# ORIGINAL RESEARCH PAPER

**Management**

## Perception of Organizational Sacrifice and its Impact on Turnover Intention among Software Professionals

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**ABSTRACT**

The software industry in India which comprises of Information Technology (IT) and Information technology enabled services (ITES) has played an important role in the advancement of our economy by employing around 3.5 million workforces. The GDP contribution by the Indian IT sector rose to approximately 9.3 per cent in the year 2015-16. The role of HR professionals has gained importance to serve as strategic partners apart from the traditional administrative role. Keeping employees attached to their jobs and retaining them in the organization is one of the greatest challenges faced by HR professionals today. Measuring the turnover intentions of employees can serve as a predictor of attrition levels of an organization. This study aims to find out the factors which influence turnover intentions of software professionals in the workplace. The researcher relates the concept of Organization Sacrifice to Turnover Intentions and establishes that the results can serve as a valuable input to bring down attrition level.

## INTRODUCTION

IT sector in India has attracted foreign direct investment worth US $ 22.83 billion over the last 15 years. The IT and ITES sector is a mass employment generator in our country providing direct employment to more than 3.5 million people. Another notable feature of this industry is that 75 percent of the IT workforce is below 45 years of age. Top IT organizations are losing young talents to new start-ups who offer them a better pay package, chance to work with newer technologies and challenging domains. Among other challenges like managing workforce diversity, continuous up gradation of skills and reinventing careers for today's technology savvy workforce, attrition continues to be a major issue across the sector. Employers invest huge amount of capital on recruitment and training and it is a major cost to these organizations when employees quit. Organizations frame various retention strategies from time to time to keep a check on attrition. In spite of all these gestures, attrition has hiked in the recent years (19 – 20%). Job Embeddedness (JE) is a relatively new concept that has been known to have an effect on turnover intentions of employees (Mitchell, 2001). This research helps to probe on the components of Job Embeddedness that influence turnover intentions.

## LITERATURE REVIEW

Previous findings on Job Embeddedness reveal a strong negative relationship with turnover intentions of employees. This concept was explained by Mitchell et al., 2001, as a broad collection of psychological, social and financial factors that influence employee to retain in the organization.



Job Embeddedness consists of three dimensions called Fit, Links and Sacrifice which an employee experiences in his job as well as in his community. These components collectively entangle employees and keep them attached to their job. Organization sacrifice refers to the perceived loss of interesting projects, good team members and respect from colleagues apart from loss of financial benefits if the employee leaves the job. If the employee perceives a greater loss then his organization sacrifice value increases. Although employees are given comparable pay in the job market, their fear of switching job exists. Also findings show that employees in larger firms report better person-organization fit due to better recruitment and selection practices and because their growth needs are met better. Also employees in larger firms are more embedded in their jobs. Community links are stronger for employees working in small firms especially for employees in rural firms. However the community-fit and community- sacrifice do not differ between small and large firms. Job Embeddedness is found to be a unique strong predictor of turnover intentions when compared with other constructs like Work engagement.

## Turnover Intentions

People at various levels associate varied reasons for attrition. The workplace social support from supervisors and colleagues is inversely related to turnover intention. Also remuneration, career change, dissatisfaction with performance management system, promotion, career advancement, brand image, organizational stability were found to influence attrition and it varies with the level of work experience. The journal of retention management mentions the most important reasons for employees to leave their organization as organizational culture, compensation, motivation and challenging work environment. Also employees stated career development opportunities, autonomy, and equitable treatment, effective utilization of skills and rewards and recognition programs as the main reasons for employee retention.

## Problem Statement

Studies on the employee turnover in IT industry showed that companies need to concentrate more on the working conditions and safety measures to retain employees. Retention strategies should be different for different level of employees because their roles and needs are different and hence what motivates them is also different and therefore the factors which make them leave are different. Attrition continues to increase and is the highest of all the sectors in the country. The cost of replacing an employee is almost three times their compensation because great effort in terms of getting a new employee on board and imbibing him to the culture and practices of the organization takes time. This has an impact on the progress of projects and affects client relations. Though a particular level of turnover is unavoidable, bringing down the attrition levels can benefit the organization. Hence examining the aspects which affect turnover intentions at a micro level would help HR professionals to reframe appropriate retention strategies.

## Objectives of the Study

This study helps to investigate the relationship between on-the Job dimensions of Job Embeddedness (among software professionals of top IT firms) and Turnover Intentions.
- To assess the Turnover Intentions among employees in the IT workplace.
- To determine the relationship between on-the Job dimensions

of Job Embeddedness and Turnover Intentions of employees.

## Research Hypotheses
### Null Hypotheses
1. **H0 -** There is no significant relationship between the Turnover Intentions of software professionals and Organization Sacrifice.
2. **H0 -** There is no significant relationship between Turnover Intentions and Organization Fit of software employees.

### Alternate Hypotheses
1. **H1:** There is a significant relationship between the Turnover Intentions of software professionals and Organization Sacrifice.
2. **H1:** There is a significant relationship between Turnover Intentions and Organization Fit of software employees.

## Research Methodology
This study is quantitative in nature and data was collected from employees working in IT companies in Chennai city. SPSS was used to analyze the relationship existing between the variables under study. Respondents included individual contributors, team leaders with subordinates, assistant managers, project managers, employees in director cadres and above as well. To measure the turnover intentions of employees, the researcher used the Jackofsky and Slocum Measure of Employment Turnover Intentions.

## ANALYSIS AND FINDINGS
### Table 1: Cross Tabulation - level of Job Embeddedness and Gender

| Cross Tabulation of Job Embeddedness score and Gender | | | Gender | |
|---|---|---|---|---|
| | | | Male | Female |
| **JE SCORE** | High | Count | 322 | 234 |
| | | % within Gender | **89.4%** | **86.7%** |
| | Moderate | Count | 38 | 36 |
| | | % within Gender | 10.6% | 13.3% |
| Total | | Count | 360 | 270 |
| | | % within Gender | **100.0%** | **100.0%** |

From Table 1, it is seen that male employees have higher level of Job Embeddedness than their female counterparts.

### Table 2: Regression Output between dimensions of Job Embeddedness and Turnover Intentions

| | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| **1** | (Constant) | 4.676 | .179 | | 26.079 | .000 |
| | **Organization Fit** | -.253 | .059 | -.208 | -4.298 | .000 |
| | **Organization Sacrifice** | -.277 | .055 | -.244 | -5.073 | .000 |
| | **Organization Links** | -.008 | .034 | -.008 | -.224 | .823 |
| **Dependent Variable: Turnover Intention** | | | | | | |

Table 2, shows the coefficient (Regression) values of organization fit, organization sacrifice and organization links (Predictor variables) on turnover intentions (Criterion variable). At 5% level of significance, it is evident that organization fit and organization sacrifice significantly influence turnover intentions. The coefficient value (B) for each of these independent variables talks about the magnitude to which each variable affects the turnover intention.

Among all these variables, when Organization Sacrifice increases by one unit, turnover intentions decrease by 0.277 units. When the employee perceives that he will have to sacrifice a lot in terms of interesting projects, colleagues, perks and several other benefits if he leaves his present job, then he tends to hold on to the organization.

The B value for Organization fit is also significant and negative, **B=**

**-0.253**. When the employee recognizes a better job fit, his intention to leave declines. A person who finds himself compatible with the organization's culture, better goal congruence and career opportunities he tends to retain in the company for a longer time. The third on-the Job dimension, Organization Link is however not significantly related to turnover intentions.

## Discussions
From the literature it is observed that retaining employees for a longer time benefits the organization by improving the overall performance and ensures continuity of tasks apart from bringing down the costs. Previous studies have pointed out the inverse relationship between Job Embeddedness and turnover intentions. In this research, an examination of individual on-the Job dimensions of Job Embeddedness reveals that Organization Sacrifice and Organization Fit are the significant predictors of turnover intentions. Organization Sacrifice is the most influencing factor on turnover intentions followed by the Organization Fit of employees. This explains that employees who perceive greater sacrifice with respect to interesting projects, challenging tasks and other financial benefits experience lesser turnover intentions.

## Conclusion
The research investigated and confirmed the inverse relationship existing between dimensions of Job Embeddedness and Turnover Intentions. An employee who perceives a better compatibility with the organization in terms of personal values, career goals and job expectations experiences lesser turnover intentions. Also when an employee feels that he has to sacrifice various benefits if he leaves the job, then the intention to leave the current employer is reduced. This can serve as a valuable input for recruiters and human resource professionals of software companies to incorporate suitable recruitment and selection practices. Although existing processes strive to select the most suitable person for a profile, giving more importance to a person's values, career aspirations and trying to find if it suits with the practices of the organization can help to bring down turnover intentions later in his career. Though many software companies provide comparable benefits, gaining a competitive edge through issuance of shares, perks and other unique employee benefits and re-inventing retention strategies from time to time would help employees to remain connected to the organization.

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