Antecedents to Employee Attrition Behavior in Indian IT/ITES Sector

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Abstract: Attrition is the biggest challenges being faced by the HR managers in today’s competitive environment especially with IT/ITES sectors. The study identifies clarity, career growth and advancement, personal priorities and organizational environment as the vital antecedent factors which impacts employee attrition. Further through multi-group analysis the paper studies the impact of agile environment on the said relationships in low and high agile environment. The study uses exploratory factor analysis, confirmatory factor analysis and structural equation modeling for obtaining path linkages. In high agile group all the path linkages were highly significant and the path coefficients were stronger

Keywords: Agility, Attrition, Attrition behavior, multi group analysis, structural equation modeling

I. INTRODUCTION

Attrition is the reduction in number of employees. It is defined as the how much is shrinkage in number. The greatest challenge for Human Resources is retaining the employees in the highly competitive environment. Human resource management is a recent term for the classic word personnel management. However, the terminology has not changed. An HR professional is in charge of the undertakings associated with manpower in the organization (Stahl, et al., 2006). The management of attrition has become crucial in IT industry as it is developing.

The reasons attributed to this are poaching of employees, burn out and high stress environment. When HR personnel of an IT company is met the main problem which they face is neither technology, timelines or cost but attrition (Ferrat, et. al., 2005). This leads to heavy loss to the company, both by manpower and in financial aspects. The organizations approach towards employees need to be fair and favorable so that the employees feel loyal and committed (Pooja, 2011).

Though IT/ITES is considered to be one of the top industry in employment generation the main task is employee satisfaction (Horwitz, et. al., 2003). Women employees constitute to 30-35% of the total which leads to the amount of attrition huge (Punita, 2002). The major issues they face are role overload, maintaining proper health, poor time management and lack of adequate support networks.

The HR managers and executives are constantly in the pursuit for finding out ways of retaining the employees and employee attrition management and employee turnover ratios are recent buzzwords in the human resources management realm. Several extant studies have been indicating the need for detailed antecedent consequence relationships between antecedent factors and attrition behavior (Reina et al. 2017; Zeng and Honig, 2017). There exist studies which highlights the prominent factors affecting employee attrition in case of traditional industry sectors (Cheidu et al. 2017). Studies do exist where IT sector has been considered as a part of multi-sector study (Nahar et al. 2017). However dedicated exploration in the context of highly stressful IT and ITES sectors, have been largely missing in the Indian context. This study becomes more needed and important in the Indian context, because India happens to be one of the foremost IT and ITES solution providing nations and also one of the choicest destinations for outsourced IT and ITES jobs. In this backdrop a detailed study highlighting the factors and their importance in the context of differing levels of agile work environment in the Indian IT and ITES sector becomes an obvious need and natural choice.

The study aims at addressing three vital objectives: first, establishing the factors and validating them as antecedents to the employee attrition behavior; second, studying the path linkages between the antecedent enablers of attrition; third, studying the impact of level of agility in the organization on the aforesaid path linkages. To investigate the linkage between Clarity, Career Growth, Personal Priorities & Organization environment as antecedents to employee attrition behavior which were identified built from the literature. It further investigates whether same linkages behave differently in agile and traditional IT/ITES project environments in India.

The study is divided into certain key segments. First segment, of this article deals with the background and introduction; second segment, discusses about the problem-statement, study-gap and motivation of the study; third segment, highlights the literature, theoretical underpinning and hypotheses development; fourth, the methodology and results section discussing the detailed techniques followed; fifth, discussion and analyses of results; sixth, conclusion and managerial implications; lastly limitations and future scope of study.

II. LITERATURE REVIEW

Theoretical Underpinning

This study conceptualization has its roots ingrained in the backdrop of Denison’s (1990) distinct organizational culture standpoints. The study talked about four distinct standpoints name: Consistency, Mission, Involvement/participation and adaptability. Consistency emphasizes that shared beliefs, common perspectives and communal values among peers and participants in organization promotes internal coordination, sense of identification and meaning to individuals.
The mission refers to the idea that joint effort of drive, road and approach brings organizational members together and they bind together towards common goal and this acts as a cementing bond. The involvement emphasizes that involvement and participation brings in the employees a sense of responsibility and ownership and they even go beyond expected line of duty and put in extra effort without leaving the organizational goal. Lastly, the adaptability is ability and environment in the organization which receives, translates and interprets distinct behavioral signals and amalgamates together creating a solid foundation. These four standpoints in tandem help understand the logical basis of the conceptual linkages on the shoulders of which this study rests. The four standpoints are the foundations in which the employee organization linkages and relationships rest; especially the mission standpoint and involvement standpoint become relevant in the current study scenario. Participation, engagement, transparency and ability of the organization to keep the employees linked to the core values and practices of the firm are pivotal in managing attrition of employees. Logical combinations of these four standpoints find relevance to the four different rationales linked antecedent factors that have been identified and empirically validated as the enablers of attrition behavior.

The Indian IT industry has improved dramatically in recent decade. India’s biggest asset is its high quality skilled and technically superior pool of manpower (Bhatnagar, 2007). The accomplishment of any IT company is influenced by the awareness and capability of its employee (Bhatnagar, 2007). As the IT sector is employee centric, retaining the employees impacts the progress of the organization. In order to maintain stability in performance the organizations concern is to concentrate on voluntary attrition (Bisht et al., 2012). Outsourcing in FDI is increasing more prospects for software experts and struggle for existing IT companies. Due to this race there is a growth in attrition rate. When employees are not contented with their jobs, look out for opportunities in the market which leads to a strong correlation between turnover intention and voluntary turnover (Chafetz et al., 2009). The reason for the high attrition rate can be incompetence in organization procedures, employment dealings, retaining plans, Training and Development initiatives, Work culture and many other factors of an organization (Bisht et al., 2012). High attrition restricts its progress, cost of recruiting new persons and disturbance in work (Samuel et al., 2009).

This leads to heavy loss to the company which invests huge amount in training them (Punita, 2002). Baral (2009) studied the extent and management of work life balance practices in organizations in India. As per the extant literature the Indian organizations have to consider work life balance practiced from strategic perspective. The organizations offer many benefits for work-life balance, which are not part of crucial policies of the company. Though the contribution of women in IT and ITES Knowledge centric organizations is high certain legislative policies such as maternity leave, welfares, flexible working hours or work from home and work for certain hours have not picked up. Most of the organizations do not follow the workshops on stress management and training programs on work life balance as a measurement for welfare of the employees.

The movement of employees from an organization is referred as turnover (Reggio 2003). It is considered as loss of employees. Employee turnover is also defined as voluntary terminations of members from organizations. Abassi et al., (2000) consider employee turnover as the replacement of workers. The turnover of the staff many be voluntary or involuntary. The termination initiated by employees is voluntary whereas the involuntary turnover happens when the employee has no choice because of long term illness, expiry, going abroad, or employer-initiated termination. Cotton and Tuttle (1986) defined turnover as the estimated probability that an individual stays with an organization.

**Hypotheses**

**Clarity**

A number of researchers considered job satisfaction as interpreter for organizational commitment. The association among job contentment, binding towards organization and turnover intention among the temporary employees has already been studied (Slattery et al., 2005) and research findings indicate positive associations between job satisfaction and organizational commitment. Similar causal association among job satisfaction and organizational commitment was studied and supported by contemporary studies as well (Batemanet al., 1984). The commitment is related to the clarity on the role of job, role conflict, role overload (Morris et al., 1979).

The performance is directly influenced by certain factors such as unbiased awards. Unsatisfied th pay and return take importance in the surveys (Ramawasami et al., 2003). In order to make the workers satisfied, the organizations are improving workplace productivity, reduce absenteeism and rewarding the contribution of employees through incentive programs. However the previous studies have highlighted that the incentives on performance differs among the executives as per their responsibility and have been shown to be motivating the managers (Aggarwal et al., 2003).

One of the important factors for an employee leaving the organization is pay satisfaction ((Hom and Griffeth, 1995). It would be discouraging for an employee due to lack of clear understanding of what is expected of him/her on the job especially in a performance driven workplace which creates fear and anxiety among employees who are unclear of what is expected of them. (Brijesh Kishore Goswami, and Sushmita Jha, 2012). This further leads to frustration among the employees and causes attrition and the following hypothesis was proposed.

H1: Level of job clarity has negative relation to the level of attrition behavior exhibited by the employees in a firm.

**Career Growth and Advancement**

Attrition is the main challenge for BPOs as there are no prospects in the organization and employees move to organizations which offer good work environments with higher pay scales (Moore, 2000). It is difficult job for HR personnel in this sector to channel the ever increasing demand and supply of experts. To overcome these issues the organizations are concentrating on planning and executing the retention schemes such as collaborating with educational institutions for higher education to their employees (Shaw, et al., 1998). Because of attrition there is a loss to the business in terms of budget spent on advertising over recruitment, conducting interviews, training, replacement and the time spent on those employees who shift in a short period of time.
The workforces are not enthusiastic to spend their whole career with the same employer (Ghosh et al., 2006). The drivers such as inappropriate work life balance, and stress at work. The attractive factors are enhanced payment, stimulating work, elevation prospects (Ho et al., 2010). The employees always want to improve their skills, knowledge and capabilities. This increases motivation levels and retention of employees (Ndunda, 2009). When an employee feels that there is no growth in the current job and organization, based on the arguments from the literature the employees leaves the organization for better opportunities. In order to test this following hypothesis is proposed.

H2: Level of understanding regarding career growth and advancement of employees in a job context is relates negatively to the level of attrition behavior exhibited by the employees in a firm.

**Personal Priorities**

In IT industry due to long working hours and 24/7 support, the employees suffer from work-life conflict (Perry-Smith et al., 2000) found that there is an link between family-friendly work atmosphere leading to less absenteeism, burnout which contribute to job satisfaction and organizational commitment. According to Byrne (2005) work life balance is defined as how to handle the difficulties that arise due to increase in stress at the work place. In a comparative study of work life balance issues of workers and managers of an MNC conducted by Moore (2007), it was concluded that the managers are not able to maintain work life balance.

A study by Rincy et al. (2011) revealed that the major issues faced by women capitalists are role overload, maintaining proper health, poor time management and lack of adequate support networks and fail to balance between family, entrepreneurial and social responsibilities and desires. There is a significant variation depending on the age group, education level, income and marital status. It was shown that there is an influence of gender in complementing the parenthood and career and women had more profession and family stress and less organizational support for balancing their career and personal life as compared to their male counterparts. (Elizabeth et.al. 2005). According to Reddy et.al (2010), the factors influencing work family conflict (WFC) and family work conflict (FWC) led to stress. The clash between profession and personal has increased in women due to the number of hours spent in office per week, the extent and occurrence of overtime, inflexible work schedule, non-cooperative boss and an unfriendly work culture.

Based on the discussions from the literature the balance between work and personal priorities is not attained at the work place due to the stress the employee feels in the job and this leads to attrition. So, it is hypothesized as:

H3: Level of understanding about personal priorities of employees in a job context has negative relation to the level of attrition behavior exhibited by the employees in a firm.

**Organizational Environment**

The Compensation plays a vital role to maintain effective personnel (Bergmann et al., 2001) and is one of the mechanisms for an institution to gain competitive advantage. From literature it is shown that compensation is the leading factor which governs the attitude of employees, motivation, behavior (Gerhart et al., 1992). It influences the major outcomes such as job satisfaction, fascination, holding, performance, skill acquisition, co-operation and enthusiasm.

The performance of an individual is enhanced in good working environment. It is stimulating to continue a work life which is productive and satisfying in a poor working environment (Ganapathi et al., 2008). Sell et al. (2011) developed a model of job satisfaction assimilating economic and work environment. The outcomes indicate that psychosocial factors, such as evidence regarding judgments about the work place, societal backing and guidance, have substantial effects on the level of job satisfaction.

Job satisfaction is stated as an agreeable or an expressive state of positive attitude which is the outcome of the appraisal or job experience (Locke, 1976). It is coupled with specific needs which include stimulating work, unbiased payment and a sympathetic work environment from peers (Ostroff, 1992).

As per Adams equity theory one person’s input of job/pay ratio is compared with certain fixed references. It is explained as the gap between what an individual expects and what is provided (Lawler, 1964). Pay satisfaction is considered to be one of the determinants of revenue and which leads to leaving the organization (Hom et al., 1995). It is felt by many researchers that most of the employees see the decisions of pay allocation are not fair (Tekleab et al. 2005) that clarify the relation between real pay and performance. Griffeth et al. (2000) concludes that pay and pay-related variables have a major impact on employee turnover.

Employee motivation is essential to employee performance and also provides foundation to the philosophies of real practices of an organization (Steers, et al., 2004). This theory acts as a catalyst between employees’ capability and outlook which helps in enhancing the performance of an employee (Moorhead et al., 1998). This is predominantly very significant in today’s dynamic work situation, coupled with increased competition and globalization.

The employee attitude is influenced by organizational justice with fair and favorable outcomes and procedures. The employees perceive this as organizational support and feel obligated and reciprocal with loyalty and commitment (Pooja, 2011). Based on the arguments from the literature the following hypothesis is proposed.

H4: Level of supportive organizational environment has negative relation to the level of attrition behavior exhibited by the employees in a firm context.

Abassi et al (2000) determined that the causes like incompetent and poor recruitment practices, management, and lack of recognition, work place conditions, and a lack of competitive compensation system lead to employee attrition. The new employees often compare their current experience with the past experience when the expectations are not met which leads to attrition (Louis, 1980). As per the study conducted by Ongori, 2007, the respectable employees in the organization may incline to leave because of occupational stress.

Due to constant and considerable changes both internally and externally, the managers and employees are getting affected by both inter and intra-organization career mobility (Kondratuk et al, 2004). In these situations, capacity maintenance has become a main concern for business and organizations.

Pettijohn et al. (2001) studied that there exists relation between performance appraisals, organizational commitment and job satisfaction. Levy and Williams
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(1998) studied the impact of appraisal and job attitudes. In these studies, there exists strong relation between employees’ level of perceived system knowledge (PSK) and their appraisals and job attitudes.

**Agility**

The meaning of agile is flexible and responsive. The agile approaches imply the capability to survive where there is constant change. (Anderson, 2004).

Employees generally display withdrawal behavior before leaving the company (Nagadevara et al., 2008). Sometimes withdrawal and objective to leave may not lead to attrition because of personal commitment and personal problem (Lambert et al., 2001). There are five Factors which influence such as individual, organizational, job related, psychological and environmental (Ghapanchi et al, 2011). For IT professionals the most significant features of the job are job security and technical competence (Agarwal et al., 2002).

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So we hypothesize that:

H5a: Agile environment moderates the path relationship linking clarity with employee attrition behavior.

H5b: Agile environment moderates the path relationship linking career growth and advancement with employee attrition behavior.

H5c: Agile environment moderates the path relationship linking personal priorities with employee attrition behavior.

H5d: Agile environment moderates the path relationship linking organizational environment with employee attrition behavior.

The study aims at performing multi-group analysis: checking for the relationships in organizational contexts where agile practices are in place and where agile practices are absent.

### Items:

<table>
<thead>
<tr>
<th>Construct</th>
<th>Definition</th>
<th>Items</th>
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<tbody>
<tr>
<td>Clarity</td>
<td>Clarity is defined as clear understanding of what is expected of him on the job. Employees who are hired in highly demanding jobs or not challenging enough may become discouraged… the job descriptions are not clearly communicated to the employees</td>
<td>CLAI- understanding on the job role CLA2- understanding about the working conditions of the workplace CLA3- transparency regarding the understanding of the appraisal / reward system CLA4- understanding regarding the organization policies / practices</td>
<td>Brijesh Kishore Gowami and SushmitaJha(2012)</td>
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<tr>
<td>Career Growth &amp; advancement</td>
<td>Career growth and advancement is defined as Training and career Development for helping employees to develop their personal and organizational skills, knowledge, and abilities..</td>
<td>CGAI- advancement in terms of career growth in the organization CGA2 – developing individual skills through training CGA3- involvement of employees in the decision making mechanism CGA4-motivate employees and keeping them focussed along their career path</td>
<td>Ndunuju. A (2009)</td>
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<td>Personal-Priorities</td>
<td>The concept of the work-life balance means tackling the problem of increasing amounts of stress in the work-place</td>
<td>PPR1- flexible timings to manage work life balance PPR2- work stress PPR3- recognition for hard work PPR4 – satisfactory measures in view of managing the personal priorities of the employees</td>
<td>Byrne (2005)</td>
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<td>Supportive organizational environment</td>
<td>The concept of work environment is defined as complete one including the physical, psychological and social aspects that mark up the working condition</td>
<td>OEM1- conducive/satisfactory work environment OEM2- trust and respect towards the employees OEM3- motivating the employees towards innovation OEM4- freedom/scope of expression towards redressal of employee</td>
<td>(Gunapathi. R and Balaji P.M. 2008).</td>
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<tr>
<td>Attrition Behaviour</td>
<td>Attrition is defined as the rate of shrinkage in the number of employees.</td>
<td>ATB1- Suitable/fitting job roles ATB2- Joining elsewhere for better domain exposure ATB3- shifting for getting meaning in their jobs ATB4- better matching of the capabilities and skills(challenging positions)</td>
<td>Jagannathan (2008)</td>
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<td>Agile Attributes</td>
<td>“agile” means something is flexible and responsive. Agile methods imply its ability to survive in an atmosphere of constant change and emerge with success*</td>
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<td>AGP1 project team and its constituents are co-located/virtually co-located through established IT enabled communication techniques</td>
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<td>AGP2 integrated standardized work places</td>
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<td>AGP3 follows mandatory schedule of interim releases</td>
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<td>AGP4 – has fully developed high quality user stories in pipe line at the onset of each development cycle</td>
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<td>AGP5 specialized accountable resource teams</td>
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<td>AGP6 effective and interactive communication practice</td>
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<td>AGP7 encourages continuous improvement through implementation of lean and agile practices.</td>
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<td>AGP8 – follows strict schedule of daily stand-up meetings and sprint evaluation at fixed intervals.</td>
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(Anderson, 2004).

### III. METHODOLOGY & RESULTS

This work is based on empirical data obtained from various IT and ITES sector firm employees. The study follows a non-probabilistic convenience based sampling approach, based on criteria of agile practices being in implementation. The study aim at performing multi-group analysis: checking for the relationships between the study variables and also checking for the moderation impact of agile environment on the variable relationships. Multi-group analysis in this study context is carried out by creating groups based on segregation of respondents, by grouping respondents from more agile and less-agile organizations. Multi-group study was basically separate SEM-based studies being carried out with separate sets of responses as the intent of our study was to see whether agile nature of the organization had certain impact on the responses from the respondents. So, based on level of agility as calculated based on the scores that each respondent provided for the agility linked items were summed up and a mid-value cut off was chosen to decide whether the respondents perceived the firm where they worked was on the higher or lower side of agility. Thus the study findings from the multi-group study happens to be vital for understanding whether the agility level of the organization of the employee had any significant contribution on the antecedent consequent linkages linking the four variables with the outcome attribution behavior variable in the IT/ITES study context.

The study model is provided in figure 1. The firms which scored above 28 (i.e. (8X7)/2) in terms of the sum of the individual item scores as provided by the respondents were segregated as firms high in terms of agile practices and those which were below or equal to 28 in terms of the sum of the individual item scores for all the ten agile practices items taken together, were referred to as firms low in terms of agile practices. The path coefficients and the relationships as shown in the model between the antecedents and consequent constructs have been computed for the model by considering the responses from the respondents as two different sets: the firms high in agile practices on one hand and the firms low in terms of agile practices (Figure 1).

The study used a step by step process right from item generation based on literature support and industry practices based on practitioner’s literature. A pilot study was conducted using the experts to eliminate and rephrase the questionnaire and the wordings of the items.

In this study, developing and testing reflective scales was followed (Churchill 1979); four broad steps: construct development, checking for content and face validity; dimensionality testing; checking for internal consistency; checking and ensuring convergent, discriminant, and nomological validity of the measures (Anderson, Gerbing 1988; Churchill 1979). In the first stage, based on the literature and existing definitions, pools of items were generated through thorough probing. Since the construct items were taken from both literature and practitioner’s articles, after the successful generation of the primary pool, an essential validity test was carried out followed by scale purification (Anderson, Gerbing 1991). As part of pre-pilot testing in consultation with 2 academic researchers initially from the pooled items the irrelevant items were removed or modified and based on unanimity pilot testing was done. In this study Q-sort technique (Moore and Benbasat, 1991) was used and the instrument was subjected to Q-sort techniques till the three vital Q-sort indicators of raw-agreement score, item placement ratio and Cohen’s kappa values were all above 0.9. In the first round the values did not reach the requisite values and hence after incorporating the necessary changes the items entered second round of Q-sorting which yielded all the three values above 0.9 with a different set of judges. The Q-sort scores of round 1 and 2 are provided below in Table 1. After the pilot study using Q-sort the final instrument that was used for the final large-scale study representing five constructs of Clarity (CLA), Career Growth & advancement (CGA), Personal-priority (PPR), Organizational environment (OEM) and Attrition Behaviour (ATB) had 4 items each i.e. a total of 20 items across 5 constructs. Though based on literature and Q-sort exercise the five constructs stood out, whether after the Q-sorting still the factor structure stood out or not was investigated using exploratory factor analysis (EFA) using Varimax rotation. The EFA table with rotated factor structure and the individual loadings are provided in table 2. Total Variance explained was: 64.387%. KMO value = .754, Bartlett’s test of sphericity result significant at 0.000. Further the convergent and discriminant validity have also been checked and all the Cronbach Alpha values were above 0.8 (in table 3) which showed very high reliability of the instrument. The validity and reliability of the scales were established. The diagonal elements which represented the respective AVE (average variance extracted)
values for each construct in Table 4, were all higher than the other non-diagonal elements which represented squared inter-construct correlation and this showed good convergent and discriminant validity.

Further confirmatory factor analysis (CFA) was carried out in order check the model fit indices of the measurement model which was subsequently used for checking the inter-construct relationships and linkages and subsequently the hypothesized relationships were checked and outputs were noted in the structural model. So initially CFA was carried out followed by structural equation modeling (SEM) to calculate the path indices. The model has been tested. The CFA outcome revealed a good model fit of the measurement model. The model fit indices for the measurement model were all as per the acceptable criteria (CMIN/DF = 1.178, CFI = 0.968, IFI = 0.971, TLI = 0.956, GFI= 0.89 and RMSEA = 0.026). Where, CMIN/DF represents Chi-square/degrees of freedom (i.e. $\chi^2$/d.f.), GFI = Goodness of fit index, CFI = Comparative fit index, TLI = Tucker Lewis index, NFI= Normed fit index, IFI = Incremental fit index and RMSEA = Root mean square error of approximation.)

The sampling technique used was Convenient sampling. Total 247 completed responses were obtained out of 900 target respondents from IT and ITES firms (response rate: 27.4%). The sample demographic details are provided in table 5.

For the measurement model fit index calculations (CFA) combined responses from agile and calculated, the model was run separately for the two types of firms (one that used agile practice attributes and the others which did not). Since the respondent set was quite large and met the 1 is to 5 criteria for successfully running SEM, the separate calculation could be carried out. Out of the respondents, 142 respondents worked in IT/ITES firms with traditional projects (Non-agile), while the remaining 105 respondents worked in projects that followed agile methodology/practices. As per Anderson and Gerbing (1988) for carrying out the SEM the number of sample points to the number of instrument items should be at least 5 is to 1, i.e. for 1 item 5 sample responses are needed. Both the agile and non-agile group met the criteria, since the number of items was 20 across all the five constructs and hence minimum each group needed 100 responses (Hair et al. 1998; Bryant and Yarnold, 1995; Garson, 2008; MacCallum et al. 1999).

In this case both the agile and non-agile respondent groups had above 100 responses and so the SEM based path analysis could be carried out separately. The path analysis (structural model) response using Amos 20 is provided in table 6. The model fit indices for the structural model are provided in Table 7:

| The model fit indices for the overall structural model were all as per the acceptable criteria. |

IV. DISCUSSION, ANALYSIS & CONCLUSION

The moderation impact of Agile nature of the firm is studied through the study where the total sample impact and SEM coefficients have been compared and checked for statistical significance against High Agile group’s and Low Agile group’s path coefficients and statistical significance. From the path analysis results we compare the outputs for the agile and non-agile group firms and try to analyze the difference between the path coefficients from the hypothesized relationships. The common set gives a mixed result though three out of the four hypothesized relationships turn out to be significant (Table7). The impact of agility on the said relationships reflects from the separate structural model outputs obtained from study of the two distinct groups. For the firms that exhibit non-agile management practices it is found that three out of four hypothesized relationships (Clarity, Career growth and advancement, organizational environment) with that of attrition behavior, turned out to be significant. The relationship between personal priorities and attrition behavior was not supported. On the other hand, for the firms with agile management practices it is found that three out of four hypothesized relationships (Clarity, personal priorities, and organizational environment) with that of attrition behavior, turned out to be significant. The relationship between career growth and advancement and attrition behavior was not supported.

Clarity regarding the job role, organizational policies, appraisal and reward system working conditions and available facilities and flexibilities are instrumental in the job continuation decision of the individual in an organization. Enhanced clarity has been linked with reduced attrition behavior (Brijesh et al, 2012). In the current study though the relation linking clarity with attrition behavior has found support across both agile and non agile firms, it is more significant for the agile firms than non agile firms. In the IT/ITES firms following agile practices, since the projects are run on tight schedules and shorter sprints, regular meetings, group discussions, deliverable summarizations and stand-up meetings largely enhance the transparency and the visibility of the projects. In this enhanced clarity environment, though burnouts might be higher, still the employee to a large extent gets to know about the status of their career trajectory towards appraisal goals with much precision since the supervisors provide inputs about their performance often at the end of each sprint and this reduces ambiguity; thereby fostering an environment of clarity which plays a crucial role in reducing attrition behavior among employees. On the contrary in the non-agile practice-enabled IT/ITES firms which can well be characterized as traditional in their nature of day to day operation, often lacks such clarity aspects. The appraisals and project completion reviews being far often finds the employee diverted and confused about their objective, goal and relevance of their job profile. This has been attributed to more of confusion; leading to attrition (Agarwal et al, 2003, Ramaswami et al, 2003).

Career growth and advancement happens to be the most important push factors that drives the motivation of the employee towards continuing with his/her current job role. In case of a clutter regarding the career prospects of an individual, the concerned person shifts from one job to the next aiming at gaining advancement in their professional front (Moore, 2000; Gosh et al, 2006). Understanding about career trajectory and growth options has been highlighted in extant literature as a pivotal aspect for an employee’s job leaving and continuation decision. The study findings clearly segregate and indicate two distinct divisions in terms of the path coefficients being significant in one and the hypothesis not being supported in another situation. In IT firms with Agile practices, the project scenario and scope remain severely limited and constrained and in the very short sprint of time the provision for understanding...
and associating with the project manager or the person with the relevant authority who has role in providing the growth trajectory and career growth options to the employee remains largely limited, whereas in traditional non-agile projects the employees stay with the single vertical and the project for a long time often develop closer understanding regarding the career’s next stop. Though agile and non-agile are two project approaches and ideally should not affect the relationship and career growth of the employees, but the longer association of the non-agile projects and in contrast the shorter sprints of the agile projects might create the partition and the inherent understanding aspect somewhere gets lost. The study path analysis portrays similar findings. While the relationship between the career growth and advancement and the attrition behavior in the non-agile project environment has been found to be highly significant and negative (as has been hypothesized), in contrary the same in agile project environment has been found to be completely insignificant. This is a vital finding and bears greater managerial implications.

In the IT sector one of the most important things that gets compromised for the employees, is the work-life balance and hence it takes a toll, as evident from the extant literature (Perry Smith et al. 2000). In the current study context, the path analysis reveals that in the traditional or non-agile project environment, the personal priorities takes a back seat as evident from the relationship between personal priorities and attribution behaviors turning out to be not significant. Actually in the non-agile context, the flexibility is often missed and as a consequence the work stress increases due to non- flexible work environment; which is bound to take a negative impact on the employee morale and satisfaction level. Lower morale and satisfaction has been indicated to be detrimental to job continuation; often resulting in higher attrition. In the agile IT/ITES project context the path coefficient and the resultant hypothesis-based outcome has been in contrary. The relationship between personal priorities and attrition behavior emerged as strongly significant and also negative; thereby supporting the hypothesis that better the understanding and management of personal priorities, the better is the chance of the employee to be staying back and hence lower attrition behavior. In agile project ambience, even though the demand for work and its level of criticality is high, it might have been expected that the resultant relationship might not have hold good, but in agile ambience, often the employees being highly motivated by the flexible and outcome- oriented often are better able to manage their personal priorities and hence that might have been a probable explanation why the relationship turned out to be highly significant in agile project context whereas it turned to be not significant in non-agile context. The final relationship concerning organizational environment and attrition behavior however turned out to be highly significant at 0.1% level of significance and the path coefficients were negative in both the contexts of agile projects and non-agile projects. This explains that in both traditional and agile process oriented projects, the better the organizational environment in terms of trusting project ambience, scope of freedom of expression, focus on individual autonomy and innovation, the higher will be the employee motivation to stick to the organization. Though it might have been expected that since more scope of innovation and autonomy is present in agile project context, and hence only in the agile context the above mentioned relationship should have been significant; but even in traditional or non-agile projects there are certain aspects like trust and scope of expression that often gets fostered due to long term relationship and association and hence the relationship might have got a boost.

**Key Points**

In the current study though the relation linking clarity with attrition behavior has found support across both agile and non-agile firms, it is more significant for the agile firms than non-agile firms

In IT firms with Agile practices, the project scenario and scope remain severely limited and constrained and in the very short sprint of time the provision for understanding and associating with the project manager or the person with the relevant authority who has role in providing the growth trajectory and career growth options to the employee remains largely limited, whereas in traditional non-agile projects the employees stay with the single vertical and the project for a long time often develop closer understanding regarding the career’s next stop.

The relationship between personal priorities and attrition behavior emerged as strongly significant and also negative; thereby supporting the hypothesis that better the understanding and management of personal priorities, the better is the chance of the employee to be staying back and hence lower attrition behavior.

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Antecedents to Employee Attrition Behavior in Indian IT/ITES Sector


34. Kondratuk, T. B., Peter, A. H., Korabik, K., & Hazel M. R. (2004). Linking career mobility with corporate loyalty: How does job change relate to organizational commitment? Department of Psychology, College of Social Sciences, University of Guelph, Guelph, Ont., Canada; York University, Toronto, Ont., Canada; University of Northern British Columbia, Prince George, B.C.


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65. https://doi.org/10.1177/154805189710007


APPENDIX

Clarity

1) There is clear understanding on the job role
2) There is clear understanding about the working conditions of the work place
3) There is transparency regarding the understanding of the appraisal/reward system
4) There is clear understanding regarding the organization policies/practices

Career Growth & Advancement

1) There exists a scope of advancement in terms of career and job growth in the organization
2) There exists a scope of developing individual skills through training
3) There exists a scope of involvement of employees in the decision making mechanism
4) Attempts are made to motivate employees and keeping them focused along their career path.

Personal Priorities including satisfaction and recognition
1) Work timings are flexible to manage work life balance.
2) Work stress is manageable
3) Hard work is recognized by the organization
4) Organization takes satisfactory measures in view of managing the
5) 6) personal priorities of the employees

Organization environment
1) The organization maintains a conducive/satisfactory work environment
2) The organization fosters trust and respect towards the employees
3) The organization motivates the employees towards innovation

The organization provides freedom/ scope of expression towards redressal of employee grievances

Agle Attributes
1) The project team and its constituents are co-located/virtually co-located through established IT enabled communication techniques
2) Our firm has fully integrated standardized work places (aimed at improving productivity and quality by minimizing complexity and enforcing consistent development standards.
3) Our firm follows mandatory schedule of interim releases (functional releases coming as small increments ensure the application gets adapted to the production environment)
4) Our firm has fully developed high quality user stories in pipe line at the onset of each development cycle.
5) Our project has specialized accountable resource teams (specific technical skills) often shared across the program.
6) Our project team has a very effective and interactive communication practice (preventing a drag on the project velocity)
7) Our project team encourages continuous improvement through implementation of lean and agile practices.
8) Our project team follows strict schedule of daily stand-up meetings and sprint evaluation at fixed intervals

Table:1

<table>
<thead>
<tr>
<th>Indices</th>
<th>Round 1</th>
<th>Round 2</th>
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<tbody>
<tr>
<td>Raw agreement Score</td>
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<td>0.93</td>
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<tr>
<td>Placement (hit) ratio</td>
<td>0.81</td>
<td>0.95</td>
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<td>Cohen’s Kappa</td>
<td>0.80</td>
<td>0.96</td>
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1140
Table 2: EFA result

<table>
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<th>Factors</th>
<th>Measures/Items</th>
<th>Item loadings</th>
<th>% Variance</th>
<th>Cronbach’s Alpha</th>
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<td></td>
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<td></td>
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<td></td>
<td>CLA4</td>
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<td></td>
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<td>CGA2</td>
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<td></td>
<td>CGA3</td>
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<td></td>
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<tr>
<td></td>
<td>CGA4</td>
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<td></td>
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<td></td>
<td>PPR 3</td>
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<td></td>
<td>PPR 4</td>
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<td>Organizational environment (OEM)</td>
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<td>ATB4</td>
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Table 3

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<td>CGA</td>
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<td>0.869</td>
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<td>OEM</td>
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<td>0.888</td>
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<tr>
<td>ATB</td>
<td>0.614</td>
<td>0.864</td>
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Table 4

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<th>ATB</th>
<th>CGA</th>
<th>OEM</th>
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<td>ATB</td>
<td>0.219</td>
<td>0.052</td>
<td>0.614</td>
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Table 5 Demographic Profile

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<th>Category</th>
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<tr>
<td>Age</td>
<td>Up to less than 25 years</td>
<td>53</td>
<td>21.46</td>
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<tr>
<td></td>
<td>25 years to less than 35 years</td>
<td>137</td>
<td>55.47</td>
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<tr>
<td></td>
<td>35 to less than 45 years</td>
<td>32</td>
<td>12.95</td>
</tr>
<tr>
<td></td>
<td>45 years to less than 55 years</td>
<td>20</td>
<td>8.09</td>
</tr>
<tr>
<td></td>
<td>55 years and above</td>
<td>5</td>
<td>2.02</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>247</td>
<td>100</td>
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<tr>
<td>Gender</td>
<td>Male</td>
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<td>57.49</td>
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<td></td>
<td>Female</td>
<td>105</td>
<td>42.51</td>
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<tr>
<td></td>
<td>Total</td>
<td>247</td>
<td>100</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Unmarried</td>
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<td>40.49</td>
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<tr>
<td></td>
<td>Married</td>
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<td></td>
<td>Divorced/Separated/Others</td>
<td>27</td>
<td>10.93</td>
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<tr>
<td></td>
<td>Total</td>
<td>247</td>
<td>100</td>
</tr>
<tr>
<td>Income in Indian Rupees (INR)</td>
<td>Below INR 25,000</td>
<td>47</td>
<td>19.03</td>
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<tr>
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<td>INR 25,000 to less than INR 40,000</td>
<td>123</td>
<td>49.79</td>
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<td>INR 40,000 to less than INR 60,000</td>
<td>45</td>
<td>18.22</td>
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<td>INR 60,000 and Above</td>
<td>32</td>
<td>12.96</td>
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<td>Total</td>
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Table 6

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path estimate</th>
<th>Significance</th>
<th>Result</th>
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</thead>
<tbody>
<tr>
<td>H1: CLA → ATB</td>
<td>-0.234</td>
<td>**</td>
<td>Supported</td>
</tr>
<tr>
<td>H2: CGA → ATB</td>
<td>-0.396</td>
<td>***</td>
<td>Supported</td>
</tr>
<tr>
<td>H3: PPR → ATB</td>
<td>-0.138</td>
<td>NS</td>
<td>Non-Supported</td>
</tr>
<tr>
<td>H4: OEM → ATB</td>
<td>-0.356</td>
<td>***</td>
<td>Supported</td>
</tr>
</tbody>
</table>

(CMIN/DF) = 1.307, CFI = 0.955, IFI = 0.966, TLI = 0.952, GFI= 0.870 and RMSEA = 0.037

Table 7 Structural Model: Hypothesis testing & Path analysis(Moderation impact checked through multi-group study)

<table>
<thead>
<tr>
<th>Less Agile firm group</th>
<th>Highly Agile Firm group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis</td>
<td>Path estimate</td>
</tr>
<tr>
<td>H1: CLA → ATB</td>
<td>-0.194</td>
</tr>
<tr>
<td>H2: CGA → ATB</td>
<td>-0.456</td>
</tr>
</tbody>
</table>
H3: PPR $\rightarrow$ ATB $-0.118$ NS  
Non-Supported

H4: OEM $\rightarrow$ ATB $-0.278$ *** Supported

$\frac{CMIN}{DF} = 1.807$, CFI $= 0.945$, IFI $= 0.931$, TLI $= 0.902$, GFI $= 0.88$

H3: PPR $\rightarrow$ ATB $-0.479$ *** Supported

H4: OEM $\rightarrow$ ATB $-0.532$ *** Supported

$\frac{CMIN}{DF} = 1.215$, CFI $= 0.910$, IFI $= 0.95$, TLI $= 0.932$, GFI $= 0.89$

---

** AUTHORS PROFILE **

**Sashikala Parimi** is Professor of Statistics, Operations, Data Mining, Business Intelligence and Analytics with SAS and Information Technology. She has about 28 years of research and teaching experience in the fields of Statistics, Analytics, Operations Research, MIS, Supply Chain Management, Business Intelligence, Data Mining and Data Warehousing. She holds a Doctorate degree in Statistics from Osmania University and a Masters degree in Statistics from Mysore University. She presented and published several research papers in various reputed national and international forums and journals. Her areas of interest include Statistics, Operations, Analytics, MIS, Data Mining, Business Intelligence & analytics with SAS, SPSS and R. She currently handles Analytics courses at IBS, for MBA and PhD students.

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**Fig 1: Theoretical Model**