EMPLOYEE TURNOVER TRENDS IN TOP 3 IT COMPANIES AND FOUR PILLARS OF EMPLOYEE RETENTION

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Abstract

This paper examines four pillars of employee retention and analyze trends in employee turnover in the top three IT organizations. Nowadays, having the greatest and most talented workers is crucial, but so is being able to keep them for the organization's and its employees' long-term benefits. Employee turnover refers to when an employee leaves the organisation whereas trends reflect the percentage. The increasing need for automation and digitalization across all industry sectors and the global economy has contributed to the rapid increase in attrition rates, which are currently averaging about 25% in the IT sector. Since people are viewed as the company's "greatest assets," retention is currently the top goal for firms. Reducing attrition, increasing productivity, and fostering organizational success all depend on happy employees. The study is descriptive and uses secondary data which includes academic articles, conference papers and Internet. The findings indicate the average turnover rate ranged between 12-24% in the last 3 years. While there is a declining trend in attrition but Infosys has highest turnover ratio as compared to TCS and HCL. Job, Culture, Personal, and External are the four primary pillars that support employee retention. Key drivers of employee retention include difficult and meaningful work, competitive pay, opportunity for career advancement, recognition, personal qualities, the state of the economy regarding other employment openings, and competition from other industries. (Gujarat Technological University , n.d.) (Hertfordshire, n.d.)

Keywords: *Employee Turnover, Employee Retention, Employee Happiness, Information Technology*

INTRODUCTION OF THE TOPIC

Information Technology sector generates $227 billion for service investments, including cloud computing, digital payment infrastructure, cyber security, and more. It also accounts for 51% of services exports and contributes 9% of the country's GDP. The growing need for automation and digitization in all economic sectors and the global economy has contributed to the dramatic increase in attrition rates, which are currently averaging about 25% in the IT sector. (Gujarat Technological University , n.d.)

Second, IT tools and products have increased in popularity as a result of the lightning-fast adoption of cloud technology. The IT industry saw a surge in demand and a rise in employment markets following the outbreak. In order to satisfy their active requirements, employers are now prepared to pay more than the going rate. As businesses compete for the best people, there is now more competition in terms of bonuses, incentives, and percentages of pay increases. Overall, the average CTC has increased by multi-fold when compared to before. High attrition has been fostered by this. (IJRPR, n.d.) (Gujarat Technological University , n.d.)

Employee Turnover will reflect the attrition in the company and the percentage will reflect its turnover. Nowadays, having the greatest and most talented employees is crucial, but so is being able to keep them for the organization's and its employees' long-term benefits. (Researchgate.net, n.d.)

Since people are viewed as the company's "greatest assets," retention is now an organization's top goal due to increased competition. The goals of people and the strategic and financial requirements of the company must be constantly balanced. It handles matters pertaining to people, such as salary, recruitment, motivation, performance, training etc.(Gujarat Technological University , n.d.) (Wolverhampton, n.d.)

Low turnover rates can be largely attributed to employee dedication, which also has good effects on productivity, turnover, and the willingness of employees to assist coworkers. Indeed, higher levels of employee engagement have been linked to improved teamwork, lower absenteeism, and fewer departure intentions. Consequently, employee dedication helps retain employees, thus it's important to maintain employee retention methods. Well-thought-out plans and procedures must be in place to ensure that workers stay with the company for a long time and don't consider leaving.

Workforce satisfaction significantly contributes to both individual achievement and organizational progress. When staff members feel fulfilled, they are more inclined to stay driven, efficient, and attentive to their responsibilities—resulting in enhanced output and superior quality of work. Moreover, content employees often

hold a favorable perception of their employer, promoting a cooperative and encouraging work atmosphere. Such a setting nurtures collaboration, sparks creativity, and stimulates fresh ideas—all of which are vital components for business advancement.

In addition, employee satisfaction is a key element in preserving talent. Fulfilled workers are less prone to resign, which minimizes the expenses and operational disruptions associated with frequent staff changes. Holding on to capable and knowledgeable personnel helps organizations cultivate cohesive, high-performing teams.
Employees who feel valued also tend to deliver outstanding customer experiences and act as advocates for the brand, boosting its image and drawing in skilled professionals. In the end, emphasizing employee satisfaction sets off a positive chain reaction—driving improved organizational performance, fostering a healthier company culture, and promoting overall employee wellness.
(Singh, 2022) (Bureau, 2022) (Gujarat Technological University , n.d.)

LITERATURE REVIEW

The purpose of the study was to learn from the body of existing literature about the retention of IT workers in India. The study's goals were to analyze the literature from 2010 to 2022 and draw conclusions. The study's conclusions showed that two important reasons are a lack of recognition at work and poor career prospects. Designing employment that foster intrinsic desire and creating career advancement negotiations were the recommendations made by this study. (Haque, 2024) (Gujarat Technological University , n.d.)
The objective of the research was to examine, from a population-based perspective, the elements impacting staff retention within the information technology field. The aim of the analysis was to understand how population characteristics influenced the tech sector. Sampling was done at random. For the study, a sample size of 145 was used. As part of the statistical test, the T-test and Annova were performed. The study's conclusions showed that there is no statistically significant difference between ER causes and demographic variables. Employee retention is positively correlated with elements including pay, T&D, work environment, and job security. (N Bargavi, et al., 2024) (Gujarat Technological University , n.d.)
The aim of the research was to explore the different manners in which occupational contentment and organizational environment influence workforce stability in the information technology sector. A sample of 110 people from Bangalore, Mumbai, Delhi, Pune, Mysore, and Kolkata participated in the study. Understanding the key elements that affect employee retention and lowering turnover were the goals of the study. The study used exploratory research, and structured questionnaires were used to obtain data. The method of convenience sampling was employed. Regression and factor analysis, including ANNOVA, were performed. The results of the investigation uncovered that primary contributor to employee continuity included attractive remuneration, supportive work environment, occupational fulfillment, and encouragement of personnel. Suggestions derived from the study involved offering flexible schedules, adjusting responsibilities to enhance productivity, fostering exemplary peers in the workplace, and recognizing the vital influence of supervisors in uplifting the spirits of their subordinates. (Ms. Shefali Singh, Dr. Ravi Kumar Sharma, Dr. Varsha Shukla, & Dr. Smita Verma, 2023) (Gujarat Technological University , n.d.)
The research examines workforce attrition in the information technology domain, with specific emphasis on Wipro and Infosys. It was observed that remuneration emerged as the predominant cause of employee exits, as many seasoned professionals receive offers from multiple organizations. Additional factors identified at Wipro included economic conditions, individual output, organizational atmosphere, job nature, and impractical anticipations. At Infosys, prominent causes comprised salary-related concerns, excessive workload, ambiguity in role responsibilities, and discontent with managerial staff. (Purohit, 2016) (Gujarat Technological University , n.d.)
The research involves an analysis of staff attrition within the information technology sector. The aims of the investigation were to identify the primary elements contributing to workforce departures in tech organizations. First-hand data was gathered using a structured survey involving 460 respondents across various companies located in Kolkata, West Bengal. A snowball sampling approach was employed. Statistical tools such as correlation matrices and regression modeling were utilized. The study revealed that elevated compensation was the leading cause for employees exiting their roles, irrespective of demographic factors like age or gender. Aspirations for higher-ranking positions or association with more prestigious companies were also significant contributors. Recommendations included fostering emotional connections through familial-style relationships among team members to improve retention. (Sumana Guha & Subhendu Chakrabarti, 2014)
(Gujarat Technological University , n.d.)

RESEARCH METHODOLOGY

A significant portion of the research outcomes is explanatory in nature, aiming to deliver a thorough examination of workforce departure patterns within the information technology domain. To collect pertinent insights, the study relies on secondary sources, which encompass a broad spectrum of materials such as scholarly journals,

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symposium publications, sector-specific reports, and digital content. This wide-ranging selection of references enables a holistic grasp of the subject matter, offering viewpoints derived from various authoritative voices and pre-existing literature *(Gujarat Technological University, n.d.)*

For this investigation, the chosen sample includes three leading enterprises within the IT field: Infosys, TCS, and HCL. These organizations were selected based on their influential standing in the sector, making them suitable representatives of industry-wide patterns. The primary emphasis of the analysis is to carry out a trend evaluation of staff attrition across these firms over a span of three years, specifically between 2022 and 2024. *(Gujarat Technological University, n.d.)*

This pattern assessment aims to reveal meaningful observations about employee departure rates within Infosys, TCS, and HCL, illustrating how these trends have progressed over the specified timeframe.

Employee Attrition Formula = (Number of Departures ÷ Total Workforce) × 100 (Gujarat Technological University , n.d.)

DATA ANALYSIS

Based on the pattern evaluation over the past three years, Infosys recorded the highest workforce attrition rate, followed by HCL and then TCS. Although a downward shift in the separation trend is noticeable, the employee exit percentages have fluctuated between 11% and 24% during this timeframe**.**

Organisation Name	2022	2023	2024
TCS	11.80%	13.3%	12.5%
Infosys	24.3%	20.89%	17.3%
HCL	12.9%	19.5%	12.9%

(Scribd, n.d.) (Gujarat Technological University , n.d.)

Four Pillars of Employee Retention

Job
- Tasks that are stimulating, engaging, and purposeful
- Remuneration and job conditions that align with employee expectations
- Access to training programs for upgrading professional abilities
- Availability of career advancement opportunities
- Recognition and appreciation for excellent performance
- Position prestige, especially relevant for managerial or senior-level roles
- Extra benefits such as extended leave and retirement-related perks

Culture
- Leadership perceived as capable and effective
- Supportive and approachable management style
- Alignment of organizational principles with individual values
- Positive relationships with coworkers and collaborative team dynamics
- A workplace that instills confidence in job stability and long-term security

Personal
- Compatibility with individual and family responsibilities
- Geographical convenience or preference regarding job location
- Belief in one's own skills and employability
- Age suitability within the current workforce and flexibility limitations
- Consideration of physical and mental health impacts related to the job

External
- The state of the economy and availability of other employment options
- Talent competition from parallel industries
- Influence of past professional experiences, both positive and negative
- Societal perception of the business, role, or overall industry (Gujarat Technological University , n.d.)

CONCLUSION AND SUGGESTIONS

Maintaining a stable workforce is critically important for the sustained prosperity of any organization, as frequent staff departures can interfere with operational efficiency, dampen team spirit, and disrupt the consistency of business functions. In today's scenario, workforce attrition—especially in the information technology industry—has emerged as a major issue, with figures rising to concerning levels. Among the leading tech firms, Infosys records the highest rate of employee separations when compared to other major players such as HCL and TCS. This highlights the urgent requirement for corporations to prioritize and implement effective strategies for workforce retention.

These retention initiatives can generally be divided into four primary domains: Role, Organizational Climate, Individual Considerations, and Environmental Influences. Each domain focuses on a different dimension of the employee journey and provides specific approaches to foster a workplace that is supportive, satisfying, and motivating. By directing attention to these core factors, companies can lower attrition rates, enhance job contentment, and promote enduring success.

For future exploration, it is recommended to undertake a more extensive trend evaluation spanning a longer time frame, using multi-year data to better capture shifting patterns in employee retention and departure. This would offer a stronger analytical foundation for recognizing long-term tendencies and support more precise forecasting of upcoming workforce trends. Moreover, broadening the scope to encompass a diverse set of organizations across various industries would improve the applicability of the findings and deliver richer insights into how different sectors manage employee loyalty and engagement.

Examining the elements that affect employee retention in particular businesses is another important topic for future research. Various industries may encounter distinct obstacles and prospects that impact retention tactics, and a more concentrated investigation of industry-specific elements may yield insightful information. It might be advantageous to look at how different industries' retention tactics differ, accounting for the various needs, workplaces, and employee expectations. Future studies could also go deeper into determining the main retention focus areas, including pay, work-life balance, business culture, and job satisfaction, as well as how various firms rank these elements. In the end, this could help businesses increase their retention rates and overall organizational effectiveness by resulting in more focused and efficient tactics catered to the requirements of particular industries and workforce groups. (Gujarat Technological University , n.d.)

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