



INFANT ATTRITION IN INDIAN “IT” SECTOR: SIGNIFICANCE, CAUSES AND IT’S IMPACT

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ABSTRACT:

Infant attrition means employee departing within a short period of time, is a recent development in the IT industry. Currently, the IT sector is experiencing unanticipated attrition caused either voluntarily or by company policies with various justifications. The researcher took into account few fundamental components which accelerate infant or early attrition such as lack of proper compensation, inadequate opportunities for growth, absence of conducive work environment, lack of rewards and recognition, rigid working hours, stress, job dissatisfaction, problems with supervisors and other personal reasons. The author explored that infant attrition impacted not only the operation but also have a detrimental influence on its productivity, scalability, competitiveness, profitability, associated costs and reputation. This study provides insight to the causes and attrition rate of top IT companies like Infosys, Wipro, TCS & HCL. It was discovered that attrition is higher among management positions at the entry level or junior level by employees under the age of 30 with lower incomes. Remuneration was the main cause of attrition. The quantity of work required and the availability of flexible work schedules were the key variables that influence attrition. It was found that the focus of career growth was intense as IT professionals frequently change employment for better options, usually to advance their careers. This paper presents the findings by a number of authors to determine the causes which have maximum impact on infant attrition in IT.

Key words: - IT Sector, Early Attrition, Infant Attrition, Employee Attrition, Employee Turnover, Job Satisfaction.

Infant attrition known as early attrition occurs when employees quit the organisation within the first year of employment according to Sneha Mankikar (2013). When new hires leave organisation after less than six months or within their training and probation term, this is referred to as early attrition. The phenomenon of workers leaving their work within one month, known as infant attrition, is on the rise, human resource companies are dealing with it. According to recruitment specialists, infant attrition accounts for 10-15% of annual labour turnover, and the figure is continuously rising. There has been an increase in the number of people quitting after a few weeks. Infant attrition is common when businesses are unable to onboard new employees. Early attrition occurs when freshly hired staff quit the organisation within the first year of employment as their

culture does not match with the expectation from their position. It, also occurs when an applicant has more than one offer and accepts a position until he or she receives the best choice. N Shivakumar, business head-recruitment process outsourcing, TeamLease Services

Employee Attrition

Vibha Gupta et al, (Dec 2013) The churn rate is the percentage of employees who leave a company due to attrition in a certain period of time, while this phrase can also include personnel who are fired. A high churn rate can be detrimental to a corporation because of the costs of training new employees, while higher rates are frequently more acceptable for unskilled labourers than for more highly skilled or trained staff. Churn levels are often lower in organizations that hire highly qualified individuals, and companies frequently use

enticing employment contracts and other strategies to avoid various forms of turnover.

Measuring Employee Attrition / Turnover Rate by using the formula :

Employee Attrition/Turnover rate = (No. of separations/Total number of employees)*100

Experienced workforce (Stability Index) is being retained and is calculated as follows,

(Number of employees with one or more years service now / Number employed one year ago) * 100

The Cost(s) of Attrition

According to Dr. E. Jalaja (Jan 2021) Organizational costs are increased by staff attrition, which also raises costs for recruitment, training, and productivity. Because of attrition, several firms have even experienced concerns with customer service, quality, projects, etc.

S. Janani (Mar 2014) found that turnover is costly and connected expenses such time spent by managers (on retention efforts, exit interviews, etc.), delays in production and customer service, hiring inducements (signing bonuses, relocation costs, etc.), and on-the-job training (supervisor and employee time) are just a few of the costs associated with turnover.

Direct replacement expenses can amount to between 50 and 60 percent of an employee's yearly income.

The total cost of replacement may be between 90 and 200% of an employee's annual income;

According to a study, turnover costs account for more than 12% of pre-tax income for

Attrition In It Sectors

According to M.Indumathi and R.Akila (2020) India has a thriving IT business that has been around for more than forty years. The IT sector has had tremendous growth and is now a crucial component of the environment for IT software and services that are focused on exports. Initially a task reserved for global corporations, it has evolved into a vast business platform supported by top Indian IT software

and service providers today. With the advent of Indian IT Companies, the IT market's base really grew. These large IT companies that can capitalise on their diverse skill sets are what define the IT market. The second-largest IT services provider in India, according to "The Economic Times," recorded involuntary attrition of approximately 1.4% between July and September 2019. Due to a consistent reduction in its traditional or core software maintenance business, the top IT companies has raised the issue of involuntary attrition for the consecutive quarters of FY 2022.

LITERATURE REVIEW :

The purpose of the literature study was to establish a conceptual framework for organising the research and planning how to interpret the findings. The gathering of current and pertinent literature and the qualitative presentation of this information are required for the literature review.

Infant attrition, which has a significant impact on an organization's operations and brand reputation, is a challenge, according to Dr. Sneha Mankikar (2013). Infant attrition causes costs to climb by 3 to 8 times the income that was promised to be paid during training or the first six months of employment. Employees frequently leave the company within six months after joining or during their probationary period for a variety of reasons. Employee contentment is of utmost importance to a business since unsatisfied workers are less productive, which lowers the organization's production. Disillusionment also causes workers to leave an organisation. Infant attrition is caused by a variety of variables, including differences in job descriptions, organisational culture, stress, and employee prejudice.

P Devika (20116) negates job attrition can be extremely expensive for the organisation because it takes a lot of time, effort, and resources to train and develop employees so that

they can work effectively and efficiently for that specific organisation. If employees leave their jobs, it results in a significant loss for the business because they then have to train another employee with all the resources again. Attrition is particularly dangerous because of this. According to Raj Gupta, Head HR KPO & Life Science & Healthcare at TCS BPO, attrition costs are particularly high since it takes a lot of time, effort, and energy to onboard new employees, assimilate them, and assist them in comprehending the subtleties of the company's culture. Simply put, it might cost at least three times what they receive annually.

According to inFeedo, after the staff has had a chance to evaluate the company's direction, they will decide whether or not to stay. This is a major factor in why workers are most likely to resign in the first six months of their employment, with 68% of those leaving within three months. Despite the fact that it has created a lot of job possibilities and generated enormous income, the BPO industry in India has long been plagued by a skills shortage and an alarmingly high attrition rate, according to D.S. Rawat, secretary general of ASSOCHAM.

Both high and low performers are impacted by employee attrition, claim M.Indumathi and R.Akila (2020). When underperforming employees depart on their own volition, positive attrition takes place. Negative attrition occurs when top performers who are accountable for raising revenue get demotivated and start seeking for a departure. Negative attrition implies that organizations are experiencing more serious issues. Companies should develop strategies to keep skilled employees on staff as well as hire them. Stress at work can result in a lack of commitment, poor performance, or even leaving the company. The Human Resource department's top priority is to reduce the attrition rate.

The new age economy, with its accompanying paradigm shifts regarding human capital in terms of its acquisition, utilisation, development, and retention, has put a significant demand on today's HR professionals, according to E. Jalaja (2021). HR professionals are now required to comprehend, create, innovate, implement, and sustain pertinent initiatives and effectively contribute to providing the company its competitive edge. The requirement for conceptualising and putting in place a strong mechanism for attracting and retaining top personnel becomes crucial for the company's very survival and growth given a constantly shifting and turbulent demand-supply relationship, especially against erratic attrition trends and ruthless competition that is no longer constrained to local or regional bounds.

OBJECTIVES OF THE STUDY :

1. To identify infant attrition and its critical factors in IT Sector in India
2. To understand which causes have the maximum impact on attrition

RESEARCH METHODOLOGY :

A sufficient interpretation was used in this fact-finding research. It is the most basic kind of study. It tries to discover the numerous staff attrition issues in the Indian IT sector. The data collected may be helpful for making predictions regarding spheres of social life outside the purview of the study. They are helpful in supplying the information required to design an action programme for employee retention.

Data Collection

Secondary data is gathered from different peer reviewed journals, books, articles, websites, the internet, and even an effort that has been made to gather information from the doctoral works thesis & research papers.

DISCUSSION :

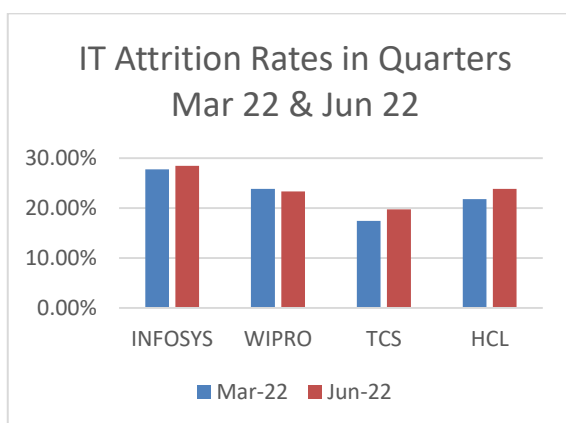
Major companies Tata Consultancy Services (TCS), Infosys, Wipro & HCL, and others hired more than 50,000 individuals in the quarter ended June 2022, despite caution in the Indian IT industry. Market analysts predict that employee-related issues will keep the IT industry on the verge of collapse because IT companies are under pressure to fill positions available in order to meet incoming demand and non-tech organisations are continuing to search for IT expertise to meet the needs of their digitally savvy customers. Concerns about high turnover rates have started to surface among IT organisations.

Attrition Rates of four Major Indian IT Companies

(Comparing Quarters March and June of FY 2022)

Companies	Mar-22	Jun-22
Infosys	27.70%	28.40%
Wipro	23.80%	23.30%
TCS	17.40%	19.70%
HCL	21.80%	23.80%

Source: Data published on Internet by bodies like NASSCOM & data from surveys such as KPMG

**Attrition/Turnover in India**

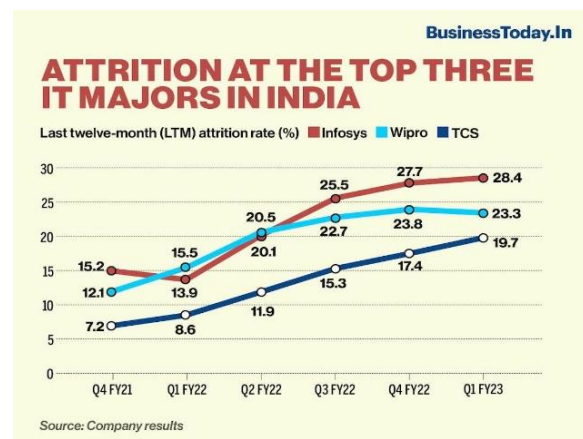
According to a survey by TeamLease, the Indian IT sector had employee attrition of 25.2% in FY22, and this pain would persist as talent

leaves for other sectors. According to the research "Brain Drain: Tackling the Great Talent Exodus in IT Sector," attrition in the contract employment business is expected to reach at least 50% in FY23 as opposed to 49% in FY22.

its core or traditional software maintenance, the company has raised the issue of involuntary attrition for the second consecutive quarter (Comparing 1st Quarters of FY 2009 & FY 2010)

Companies	Q1 10	Q1 09
Infosys	15.8%	11.1%
Wipro	15.8%	09.8%
TCS	13.1%	11%
HCL	15.7%	13%

Source: Data published on Internet by bodies like NASSCOM & data from surveys such as KPMG



Source: businesstoday.in

As per S.Janani (Mar 2014) The majority of large-sized IT organisations reported an increase in employee turnover rates during 2013, with the global average being the highest; this number is anticipated to rise even more.

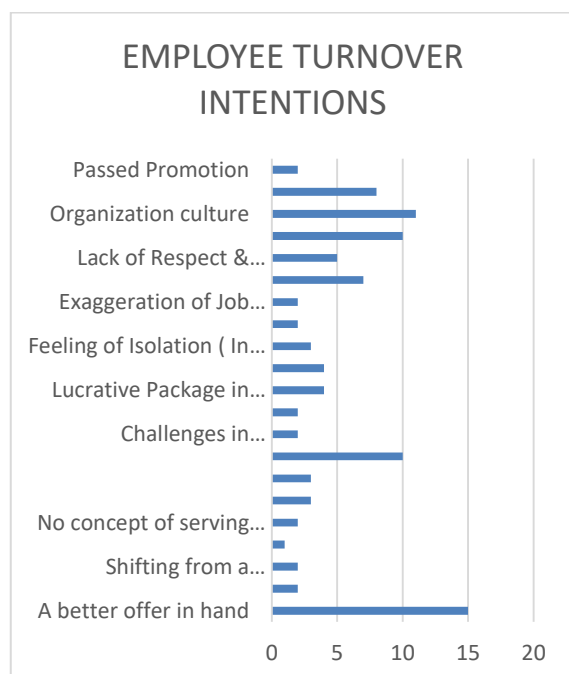
(Comparing FY2013&FY 2021)

Companies	FY 2013	FY 2021
Infosys	17.3%	13.9%
Wipro	21.1%	15.5%
TCS	10.9%	8.6%
HCL	16.1%	21.9%

Source: Data published on Internet by bodies like NASSCOM & data from surveys such as KPMG

Major Causes of Employees Attrition in IT Sector :

1. Lack of proper compensation
2. Inadequate opportunities for growth
3. Absence of conducive workplace environment
4. Lack of rewards and recognition
5. Odd / Rigid working hours
6. Job Dissatisfaction
7. Incompatible corporate culture
8. Lack of Support from Supervisor /Dominating Boss
9. Unsatisfactory relationships with co-workers
10. Passed Promotion
11. Gender Discrimination
12. Safety & Job Security
13. Job description discrepancy
14. Improper work-life balance



Source: Data published on Internet by bodies like NASSCOM & data from surveys

Significance

Most companies do not consider notice periods until an employee has been on the job for three months. Candidates find it simpler to depart

without informing the direct reporting manager as a result. Human resource professionals claim that because many students from prestigious engineering and business universities lack prior work experience, they can have unrealistic expectations for their future careers.

"New graduates do experience a culture shock, particularly with public sector organisations that operate substantially differently than private entities do. The fact that these people worked for a corporation for such a brief time is not disclosed. Candidates typically cite problems with the reporting manager or having a better offer in hand. "Candidates do occasionally become impatient and accept a job hastily. They ultimately decide to quit after realising that this might not be the ideal fit for them. Such incidences are increasing, "GlobalHunt's managing director, Sunil Goel.

Early exits may also occur while switching from a structured to an unstructured organisation. Especially in the context of startups, when employees are expected to jump in at any time and there are no established hours or tasks and responsibilities. Among the most significant and quickly expanding industries in India are the information technology (IT) and ITES sectors. This industry has been successful in building a sizable amount of brand equity for itself in the current global market. The information technology (IT) sector includes the software and ITES sectors, which also include the business process outsourcing (BPO) sectors.

W.A. Al-Suraihi, S.A. Samikon, A. Abdullah Al-Suraihi, and I. Ibrahim (June 2021) examined employee behaviour, values, and beliefs influence not only productivity but also overall effectiveness and efficiency, and employees place great weight on the nature of work and collaboration.

The issue with the organisation as a whole is when valuable knowledge and experience that individuals have accumulated during their

employment are taken with them when employees leave. Employee turnover also has an impact on the organization's costs, including those related to recruitment and training as well as the financial costs. Between 1.5 and 2.5 times the employee's yearly income is often considered to be the cost of replacing an employee, including separation, replacement, and training expenses.

Similarly, it might cost businesses 50% to 60% of an employee's annual compensation or more to hire and train new workers. Customer satisfaction decreases when attrition increases. Customer contentment would be matched by employee contentment. Comparable to how unhappy staff would undoubtedly make unhappy customers. Employee turnover in an organisation can have a negative impact on efficiency, which can lead to a loss of human capital and a drop in the business's customers' level of service. Another issue is that new hires may experience low morale as they struggle to master new tasks and procedures.

Infant Attrition's Impact

According to a NASSCOM report, about 80% of people switch jobs in search of better opportunities. The causes of these issues, their effects, and potential solutions are the subject of extensive investigation.

According to S. Janani (Mar 2014) turnover affects corporate performance:

1. High turnover is associated with poor organisational performance
 2. Lowering turnover promotes sales growth
 3. Reducing turnover boosts employee morale
- Finding competent workers is getting harder as labour shortages brought on by things like the older workforce, internationalization, and inadequate educational programmes make it difficult to identify the right people with the proper abilities.

FINDINGS :

1. Compared to higher levels of management, infant attrition is higher at the middle and lower levels of management.
2. Infant attrition rates are higher in the age group of workers under 30 compared to those over 30.
3. Infant attrition is higher among employees with lower incomes than among those with higher incomes.
4. The two main factors that affect attrition are the amount of work demands and the availability of flexible work schedules.
5. It is evident that IT professionals routinely switch jobs, usually for career advancement. Career development is highly concentrated.
6. The main factor in attrition is compensation.
7. A high attrition rate indicates that the organization's costs may increase.
8. Maintaining employees requires them to be satisfied with their jobs.
9. Job specification and job profile are crucial since a mismatch in job descriptions is one of the key determinants of infant attrition.
10. One of the determining variables for infant attrition is organisational culture.
11. One of the reasons affecting infant attrition is work stress.
12. One of the driving variables for infant attrition is employee discrimination.
13. Job description inconsistency has a significant impact on new hire attrition.

SUGGESTIONS :

1. Recruitment and selection practises must be appropriate if the job description discrepancy is to be eliminated. To eliminate job description discrepancies, choose the best candidate for the position because infant attrition is less likely if the employee is at ease in their position.
2. The most crucial factor for a company is employee satisfaction. Infant attrition is less likely if the staff members are pleased with the organization. The company should host some

amusing programmes and commemorate festivities.

3. Infant attrition is also influenced by organisational culture, therefore if the environment is welcoming to the staff, that can be a smart way to cut down on infant turnover.

4. There shouldn't be any workplace discrimination against employees based on their gender, religion, colour, or other factors.

5. The performance targets of the employees are another aspect that affects infant attrition, thus during their probationary phase, the goals should be lower so that they are more manageable.

6. The age group under 30 is the one with the highest attrition rate.

7. Since the majority of respondents believed that their job description and profile did not match, they should use a tool for profile mapping so that such scenarios can be prevented.

8. Competency mapping and work rotation can be utilised to address the issues of infant attrition and job discrepancy stress.

9. For infant attrition, an organisation should have a stringent retention policy.

10. To minimise job description discrepancies, the recruitment and selection process must be flawless.

CONCLUSION :

The most pressing issues facing the IT industry right now are finding and keeping workers with the necessary abilities, as well as increasing staff productivity. To overcome these challenges The human resources department should play an effective strategic role as a custodian of talent capital. Software firms need to acknowledge the new reality and realise they cannot continue to naively rely on their employees' lifetime commitment to the company. Employees have a great deal of optimism about their chances for advancement in new positions and feel that they fit in with positions that are in

high demand. For businesses, now is the important moment to retain skilled employees. Regular challenges, growth opportunities, a positive work atmosphere, and other benefits are crucial for talent retention in addition to retention measures. IT Companies with strong employee engagement, equitable pay, openness and communication systems are more likely to see lower attrition than those who do not give these factors priority. It is true that professionals no longer feel reluctant to switch employment in order to take advantage of personal opportunities and career rejuvenation. However, an organization's ongoing, focused efforts can contribute in lowering turnover and retaining skilled employees. To reduce attrition within the IT sectors, the HR management needs to be reinvigorated.

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