monetary benefits were quoted by a majority as the reason for quitting. Once the intention to quit originated half of the sample claimed it was constant and the rest of them said the intention to quit cumulated gradually. Contrary to the expectation 2/3rd of the sample claimed that there were no behavioural changes in them during the period when they possessed the intention to quit. If we compare this

result with the claim of the HR personnel (Joseph, 2011) we can find a diagonally opposite viewpoint. There was also a 100 % vouch by the IT professionals that their productivity was not at all affected. This claim to the fact that there is no impact on productivity even if an employee sports then intention to quit is a dramatic find provided the employees in this sample were frank. The moderating effects of personality were minimal as people with low risk taking capability also quit. Most of the sample fell into the construct of local-cosmopolitan and the rest was cosmopolitan. Surprisingly 2/3rd of the sample loved their job even after they developed the intention to quit. Also, at this point in time everyone was glad that they quit their previous company.

Discussions

The general trend seen is that people tend to quit their job 1.5 years to 4 years after starting their career. IT professionals cited different reasons for their decision to quit. Remuneration was cited as reason to quit by all the respondents. Rather than the absolute amount the employees concern could be on the satisfaction on the pay structure. Many suggested that seeing their peers who quit the job earning more was a triggering point. Hence the perceived satisfaction of the pay structure is the factor. 'Satisfaction about pay should be derived from perceived fairness in pay practise (procedural justice) and pay amounts (distributive justice)' (Hom & Griffeth, 1995).The model of pay effects on turnover by Hom & Griffeth suggests expectations stems from the financial needs of the employees. Another important factor is the perceived availability of alternatives which can pay really better for the same skill set. 'Secrecy about pay policies may colour pay perceptions though this influence hinges on whether employees over or underestimate others' pay' (Hom & Griffeth, 1995).While we discuss in depth about remuneration as a factor in quitting one important factor that needs to be noted is that none of the respondents cited low remuneration as a factor which incited them to form the intention to quit. Hence, it may be deduced that the importance of remuneration applies while searching for an alternative. While switching jobs the new job is always seen as something unknown. Hence a hike on salary is expected as a way to mitigate risks. The importance of this factor needs to be understood in better detail and in which part of the chain of turnover this pay structure exerts maximum influence is to be seen. The existing literature does not differentiate much between the influence of pay structure to quitting and in the formation of intention to quit.

Another factor that was raised unequivocally as a reason to quit was job content. The job content has it sub elements as job scope, routinization, work satisfaction, job stress, intrinsic motivation, job involvement, professionalism and managerial motivation (Hom & Griffeth, 1995).Respondent one claimed job scope as a reason to quit job. The job scope comes into play for people with high growth needs than those with weak growth needs.

'Loher,Noe,Moeller and Fitzgerald's meta-analysis (1985) found that job complexity and job satisfaction correlated .57 for employees with high growth needs but correlated only .32 for those with weak growth needs' (Hom & Griffeth, 1995). Respondent 1 also claimed routinization as an issue which ultimately led to the intention to quit. Presumably Respondent 1 alone talked about having less work satisfaction. Respondent 2 had job stress. Respondent 3 lacked the intrinsic motivation and job involvement. Respondent 4 and 5 were faced with non professional attitude from external sources. Job content is a major issue within the Indian IT context with one or the other sub elements being cited as reason for quitting.

Influence of peers has been underplayed by the researches that happened. In the Indian context this factor will have a major prominence. Whether it be the remuneration or the job opportunities Indians tends to worry not if their same level skilled gets better remuneration and job opportunities but if their peers manage so. It may have more to do with the self belief in Indians and also the herd behaviour. 2/3rd of the sample said that they were influenced by the actions of their peers. Even an

extensive review of literature did not suggest this factor is so relevant. Rather than peers what influences the employee is what the he hears from acquaintances. For instance the respondent 6 enumerated on an instance where he simply loved the company and work; had no concerns for his salary. But job consultancy agent talked with him and made him resign from his job. It can be deduced employees make quick decisions to quit and quit in a speedy manner. The majority of the respondents developed the intention to quit just 2-3 months before they actually quit. It is hard to believe that majority are able to do a detailed analysis on the pros and cons in this short time span. The underlying thought process needs to be explored. The facet becomes more interesting when professionals who do not consider themselves as risk taking, take this quick decision. One probable cause could be that the professionals believe that even if one job shift falters they can do another sooner than later. Correspondingly they do not see a risk in job changing at all. May be to put it in a crude way, the employees change jobs like a girl changes her clothes. The significance is that the employees always have an ever ready attitude towards job shifting. The influence of peers then acts as the fire to the fuel. HR intervention gets really tricky if it want to counter the aspect of peer influence. Inherently the employees may believe the peers especially those who are co-operative to them rather than the managers. With this implied class war between the manager and the managed, intervention becomes a quagmire.

There were three kinds of responses as far as the relationship with managers was explored. 1/3rd of the respondents did not have good relationship with the manager. 1/6th said that they wanted manager to be more understanding. But even if more understanding was received quitting still would have happened. 1/3rd of the respondent claimed to have good relationship with the manager. But one anomaly observed is that respondent 6 said he had good relationship with the manager. However he also said that the intention to quit originated in him because of a fight he had with immediate superiors. Here it would be better to reject the data. 1/3rd of the sample claimed that their manager was helpless. They were able to empathize with the manager. Here it could be deciphered that rather than the manager the HR policies of the companies were found unacceptable. LMX (Leader-Member-Exchange) theory states that 'LMX relationship more proximally predict employee turnover intentions than does support from the organization' (Wheeler, July 1, 2010).However as the data gathered by this study support from organization is also a factor that is worth pondering.

Fishbein and Ajzen's 'Theory of Reasoned Action' states that belief leads to attitude, attitude leads to intention, and intention leads to behaviour. The current study focused more on intention and the behaviour. The belief and thereby the attitude that led to the intention was also explored in the study. However a more organized approach is necessary to understand how and when the belief system originated which led to the attitude. Studying this aspect by mere direct questions can supply us wrong indications rather than right ones. Indirect ways of understanding the belief system probably by a longitudinal study can help understand better the belief and the attitude. However the theory of reason action forms the crux of the turnover process.

When we explore in detail on the reasons for intentions, one factor conspicuous by its absence is monetary benefits as mentioned earlier. This is an important result and all the economic based theories of turnover could turn void by this. The economics involved was just considered as an extra mileage along with the intended things. Another question one may want to raise is on the way the IT professionals responded in this study. When asked why they quit all of them thought remuneration was a factor; some even claimed it as the major factor. However when asked how did the intention to quit originate none of the talked about pay scale. This suggests that HR intervening can really be successful if applied in the right way.

The patterns that could be identified for intention to quit are that it remained constant and that it increased day by day. There is a proverb which says all the emotions are like moon; if it's not

growing then its weaning. This holds good for the professionals who said that the intention to quit increased day by day. These are the professionals for whom HR intervention could be of maximum use. For the others who said that the intention to quit remained constant could have triggered it by some specific sporadic incidents. It should be imagined soon after this event they hit the peak of the intention to quit. Their grit and determination helped them sustain this intention to quit. This would have been the basic explanation for this constant pattern. Respondent 6 is a perfect example for this. However for the respondents 1 and 2 there were no such sporadic incident which triggered off the intention to quit but their intention to quit remained the same. The psychological process respondent 1 and 2 underwent is baffling. The possible explanation is that they accumulated the negative attitude towards the job which culminated in the decision to quit. Once the decision to quit was formed then it remained same. One interesting aspect found missing among the respondents is the vacillating nature- that one day they want to quit the job badly and few days later they are okay with job but again on a negative incident the intention to quit reappears with full intensity.

Respondents 3-6 suggested one particular "shock" coming their way which makes develop the intention to quit. This is in line with the view point of Lee and Mitchell (1994) 'that the entire process of screening and decision making begins with a "shock to the system", a specific event that jars the employee to make deliberate judgments about his or her job and perhaps to consider quitting the job.' (Hom & Griffeth, 1995)

2/3rd of the sample claimed that there was no behavioural change in them during the period when the nurtured the intention to quit. 'Absenteeism often represents a substitute form of behaviour for turnover' (Mowday, Porter, & Steers, 1982).The period when one have the intention to quit is the one where quitting has not materialized. So in this period naturally substituting the behaviour of quitting with the behaviour of absenteeism could be expected. However, only 1/6th of the respondents acknowledged this factor. This suggests that the intensity of the intention to quit were no so much in others. Hence, they did not have to resort to substitute action for solace. This points to the question whether the intensity of the intention to quit for the Indian IT professionals is same as that of professionals outside the country. The question which is subjective to the Indian context is whether the intensity of intention to quit reaches an optimum level before the actual quitting happen.

Apart from respondent 1 &3, everyone claimed that they were concerned about both organizational commitment and professional committment. For respondents 1 &3, they were high on professional commitment but low on organizational commitment. A study on this commitment by Roderick D. Iverson, Charles W. Mueller, and James L. Price, named the study on local-cosmopolitan structure claimed that 'dual commitment (i.e., organizational and professional commitment) was associated with a decline in employee turnover' (Griffeth & Hom, 2004). Incidentally the professionals who shifted their job this study bumped into had 2/3rd of them claiming that they are dually committed.

Again only respondents 1 & 3 did not love their jobs once they develop the intention to quit. Even for these professionals they did not find any change in productivity. All others claimed that they still enjoyed their work even after developing the intention to quit. 'Yet former employees' own reports are not necessarily more truthful. Leavers may be reluctant to report negative reasons to avoid endangering their chances of reemployment or employment elsewhere. Employees may, after the fact, develop rationalizations to justify their leaving that do not reflect the original reasons for quitting. Along with such justifications, personally reported reasons are vulnerable to a bias created by social desirability' (Hom & Griffeth, 1995).

Conclusions and Recommendations
Despite the fact that the study was conducted among few employees ,the striking findings of this study are as below:

There was a great influence of peers in the decision making of quitting. Some of the employees who quit empathised with their managers and claimed their managers to be helpless. Though everyone had one of the reason for quitting as better remuneration, none of them said so when talking about the reasons for developing intention to quit. Most of the respondents claimed that there were no behavioural changes in them even after they developed the intention to quit. Everyone said productivity also did not changed during this period; one of them claimed that productivity increased in this period. This altogether points to the fact how difficult it will be get the real fact on these from the employees who left the job. Even the non-risk taking professionals were at ease when they shifted jobs which are quite alarming for the industry.

Annexure:
Annexure 1: Questionnaire

When did you quit your job?

How many years of experience did you have when you shifted your job?

Why did you quit your job?

What was the effect of remuneration in arriving in the decision to quit?

How much did your peers influence you in making such a decision?

How was the relationship with your manager?

Could your manager have done anything to change your decision to quit?

Did the intention to quit come even much before you quit?

How did this intention to quit originate?

Did you observe any pattern for the intention to quit?

Did this intention to quit affect your productivity?

Did you observe any behavioural patterns once the intention to quit formed in your mind?

Do you consider yourself as a risk taking person?

Were you concerned about the growth of the company or were you simply bothered about up skilling you so that you can easily get a job somewhere else at a later point in time.

Did you enjoy the job you were doing—before and after who developed intention to quit?

Do you consider the decision to quit as a good decision at this point in time?

Annexure 2: Interview: Firm 1: Employee
When did you quit your job?

September 2010
How many years of experience did you have when you shifted your job?

After 4 years
Why did you quit your job?

Marriage and Relocation
What was the effect of remuneration in arriving in the deci-

sion to quit?

It had an effect.
How much did your peers influence you in making such a decision?

Hearing the higher salaries and remuneration of my friends who quit I too wanted to quit.
How was the relationship with your manager?

Not so good. It was hostile.
Could your manager have done anything to change your decision to quit?

If I was in his place I would have approached the employee and tried to understand the employee's expectation. However in my case it was an inevitable decision.
Did the intention to quit come even much before you quit?

Yes. I had developed this after 2 years in my job.
How did this intention to quit originate?

There was no job satisfaction. It was repetitive job. I was not happy with the job content.
Did you observe any pattern for the intention to quit?

It remained constant
Did you observe any behavioural patterns once the intention to quit formed in your mind?

Lot of frustration. Developed hostility towards superiors. I avoided managers.
Did this intention to quit affect your productivity?

No
Do you consider yourself as a risk taking person?

Yes
Were you concerned about the growth of the company or were you simply bothered about up skilling you so that you can easily get a job somewhere else at a later point in time.

I was more concerned about my growth.
Did you enjoy the job you were doing—before and after who developed intention to quit?

I used to enjoy it. But after 2 years I did not enjoy it.
Do you consider the decision to quit as a good decision at this point in time?

Yes.

Annexure 3: Interview: Firm 2: Employee
When did you quit your job?

Jan 2010
How many years of experience did you have when you shifted your job?

4 years
Why did you quit your job?

Career growth; better job opportunity; better remuneration
What was the effect of remuneration in arriving in the decision to quit?

It was one of the concerns.
How much did your peers influence you in making such a decision?

Not much. It was purely a personal decision.
How was the relationship with your manager?

Quite professional. He helped me in technical aspects but was not cooperative in approving leaves even though emer-

gency work was not there.
Could your manager have done anything to change your decision to quit?

He could have been more understanding. Still I would have quit.
Did the intention to quit come even much before you quit?

2 months before quitting.
How did this intention to quit originate?

Thought for better job opportunity
Did you observe any pattern for the intention to quit?

No. It remained the same
Did you observe any behavioural patterns once the intention to quit formed in your mind?

No changes.
Did this intention to quit affect your productivity?

No. It remained the same.
Do you consider yourself as a risk taking person?

Yes

Were you concerned about the growth of the company or were you simply bothered about up skilling you so that you can easily get a job somewhere else at a later point in time.

I was concerned about both.
Did you enjoy the job you were doing—before and after who developed intention to quit?

Yes, enjoyed it. However, the work pressure was really too much.
Do you consider the decision to quit as a good decision at this point in time?

Yes.

Annexure 4: Interview: Firm 3: Employee
When did you quit your job?

Feb, 2006
How many years of experience did you have when you shifted your job?

2 years
Why did you quit your job?

I was frustrated. I was asked to come and work on Saturdays and Sundays-I was forced to do it
What was the effect of remuneration in arriving in the decision to quit?

I was looking for better salary as well
How much did your peers influence you in making such a decision?

Colleagues did influence. When they quit they got better opportunities and salary
How was the relationship with your manager?

Manager was helpful. Once I was frustrated the relationship worsened.
Could your manager have done anything to change your decision to quit?

He could spoke to be at a personal level and befriended me.
Did the intention to quit come even much before you quit?

About half a year before I actually quit.
How did this intention to quit originate?

As I said, from the frustration I was having with the project

at that time.
Did you observe any pattern for the intention to quit?

The intention to quit slowly developed and it increased day by day.
Did you observe any behavioural patterns once the intention to quit formed in your mind?

Yes. I took more leaves. I got tired easily. I became not so friendly with immediate superiors.
Did this intention to quit affect your productivity?

Productivity did not decrease at all.
Do you consider yourself as a risk taking person?

Not really. On a scale of 1 to 10, I would rate myself 3 on risk taking.
Were you concerned about the growth of the company or were you simply bothered about up skilling you so that you can easily get a job somewhere else at a later point in time.

Success of the project was not my immediate responsibility. I concentrated only on my responsibility. Once the intention to quit aroused I attended technical trainings which I thought would be beneficial for searching my job.
Did you enjoy the job you were doing—before and after who developed intention to quit?

Enjoyed it before. After having the intention to quit I did not enjoy the job.
Do you consider the decision to quit as a good decision at this point in time?

Yes.

Annexure 5: Interview: Firm 4: Employee
When did you quit your job?

March 2010
How many years of experience did you have when you shifted your job?

2.5 years
Why did you quit your job?

Remuneration. Also I wanted to work in the same technology as I was working. As I was then working in a service company once a project gets over we have to move to a different project and then work in whatever technology that project is in.
What was the effect of remuneration in arriving in the decision to quit?

It was one of the factors.
How much did your peers influence you in making such a decision?

Very much. I would say this as a major factor. When I saw my colleagues who quit getting better salaries and opportunities I too want to shift job
How was the relationship with your manager?

Very Smooth
Could your manager have done anything to change your decision to quit?

Better remuneration; better opportunities; onsite opportunities.
Did the intention to quit come even much before you quit?

After 2 years in job.
How did this intention to quit originate?

Influenced by peers
Did you observe any pattern for the intention to quit?

No pattern as such. Sometimes the thought to quit will come to

my mind.
Did you observe any behavioural patterns once the intention to quit formed in your mind?

Nothing changed.

Did this intention to quit affect your productivity?

No. It remained the same
Do you consider yourself as a risk taking person?

No
Were you concerned about the growth of the company or were you simply bothered about up skilling you so that you can easily get a job somewhere else at a later point in time.

I was concerned about improving my capability at the same time I was concerned about the project success as well.

Did you enjoy the job you were doing—before and after who developed intention to quit?

Yes. I enjoyed the work even after having the intention to quit but may not be to the same degree.

Do you consider the decision to quit as a good decision at this point in time?

Yes

Annexure 6: Interview: Firm 5: Employee
When did you quit your job?

Jan, 2008

How many years of experience did you have when you shifted your job?

3.5 years

Why did you quit your job?

Because of the job environment. It was a client based project. Our project was coming to a close. The client had already identified another partner to continue with the project. So their attitude towards us was hostile. Also it was long time since I joined that company. Compensation was also a factor.

What was the effect of remuneration in arriving in the decision to quit?

It was a factor.

How much did your peers influence you in making such a decision?

No influence

How was the relationship with your manager?

Good

Could your manager have done anything to change your decision to quit?

Manager was helpless

Did the intention to quit come even much before you quit?

3-4 months before I actually quit.

How did this intention to quit originate?

Based on the hostile job environment.

Did you observe any pattern for the intention to quit?

It gradually increased.

Did you observe any behavioural patterns once the intention to quit formed in your mind?

No

Did this intention to quit affect your productivity?

It remained the same

Do you consider yourself as a risk taking person?

No

Were you concerned about the growth of the company or were you simply bothered about up skilling you so that you can easily get a job somewhere else at a later point in time.

Primary concern was up skilling for me. But I would have done whatever possible from my side for the success of the project.

Did you enjoy the job you were doing—before and after who developed intention to quit?

Yes. Even after forming the intention to quit I enjoyed the work

Do you consider the decision to quit as a good decision at this point in time?

Yes

Annexure 7: Interview: Firm 6: Employee
When did you quit your job?

2006 May

How many years of experience did you have when you shifted your job?

 1.5 years

Why did you quit your job?

Simply for more opportunity and more money

What was the effect of remuneration in arriving in the decision to quit?

 It's a major factor

How much did your peers influence you in making such a decision?

Everyone in my team was trying for a new job.

How was the relationship with your manager?

Good

Could your manager have done anything to change your decision to quit?

He was supporting to quit. In fact the company hires more people than required. Hence they did not care much about people leaving.

Did the intention to quit come even much before you quit?

2 months before I actually quit.

How did this intention to quit originate?

Friction with immediate superiors triggered it.

Did you observe any pattern for the intention to quit?

I was always open for a change. When an issue came then I wanted to quit and that feeling remained in me.

Did you observe any behavioural patterns once the intention to quit formed in your mind?

No

Did this intention to quit affect your productivity?

In fact I improved my performance so that I can leave the company on a better note.

Do you consider yourself as a risk taking person?

Not exactly.

Were you concerned about the growth of the company or were you simply bothered about up skilling you so that you can easily get a job somewhere else at a later point in time.

Both.

Did you enjoy the job you were doing—before and after who developed intention to quit?

Yes. I enjoyed it all the while as I loved the team.

Do you consider the decision to quit as a good decision at this point in time?

Of course. When one wants to quit one must quit. While working in my current company I resigned once and roll backed the decision. I regret it now. I never had an intention to quit at that time; but the recruiting company convinced me of a good opportunity and as I got the offer I resigned. But my manager convinced me to roll back the decision. I regret the decision to revert at this point in time.