

IT and ITES – An Overview

CHAPTER III

IT AND ITES – AN OVERVIEW

3.1 INTRODUCTION

India is head quarters of several and hub of the best software companies in the world. The software companies in India are widely known across the globe for their efficient IT and business related solutions. The Indian Software companies have brought about an unbelievable success for the emerging economy. India, the world's largest democracy and home for nearly 139 crores of people is quietly but quickly emerging as a leader in the field of IT and ITES and other software engineering and development. The Indian software industry is having a phenomenal compounded growth of about 75 percent per annum. The software industry is for main component of the Information technology and Information technology enabled services in India. The technological revolutions have brought about immense and unexpected amazing opportunities in the field of information technology an information technology enabled services which lead to the remarkable success story of Indian software industry. The IT and ITES sector has grown more than 30 percent over past 20 years. India's trade software services to more than 95 countries. Indian software industry has built up important brand equity for itself in the global market. The software firms quickly moved up their administration from performing low cost programming abroad to providing comprehensive software development services from India for overseas clients an ample of Indian technical manpower, created a series of elite technical and management institution that responded to serve global shortage of technical human power.

3.2 HISTORY OF SOFTWARE INDUSTRY

The word "software" was originated in early as 1953, but did not appear in any print until the 1960s. Before this time, computers were programmed by commercial computer vendors such as UNIVAC and IBM. Computer Usage Company was the first company to provide software products and services. The software industry slowly started expanding in the early 1960s, almost immediately after computers were first sold in mass-produced quantities. Institution of higher education, management, and business trade created a demand for software. Many of these programs were started to write in-

house by full-time staff programmers. Very few were distributed no cost between users of a particular machine for no charge. Others were done on a marketable basis, and other firms such as Computer Sciences Corporation (founded in 1959) which started to grow. Later, other influential or typical software companies begun in the early 1960s included Advanced Computer Techniques, Automatic Data Processing, Applied Data Research, and Informatics General. The computer/hardware makers started bundling operating systems, systems software and programming environments as a package with their machines. When Digital Equipment Corporation brought a relatively low priced microcomputer to market, it brought computing within the reach of many more companies and universities worldwide, and it started producing great innovation in terms of new, powerful programming languages and methodologies. New software was built for microcomputers, so other 97 manufacturers including IBM, followed DEC's example quickly, resulting in the IBM AS/400 amongst others.

The industry expanded greatly with the rise of the personal computer ("PC") in the mid-1970s, which in turn brought desktop computing to the office worker for the first time. In the following years, it also created a challenging market for games, applications, and utilities. DOS (disk operating system) , kind of operating system and is the first operating system product, was the dominant operating system at the time. After that in the early years of the 21st century, another successful business model has arisen for hosted software, called software as a service.

3.3 IT AND ITES IN INDIAN SCENARIO

India has a highly qualified multi talented puddle of technical graduates and is one of the largest in the world, facilitating its emergence as a preferred destination for business outsourcing, computer science/information technology accounts for the biggest amount of India' fresh engineering talent pool, with more than 98 per cent of the colleges offering this stream. IT Services is the fastest growing segment within the Indian IT-ITES sector. This segment is estimated to generate exports revenues of the order of US\$ 147 billion in year financial year 2020. ITES/BPO segment has been reinventing itself in the past few years and is expected to generate export revenue of the order of ~US \$ 350 billion in year 2025. The IT and ITES sector ranks fourth in India's total FDI .

The Indian IT industry has saved customers \$200 Billion in the past five years. With the changing dynamics in the market, it has become inevitable to catch up the new changes happening in IT and ITES sector. Employee's job satisfaction and organizational commitment plays a vital role in the current scenario.

3.4 NATURE OF JOBS IN SOFTWARE INDUSTRY

With the arrival of PC the information technology industry underwent a drastic change. Suddenly computers were all potential and work automation took off in a big way. The software revolution totally changed the way they work. Availability of cheap and adequate use of software packages increased productivity levels manifold. Probably no sector is without information technology. Manufacturing, Finance, Banking, Marketing, Entertainment, Education and several other fields are benefited by I.T. As a result the I.T industry employs not only staff trained in computers but also professionals from all other fields which could also be nontechnical in nature. The rapid development of technologies such as networking, multimedia and the Internet have created totally new job categories where none existed a few years ago. This sector is also the one that is witnessing the fastest growth and change rate. New software and techniques come out every month and professionals have to keep pace with the rapid advancements. The hardcore technical jobs in the software industry can broadly be classified as hardware jobs and software jobs. Non technical jobs include functional expert consultants, web designers, data entry professionals etc.

3.5 IT & ITES SECTOR IN INDIA

IT & ITES Sector in India (IT&ITES Industry in India, 2017) The Information Technology (IT) & Information Technology enabled services (ITES) industry in India has today turned into a development factor for the economy, contributing generously to GDP, urban employment opportunities and outsources business. The information technology (IT) and information technology enabled services (ITES) industry has been one of the key driving forces fuelling India's economic growth. This industry has not only transformed India's image on the global platform, but also fuelled economic growth by energizing the higher education sector (especially in engineering and computer science).

It has employed almost 10 million Indians and hence, has contributed a lot to social transformation in the country.

Indian firms, across all other sectors, largely depend on the IT & ITES service providers to make their business processes efficient and streamlined. The Indian manufacturing sector has the highest IT spending followed by automotive, chemicals and consumer products industries. Indian organizations are turning to IT to help them grow business in the current economic environment. IT is viewed as a change empowering influence and a wellspring of business esteem for associations by 85 percent of the respondents, as indicated by an investigation by V.M.Ware. The Indian IT business process redistributing (BPO) segment, including the residential and fares fragments keep on developing from solidarity to quality, seeing large amounts of action both inland just as seaward. The organizations keep on climbing the esteem chain to offer higher end investigate and examination administrations to their customers.

3.6 HUMAN RESOURCES CHALLENGES IN SOFTWARE INDUSTRY

Software organizations are project-based organizations, the output is directly proportional to the number of people employed (Watts, 1997). Moreover, high demand for software professionals world-wide and comparatively lower supply adds to a new set of HR challenges for these organizations. It is one of those industries wherein human capital plays a very dominant and crucial role. Congenial human resource atmosphere, therefore, is vital for the smooth functioning of the business and the task of Human Resource Manager becomes an important one. The Indian IT industry today poses an ultimate challenge to HR professionals from recruitment to retention, compensation to career planning and from technological obsolescence to labour turnover (Sadri, 1996).

One of the most distinctive characteristics of knowledge-based organizations is that they have only the expertise of their staff as assets with which they trade. They are often called people organizations, which deploy its assets in a distinctive way, for it sells a capacity to produce rather than products. Organizations driven by intangible assets have to change its focus from strategy, structure and systems model, to purpose, process and people model. A company that believes in intangible assets must always monitor its people (Ghoshal 1998). The task of a leader in such organizations is to recruit, train,

empower and retain the best and the brightest professionals (Narayanmurthy, 1998). The software industry is characterized by acute shortage of skilled people. Several recent studies have pointed to this problem. According to the Department of Labour (USA), by 2006 the demand for database administrators, computer support specialists and computer scientists is expected to increase by 118% to 460,000. Demand for computer engineers is expected to jump by 109% to 451,000, and demand for system analysts will double from 560,000 to more than million (Work Group Computing Report, 1999).

3.7 ORGANIZATIONAL CHARACTERISTICS

Organizational characteristics are features originating from the management model adopted by the organization, through its structure or strategy, and from the company culture embodies in the nature of its membership and relationships. It follows that these aforementioned organizational characteristics could also be broadly referred as organizational influences (Simon, 1976). According to Simon (1976), an organization is more than a chart and manuals of job descriptions and instead, refers to the “complex pattern of communication and relationships in a group of human beings”. The acquisition of knowledge in the organization will greatly depend on its structure, knowledge storage on its membership attribute, knowledge diffusion on its relationship pattern, and knowledge implementation on its strategy.

1. Culture -The concept of organizational culture was adapted from anthropology for organization management research. Almost every scholar has his/her special attitude of mind for culture, and different scholars have different definitions of organization culture (Bali et al., 1999). Douglas (1985) pointed out that organization culture was the emergent result of the continuing negotiations about values, meanings and proprieties between the members of that organization. Based on two basic categorizing dimensions including the internal/external orientation and the flexibility/control orientation, Quinn and Spreitzer (1991) developed a typology for identifying and classifying organizational culture into four types: group culture, developmental culture, hierarchical culture, and rational culture. They also stated an important fact that normally organizations are likely to have attributes and values reflecting all four types of organizational culture.

2. Top Management Support - Top management support is considered as one of the important potential influences on organizational knowledge (Connelly and Kelloway, 2003). Numerous studies have found top management support essential to creating a supportive climate and providing sufficient resources (Lin, 2006). MacNeil (2004) emphasized the importance of the visible top management's support to organizational knowledge sharing climate. Moreover, Lin and Lee (2004) proposed that the perception of top management encouragement of knowledge sharing intentions is necessary for creating and maintaining a positive knowledge sharing culture in an organization.

3. Reward and Incentive - It encourages encourage knowledge management activities amongst employees play an important role as an enabler (Bartol & Srivastava, 2002; Bock & Kim, 2002, 2003; Ko, 2003; Robertson & Hammersley, 2000; Yu, Kim & Kim, 2004). Incentives are things that have the ability to incite determination or action by employees in an organisation (Robbins, 1998; Robbins et al., 2001). Rewards, on the other hand, can be broadly categorised as being either extrinsic or intrinsic (Wood et al., 1998). Extrinsic rewards are positively valued work outcomes that are given to the employee in the work setting whilst intrinsic rewards are positively valued work outcomes that are received by the employee directly as a result of task performance (Wood et al., 1998). It is found that both intrinsic and extrinsic rewards have a positive influence on knowledge management performance in organisations (Yu, Kim & Kim, 2004).

4. Organization Structure - Size is an important variable that affects various organizational aspects as well as overall organizational performance. Whereas the impact of size on group dynamics has been well explored in the social sciences literature, the discussion of organizational size has received less attention in management (Stoel, 2002). For example, prior research has examined the impact of organizational size on information technology innovation adoption but the results appeared to be mixed and inconsistent because of the influence of other unaccounted variables (Lee and Xia, 2006)

3.8 CHARACTERISTICS OF A HEALTHY ORGANIZATION

For companies to achieve long-term success, they must create and maintain healthy environments in the workplace. Healthy organizations understand that it takes a collaborative effort to compete in their market segment and produce continuous profits.

Recognizing and understanding the characteristics of healthy organizations can help to detect problems in the company if it is unprofitable and take corrective steps to operate a successful business.

1. Effective Sharing of Goals -A healthy organization shares its business goals with employees at every level of the organization. Management shares goals with employees and gets them on board with the mission and vision of the organization. Employees and managers understand what is required to reach these shared goals and make every effort to achieve them.

2. Great Teamwork - Another characteristic is teamwork. Healthy companies know how to develop teams that collaborate to achieve common goals. Employees and managers readily offer their assistance to each other to meet corporate objectives.

3. High Employee Morale - Healthy organizations possess high employee morale. Employees value their positions in the organizations and desire to work there for a long time. Productivity is high and organizational events are enjoyable and successful.

4. Offers Training Opportunities - Companies provide on-the-job training and opportunities for employees to enhance their work-related skills. Organizations bring in other individuals to provide necessary departmental and corporate-wide training. Companies also offer opportunities to pursue certification and continual education.

5. Strong Leadership -Good leadership is one of the main characteristics of a healthy organization. Employees have good relationships with management that are based on trust. Managers know how to get employees to function together. When correction is needed, employees readily accept the constructive criticism offered by leaders.

6. Handles Poor Performance -Companies confront poor performance instead of ignoring it. Organizations take corrective actions to improve performance. Upper-level management values the input of employees who make suggestions on how to improve productivity and achieve high performance rates. Companies may even bring in specialists to detect problems and offer solutions.

7. Understands Risks - Healthy organizations understand the risks they are open to and take the necessary steps to protect themselves against them. When an event happens

due to organizational risks, a healthy organization learns from the event. Companies use precaution but understand that risks are necessary to facilitate growth.

8. Adapts to Opportunities and Changes - Healthy organizations know how to recognize and seize good opportunities. Healthy organizations always look for opportunities to grow. They also know how to adapt to technological or operational changes. They try to stay ahead or in line with changes in the industry and business environment.

9. Clearly Defined Structure - Companies possess a sense of order and organizational structure. The structure and order of the organization does not limit innovation and growth. Employees do not mind complying to the company's order because they understand it and see the benefits of its implementation.

10. Well-Known Company Policies -Organizations create and implement company policies that are readily available to their employees. Healthy organizations follow the policies and regulations of local, state and federal governments. When employees or managers break policies, the issue is dealt with immediately and in a professional manner.

3.9 ORGANIZATIONAL COMMITMENT

Organizational commitment as a concept began to grow increasing prominence over the past 40 years. Organizational commitment also known as employee loyalty to organization is the degree to which an employee recognizes with the organization and desires to continue enthusiastically and meaningfully participating in it. Organizational commitment is a measure of the employees willingness to stay with the organization in future. It often replicates the employee's belief in the mission and goals of the organization and his willingness to spend effort in their accomplishments and intentions to prolong working there. As an attitude, organizational commitment is most frequently defined as (1) a strong desire to remain a member of a particular organization, (2) a enthusiasm to exercise high levels of effort on behalf of the organization, (3) a definite faith in and acceptance of the values and goals of the organization. In other words, this is an attitude reflecting employees' loyalty to their organization and is an continuing

process through which organizational participants state their concern for their organization and its sustained achievement and well-being.

3.10 OUTCOMES OF ORGANIZATIONAL COMMITMENT

There are diverse outcomes of organizational commitment. Both early and more current research summaries do show support of a positive relationship between organizational commitment and desirable result such as high performance, low turnover, and low absenteeism. There is also proof that employee commitment relates to other attractive outcomes such as the perceptions of a warm, encouraging organizational climate and being a good team member willing to help. However, there are some studies that do not show strong relationships between commitment and outcome variables and others where there are moderating effects between organizational commitment and performance. For example, one study found a stronger relationship between organizational commitment and performance for those with low financial needs than for those with high financial needs. Another study found that the more the employees had on the job and with the employing organization, the less impact their commitment had on performance. Still another study found that commitment to supervisors was more strongly related to performance than was commitment to organizations. All these studies clearly indicate the complexity of commitment. On the whole, most researchers would agree that organizational commitment is a better predictor of desirable outcome variables than is job satisfaction and hence it deserves management's attention.

3.11 GUIDELINES TO ENHANCE ORGANIZATIONAL COMMITMENT

As reveal earlier, managements face a absurd situation regarding the commitment of employees. On the one hand, today's focal point on team work, empowerment and flatter organizations puts a premium on just the sort of self-motivation that one anticipate to get from committed employees. On the other hand, environmental forces are acting to reduce the foundations of employee commitment. Dessler suggests guidelines that assist in enhancing employee's organizational commitment. According to him, the right kind of managers should be hired. Further, managements should clarify their mission and it must be charismatic. All the same, they should stress on value based orientation and training. Besides this, organizations should design and develop a comprehensive grievance

procedure besides providing for two way communication. Organizations should also build value based homogeneity. All the same, they should emphasize team work and get together. Further, they should enrich and empower employees. At the same time, they should provide promotional opportunities. Above all, they should take measures to ensure employee development

Principles of Organizational Commitment (Mayer et al, 2010)

The sense of organizational commitment will prevail in an employee if the following principles are already present in the employee's nature and behaviour or if the organization successfully generates these principle qualities in them. It is on the presence and absence of these principle feelings; a certain level of organizational commitment is developed and maintained.

a. Job Security - The ability to keep a job for as long as one wants, providing one's job performance is satisfactory.

b. Loyalty - The feelings of affection and attachment to one's organizations.

c. Trust in Management- The extent to which employees ascribe good intentions to, and have trust in, the works and actions of management and their organization.

d. Identification - The extent to which employees adopt, as they are own, the goals and values of the organisation.

e. Alienation -The extent to which the employees feel disappointed with their career and professional development.

f. Helplessness - The extent to which employees feel that they possess few opportunities and alternatives available to them outside their organisation.

3.12 IMPORTANCE OF ORGANIZATIONAL COMMITMENT

Why an organisation would want to increase the level of commitment among its members? There are various reasons. It has been argued that having a committed workforce is seen as the key factor in achieving competitive performance. Highly committed employees wish to remain associated with the organisation and advance organizational goals, and are therefore less likely to leave. Committed workers can be

expected to exercise self-control, thus removing the need for supervisory staff and producing efficiency gains. On the personal level, strong organizational commitment has implications for reduced stress levels. In fact, vast numbers of studies have found positive relationships between organizational commitment and employee behaviours such as a greater effort exerted by the employee in performing tasks, better work attendance, higher employee retention, higher delivery of service quality and increased willingness to engage in citizenship behaviour. Organizational commitment has the potential to power organizational effectiveness. Moreover, in today's dynamic and fast paced business environment, organizations can no longer guarantee 'a job for life' which has made the notion of organizational commitment even more pertinent.

3.13 JOB SATISFACTION

Job Satisfaction probably is the most generally studied variable in organizational behaviour. When the attitude of an employee towards his or her job is positive, there exists job satisfaction. Dissatisfaction be present when the attitude is negative. Job Satisfaction frequently is a collection of attitudes about specific factors of the job. Employees can be fulfilled with some elements of the job while simultaneously dissatisfied with others. Job Satisfaction is defined as "the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs" (Spector, 1985).

Consequences of Job Satisfaction (Aswathappa, 2008)

High job satisfaction may direct to improved commitment and productivity, increased turnover, improved attendance, and reduced accidents, less job stress and lower unionization.

a) Productivity and Job Satisfaction - The relationship between satisfaction and productivity is not definitely established. However in the long run, job satisfaction guide to increased productivity. But there are some conditions under which high productivity more clearly leads to job satisfaction. First condition is that the employees perceive that intrinsic and extrinsic rewards are contingent upon their productivity. The second condition is that the extrinsic rewards (e.g. pay) be distributed equitably. Inequitable distribution fails to convince the employee about the close correlation between hard work and rewards

b) Job satisfaction and Employee Turnover - High employee turnover is of significant concern for employers because it disrupts normal operation, causes morale problems for those who stick on and increases the cost concerned in selecting and training replacements. The employer does whatever possible to reduce turnover, making the employees feel satisfied on their jobs, being one such. It has been demonstrated that workers who have relatively low levels of job satisfaction are the most likely to quit their jobs and that organizational units with the lowest average. Satisfaction levels be liable to have the highest turnover rates.

c) Satisfaction and Absenteeism - Correlation of satisfaction to absenteeism is also proved convincingly. Simply acknowledged, absenteeism is high when satisfaction is low. The degree to which people feel that their jobs are significant has a moderating influence on their absence. Employees who feel that their work is vital tend to clock in regular attendance. Besides, it is necessary to remember that while job satisfaction will not necessarily result in low absenteeism, low satisfaction is likely to bring about high absenteeism.

d) Satisfaction and Safety - Poor safety practices are negative outcome of low satisfaction level. When people are dispirited about their jobs, company and supervisors, they are more likely to experience accidents. An underlying reason for such accidents is that discouragement may take one's attention away from the task at hand. Inattention leads directly to accidents.

e) Satisfaction and Job Stress - Job Stress is the body's reaction to any job-related factor that threatens to agitate the person's equilibrium. In the process of understanding stress, the employee's inner state changes. Prolonged stress can cause the employee serious ailments.. The employee may see no satisfactory short-term result to escape from this type of stress. An employee trapped in a dissatisfying job may depart by such means as high absenteeism and tardiness; or the employee may quit.

f) Unionization - It is proved that job dissatisfaction is a main reason for unionization. Disappointment with wages, job security, fringe benefits, chances for promotion and treatment by supervisors are reasons which induce employees join unions. Another

dimension is that job dissatisfaction can have an force on the tendency to take action within the union, such as filing grievances to striking.

g) Other Effects of Job Satisfaction - In addition to the above, it has been claimed that satisfied employees tend to have better mental and physical health and learn new job related tasks more quickly. All things considered, practicing managers and organizational behaviour researchers would opinioned that job satisfaction is imperative to an organization. On the other hand, when job satisfaction is low, there be inclined to be negative outcome on the organization.

3.14 Determinants of Job Satisfaction

Job satisfaction is elusive and multi-variable. A number of factors persuade the job satisfaction of employees. They can be classified into three categories. Which are organizational factors, group factors and individual factors.

1) Organizational Determinants

A number of factors in the organization determine job satisfaction of employees. Organizations can enhance job satisfaction by organizing and managing certain factors, which are described below.

A) Wages - Wages play an main role in influencing job satisfaction. This is because of two reasons. The first one is that money is an vital instrument in satisfying one's needs. The second one is that employees frequently see pay as a indication of management's concern for them. There is no contradicting the fact that employees need a pay system which is simple, fair and in line with their expectations. When pay is seen as fair, based on job demands, individual skill level, and community pay standards, satisfaction is likely to end result. Hence, importance should be laid on ones perception of fairness rather than the absolute amount paid to employees.

B) Nature of Work - The nature of one's work has a major impact on job satisfaction. Jobs concerning the use of intelligence, skills and abilities, and which are demanding and have scope for greater freedom direct to job satisfaction. Besides, feelings of boredom, frustration and failure, and a poor variety of tasks direct to job dissatisfaction.

C) Working Conditions - Good working conditions are required to motivate employees to spend the necessary time at the work place. Poor working conditions may lead to a feeling that one's health is in danger. Thus working conditions decide the level of an employee's job satisfaction. For instance, employees in a software company convey job satisfaction on this variable as they work in very neat and contented air-conditioned rooms. Hence, the expression of feeling of satisfaction depends on the work environment of organizations.

d) Opportunities for Promotion Promotional opportunities influence job satisfaction significantly. The aspiration for promotion is generally strong among employees as it involves change in the job content, pay, independence and status.. An average employee in a typical government organization can acquire three or four promotions in his entire life, though chances of promotion are better in private sector. It is no surprise that employees take promotion as the ultimate success in their career and when it is realized, they feel very satisfied

e) Job Content - Job content refers to factors that are intrinsic in the job such as recognition, responsibility, advancement and achievement. Jobs involving a range of tasks and which is less repetitive effect in greater job satisfaction. A job whose content is poor produces job dissatisfaction.

f) Level of Employment The level at which an employee is working decides job satisfaction. Jobs at a higher level are viewed as esteemed and employees working in such jobs convey a better degree of job satisfaction than those working at a lower level. Glimmer found that professional people have greater job satisfaction than salaried workers and factory workers are least satisfied with their jobs.

g) Leadership Style - The style of leadership of the superior also establish the level of satisfaction of an employee. Democratic leaders, who encourage friendship, respect and a warm relationship among employees and which helps to enhance job satisfaction. On the other hand, employees working under authoritarian leaders express a low level of job satisfaction. Transactional and transformational leaders are found to have endorsed job satisfaction among their subordinates. Similarly, charismatic leaders also promoted job satisfaction among their subordinates. However, employees working under bureaucratic supervisors have expressed job dissatisfaction.

2) Group Determinants

Group factors such as size of the group and supervision wield substantial influence on the job satisfaction level of employees. In this regard, a brief discussion is made here under.

a) Work Groups and Size - Existence of groups in organizations is a general phenomenon. It is natural for human beings to connect with others. This feature results in the formulation of work groups at the work place. Isolated workers dislike their jobs. The work group exerts a incredible influence on the satisfaction of employees at the place of work. The satisfaction, an individual derives from his association with the group depends largely on his relationship with other group members, group dynamics, group cohesiveness and his own need for affiliation.

b) Supervision - Perceived quality of supervision is an added determinant of job satisfaction. Satisfaction is inclined to be high when people believe that their supervisors are more capable, have their best interests in mind and treat them with respect and self-esteem. Communication is another feature of supervision. Satisfaction of employees tends to be high when they are capable to communicate without difficulty with their supervisor

3) Personal Determinants

In addition to organizational factors, there are few personal / individual variables that have a bearing on job satisfaction. In this view, a brief discussion is made here under.

a) Personality Factors such as perception, attitude and learning determine psychological conditions which in turn establish the personality of an individual. Therefore, these factors decide the satisfaction of individuals. An employee possessing a negative attitude about his job becomes disinterested in it. He is likely to communicate job dissatisfaction. An employee possessing limited knowledge of the job or poor learning capability is not likely to perceive his job as interesting. Thus, one's personality determines whether a person is satisfied or dissatisfied with his job.

b) Age - Age is a important determinant of job satisfaction. Younger employees possessing higher energy levels are likely to feel more satisfied. As employees grow older aspiration levels increase. Unable to fulfill these aspirations, they feel dissatisfied.

The relationship between the age of employees and job satisfaction is composite and fascinating.

c) Education- Education provides an opportunity to enlarge one's personality. It develops individual wisdom, dream, judgment, understanding and common sense. Highly educated employees have persistence, rationality, and thinking power. They can realize a situation and evaluate it positively. Dissatisfaction will be greater when educated persons are employed in lower level jobs. A poorly educated employee who cannot judge the situation positively is likely to state job dissatisfaction.

d) Gender differences: The gender and race of an employee also persuade job satisfaction. Women are more probable to be satisfied than their male counterparts even if they have small jobs. This is because, women have lesser levels of aspirations. Charles N. Weanch found that there is no significant difference in job satisfaction when males and females were equally affected by such determinants of job satisfaction as wages, prestige and supervisory positions. For instance, a woman positioned in a prestigious position get the same satisfaction, as does a man in a comparable position.

3.15 ATTRITION

In the simplest sense, attrition or turnover is the tendency of leaving a job by an employee. Attrition rate is the rate at which employees leave their job during a given period. Several authors have tried to define attrition or turnover. According to Goswami and Jha (2012) "Attrition may be defined as gradual reduction in membership or personnel as through retirement, resignation or death." Thus Attrition may be defined as the decrease in the workforce, be it voluntary or involuntary basis, through lay off, transfers, resignation, retirement or death. Organizational turnover has sometimes been defined as "the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period" (Price, 1977). Woods (1995) 6 defines attrition as replacement cycle. Replacement cycle is the time taken by the organization in filling the vacant post, whether vacated voluntarily or involuntarily, by hiring and training new employees. This term, employee turnover, is also often utilized in efforts to measuring relations of employees in an organization as they leave, regardless of reason (Gustafson, 2002)

3.16 CAUSES OF ATTRITION

Employee attrition has become a burning issue these days. High attrition rate is dangerous for the company. It poses a great challenge on the profitability and competitive edge of the company. High attrition rate implies unhealthy environment and dissatisfaction among employees which is not good for the company. Therefore a company should focus on identifying causes of attrition so that it may avoid them to retain talent. Employees leave the job for several reasons. Some of the reasons have been listed below:

1. Lack of Career Growth and Progression: – In many cases the main reason why an employee decides to leave the company is the lack of advancement (Mathi and Malathi, 2013). There is a great attraction in every employee for growth and progression and therefore it becomes essential on employers' part, to provide the opportunities for the same. If the employer fails to do so, they are likely to switch their jobs either at some other employer or in a different field.

2. Work Overload: At times, employer has to ask its employees to work more and perform extra duties. Long working hours, working on Sundays and at workplace performing additional responsibilities are examples of such work overload. Prolonged practice of such type may irritate and frustrate the employee and he will eventually leave the employer.

3. Little Decision-Making Authority: If employees are given decision making authority, they feel themselves important for the employer and develop a sense of responsibility. But over-managed employees will get frustrated with the lack of freedom and may leave the company.

4. Lack of Recognition and Feedback: Regular feedbacks and appreciation for good work are necessary for retention of talent. If their good efforts are not recognized, the employee be disheartened and ultimately, will give up.

5. Disparity in Expectation and Actual Responsibility: Very often, employees join the work with their expectations. When they do not meet the actual responsibilities, it may lead to job dissatisfaction and may result into his turnover.

6. Disparity in Personality and Job: Sometimes the selected candidate is not fit for the job given to him. If such mismatch exists between his personality and his job, he will not be able to justify his responsibilities. The employee will then find excuses, for not doing the work and then reasons, for leaving the job.

7. Stress from Work-life Imbalance: although it is more common in female employees, male employees may also experience work-life imbalance in their current job. Job stress also contributes to such imbalance. This creates a difficulty for employee to continue with the job.

8. Inadequate Compensation: If an employee feels that the compensation offered to him for the defined responsibilities is inadequate and that is not going to increase in near future, then he will definitely search a new job and leave the current job.

9. New Job Offer at Higher Pay: A new job offer with attractive salary and other benefits may tempt an employee to switch to that new job and leave the current job. This type of attrition is often initiated by competitors to take advantage of experienced employees. Jain (2013)⁹ stated that in exit interviews one of the most common reasons given for leaving is the availability of higher paying jobs.

10. Low Morale: Fault-finding and always complaining attitude of seniors; disrespect and unhealthy work-environment leads to low morale of employee. Low morale of employee is destructive for the company and eventually ends up at resignation or termination.

11. Labour Unions: Involvement with labour unions may pose some problems for employees too. If the labour unions bargain for hike in salary and there is conflict with management over this issue then employees may have to quit with their job.

12. Challenging Work: If a worker is given a relatively challenging work or forced to work at challenging location, it demands for an adequate compensation. If he do not get that compensation, or with the passage of time; he may feel frustrated and leave the job.

13. Role Ambiguity: When the employee is burdened with too many responsibilities, the problem of role ambiguity may get created. Role ambiguity arises when a person is not

clear about the responsibilities of his job as they are vague or ill defined. Persistence of role ambiguity may eventually lead to attrition of employee.

14. Relations at Workplace: A person spends significant portion of his day at job. If his relations with senior, subordinates and colleagues are not healthy, it may adversely affect his performance and satisfaction. In search of a healthy environment, an employee may switch to other company.

15. Organizational Culture and Work Environment: Organizational culture reflects the expectations, beliefs and values of the organization adopted while doing business. Where good culture addresses employees' problems and enhances their workplace experience, bad culture leads to lose of trust in leadership and sense of belonging. Chaitra and Murthy (2015) found that work environment has a strong and positive impact on the employee turnover of the organization.

16. Personal Reasons: There are some personal reasons also behind attrition of employees. Marriages, health issue, need to migrate, needs of children etc. some of the personal reasons which cause attrition. 18. Improper performance appraisal: When supervisors and seniors do not provide candid and truthful performance appraisal, the self esteem of employees get hurt. It creates conflict between them and becomes a valid and just reason for resignation.

3.17 CONSEQUENCES OF ATTRITION

Employee attrition has become the most debatable issue these days as many countries are facing the problem of unemployment and underemployment. Attrition of employees is significant from the perspectives of employees, organization and management. Where attrition becomes important for organization in the light of various direct and indirect costs associated with it and the image that is conveyed in the market and society, it also becomes significant for the employees themselves. Attrition becomes a disruptive change in the organization but at some instances, particularly in case of person-job mismatch, it comes useful both for the organization and the employee. Therefore, there is a need to bifurcate the consequences of employee attrition into positive and negative consequences.