A STUDY ON JOB HOPPING

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ABSTRACT

The study intends to highlight the most important reasons for changing of jobs in the IT companies. When employees are dissatisfied with the compensation they get and unhappy with the perks they receive and working conditions are not pleasant, then they look out for better opportunities. One finds that the rate of attrition in the IT companies is higher than the rate of attrition in the other sectors. The major challenge in the IT companies is to retain the talented employees. This paper attempts to study the most important reason for the change of job. 40 Random samples of employees who work in IT Company Hebbal Industrial area Mysore were taken into consideration. The study examines 10 most important causes of attrition to pinpoint   most important ones.

Key words: Attrition, Engagement, compensation, IT Company,

In recent times retaining and motivating the workforce has become quite challenging due to the the acute competition all around. One of the ways to keep employee productivity is through employee engagement. Engaging employees is one of the top five most important challenges of management, according to a survey of 656 chief executive officers (CEOs) from countries around the world (Wah 1999).

In response to the economic crisis, employers are consistently trying to increase profitability by reducing cost of productivity .In the work atmosphere of wage freezes, loss of bonuses, increase in work demands and downsizing has affected employee to be focused on the job. It becomes very difficult for the employer to engage employees efficiently and to motivate them to give of their best.

Further there is a clear shift from a commodity-based economy to an intellectual economy where assets are   intangible. The numbers of jobs that require human skills are growing faster than the number of people who can fill them. Hence attracting, engaging and retaining employees, is becoming a top priority for the human resource practitioners across the world.

Job hopping is rampant in IT &ITES companies. The IT companies in India are playing a major role in the Indian economy. Information Technology (IT) is defined as the design, development, implementation and management of computer-based information systems, particularly software applications and computer hardware. Today, it has grown to cover most aspects of computing and technology.

The Information Technology-Enabled Services (ITES) industry provides services that are delivered over telecom or data network to a range of external business areas. Examples of such business process outsourcing (BPO) include customer service, web-content development, back office management and network consultancy etc.

The impact of job hopping has a significant impact on people management practices in IT& ITES companies.

Attrition refers to the gradual reduction of the size of a workforce by not replacing personnel lost through retirement or resignation.

In general, relatively high attrition is problematic for companies. HR professionals often assume a leadership role in designing employee engagement programs, companies' compensation programs, work culture and motivation systems that help the organization retain top employees.

According to the business dictionary attrition is the unpredictable and uncontrollable, but normal loss in business.

A simple definition of attrition is the number or percentage of employees who leave the organization for reasons such as retirement, resignation, layoff or death. Attrition refers to the workforce reduction that are not followed by employment of new employees. It incorporates employee-initiated departures, as well as termination which the employer initiates, such as indefinite layoffs, furloughs and job eliminations. Depending on the reasons underlying attrition, it can have different indications for a business. The rate of attrition indicates the rate of decline in business.

Voluntary attrition is the employee's departure on his own. This happens when an employee resigns from an organization for personal or professional reasons. Voluntary attrition is one of the major challenge for companies in growing economies. In India – voluntary attrition of about 20-40% in the IT/ITES/Retail/Hospitality industries.

According to crossdomainsolutions.wordpress.com broadly attrition is classified as avoidable and unavoidable attrition

Avoidable is when the company loses employees who are have shown the desired levels of performance or who have the potential to demonstrate the skills to excel in the assigned tasks. Retaining such employees is of prime importance for the organization. The employee engagement policies mostly are framed to retain such personnel and to encourage others to pull themselves up to this level.

Unavoidable is when say for example female employee's husband is transferred to a new city and hence she too needs to quit duty. Such drop outs cannot be avoided by the organization in most cases.

With changing economies, employees are not anymore looking for a long term jobs. They join, learn, contribute and move on for a better role/package etc. Organizational cultures too are adapting themselves fast to ensure their employee engagement policies are tuned to the current economic scenario.

The positive impact

Desirable or positive turnover occurs when the workforce experiences changes due to new employees bringing fresh ideas and perspectives to the company replacing workers who are terminated for poor performance. Infusing new talent in an organization can re-energize the workplace, catapult productivity and boost profitability. Employers may initially be apprehensive about this type of turnover, simply because the word turnover has a negative connotation. Replacing a stagnant workforce can be costly; however, employers ultimately realize that there is a return on investment in recruitment and selection processes for new and fully engaged employees.

The negative impact

Turnover is often referred to as undesirable. It's easy to understand why turnover is considered negative or undesirable when employees leave under a cloud of circumstances such as suggested wrongful termination, mass exodus of disgruntled workers or workplace conflict. Mass layoffs, business closure and plant shutdowns might also be classified as negative or undesirable turnover -- layoffs have a devastating impact on workers and the surrounding community. The negative effects of losing jobs in certain areas can create a downward spiraling effect to economic conditions for employees of other nearby companies.

The table given below given table explains the basic requirements job market in the IT –BPM, sector the thrust areas are Technology, Domain and soft skills for potential job seekers in IT/ITES job market.

...With specialisation around SMAC, engineering; demand for leadership skills

Top skills in demand from freshers		
Technology	**Domain**	**Soft Skills**
1 Data scientists	1 S/w engineering	1 Leadership
2 Cloud/Virtualisation	2 Banking	2 Customer interaction
3 Mobile applications	3 Lawyers	3 English comm.
4 Platform engineering	4 Mathematicians	4 Problem solving
5 User experience design	5 Doctors, economists	5 Presentation skills

Source: NASSCOM

http://www.nasscom.in/hr-story-201314

http://www.nasscom.in/hr-story
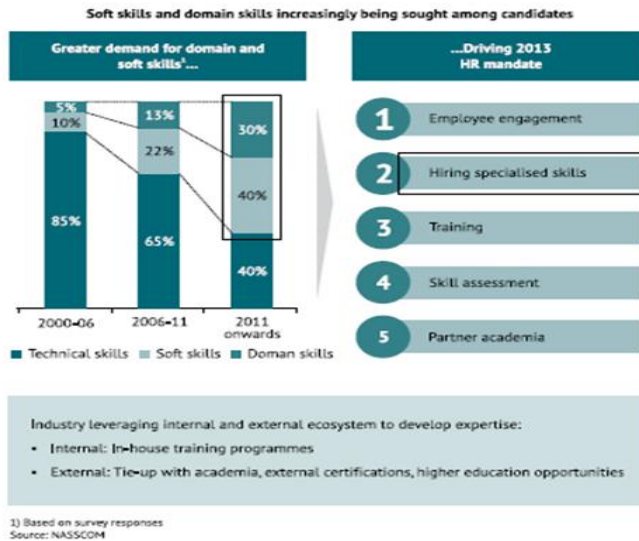
From the above table it shows that in 2000-06 employers were looking upon the technical skill proficiency when they wanted to hire a new employee. During 2006-11 employer were looking towards the soft skill which can help in the development of customer relationship, 2011 onwards greater focus is given to the domain skill in addition to technological and soft skills HR mandates from 2013 onwards are

- ❖ The employee engagement
- ❖ Hiring specialized skills
- ❖ Training
- ❖ Skill assessment
- ❖ Partner academia.

PROBLEM STATEMENT

Every company does investment on tangible and intangible asset of the company. So they would definitely want to know its effect. When employees leave the company the cost of the lost employee will be a major loss. So they will be concerned to know about the real reasons for change ofthe job.

RESEARCHMETHODOLOGY.

Descriptive method is used to explain about the attrition.

SOURCE OF DATA

Both primary and secondary data were used.

Primary data: primary data is collected thought structured questionnaire in IT Company.

Secondary data**:** the secondary data was extracted from different published sources such as surveys, manuals, annual reports, HR policies, company records, magazines, reputed journal

SAMPLE DESIGN

 40 Random samples were used who are working as technical assistant, associate, analysis, system engineer in the company. They had 0 – 5 years of experience.

SCOPE OF THE STUDY

The scope of the study is confined to10 most probable reasons for change of job.

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	25	62.5	62.5	62.5
	female	15	37.5	37.5	100.0
	Total	40	100.0	100.0	

Descriptive Statistics

	N	Mean	Std. Deviation
Able to get better Salary and Benefits elsewhere	40	3.70	1.181
Having issues with co-worker	40	1.85	1.210
Working in shifts becomes problematic	40	2.97	1.310
Better Job Opportunities elsewhere	40	3.40	1.215
Problems with manager and higher authority	40	1.82	1.130
Health issues become major constrain	40	2.02	1.209
My Job Expectation is not matched	40	3.13	1.399
Difficult to balance family pressure	40	2.22	1.349
Difficult to adjust with local Cultural	40	1.72	1.062
Existence of inadequate career prospects	40	2.38	1.213
Valid N (listwise)	40		

From the above table we can infer that these are the predominant reasons for change of the job. The most important reason for attrition will have highest mean and lowest standard deviation.

1. Able to get better Salary and Benefits elsewhere is having mean 3.70 and standard deviation 1.181.
2. Better Job Opportunities elsewhere has a mean 3.40and standard deviation 1. 215.
3. My Job Expectation is not matched has a mean 3. 13 and standard deviation 1.399.
4. Existence of inadequate career prospects has a mean2.38 and standard deviation 1.213.

We find from the above table that the competition on the quantum of pay and lucrative job opportunities are playing a strong role in attrition thus it is a very difficult task for the employer to keep the employees engaged in the same company for a long time.

Findings and suggestion.

❖ The IT companies in Mysore city are in the nascent stage compared to Bengaluru. Which means employees do not have as much opportunity as their counterparts in Bengaluru to change jobs.

❖ If the companies are able to pay attention to compensation, partly attrition can be reduced.

❖ The job match must have good career prospective so that attrition is reduced.

❖ The company must ensure person-job fit to reduce attrition .Hence a challenge to the recruitment and selection promotion of the company.

Conclusion

The employees today are living in the era of rapid growth of technology. The Employees are also fully aware of the opportunities in the job market. So the employer must be more careful to retain talented employees in the job that at least until they are able to recover the return on the investment made on the employee in training and developing them. If the most productive employees is leaving the job then the replacement of the same with that of efficient employees becomes very difficult. It is very clear that compensation plays a vital role in the retention of the employee, together with career prospects.

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Primary source of data collected from the IT company located in Mysore.

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