Leadership and its impact on women employee turnover in IT industry

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Abstract

Purpose - The aim of this research is to examine the leadership factors and its impact on women employee turnover in IT industry in India.

Design/methodology/research methodology - Data from 91 women employees has been collected from Gurugram IT companies. The study employs the use of qualitative and quantitative research techniques which involves the use of self-structured questionnaires. T test, descriptive analysis, Regression analysis and Cronbach's alpha has been used as statistical techniques.

Findings - Present study reveals that decision of staying with the job depends on the relationship with the manager. Marital status of a women employee does not affect her decision to stay in job. Work life imbalance and job insecurity are the other reasons of looking for new job by women employees.

Research limitations/implications - Since the data has been collected from IT companies situated in Gurugram, the ability of the data to represent the entire population is reduced.

Practical implications- The results of this study will provide insights to managers and administrators to implement strategies to reduce women employee turnover in IT companies.

Originality- This research is conducted for the first-time paradigm which explores the impact of leadership on women employee turnover in Gurugram. This research is one of the very few that has been made from the perspective of women employee in IT sector.

Keywords - Women employee, Leadership, IT, Turnover, Gurugram, WLB, Job insecurity.

Paper type - Research paper.

1. Introduction

The main focus of this study is to explores the relationship between women employee turnover and the behavior of leader. The author has particularly focused on IT industry of India as it is growing and giving employment to large number of employees. Sample of 91 women employees working in IT sector is used to analyze the study. Employee turnover is the reduction in number of employees, it can be volunteer or non-volunteer. Rate of turnover varies from industry to industry. Monetary factors, work life imbalance, Career opportunity elsewhere, socio security factors or personal factors can be the different reasons for a woman to quit the current job. Attrition is a serious concern in IT industry in India. Even though tech-savvy employees are recognized as crucial assets and many companies struggle to retain them. There is a shift in the employment of women in IT firms and it has considerably increased over the years. Women workforce had changed their role from the household to their enhancement of self-esteem in the society. The problem taken for this study is turnover of women employees of Gurugram IT industry with special emphasis on leadership factors. IT companies have the scope to become foremost examples of women-friendly employers. The glass ceiling appears to be devastating in information-technology sector in India. Among companies facing an acute talent crunch, recruiting and retaining women through special programs, flexible schedules or family-friendly policies has become more than a good human resource practice.

Whenever experienced and well-trained employees leave the organization, it suffers loss in the form of key skills, knowledge and money spent on training and selection. In terms of type of organization, IT industry has the highest attrition rate of 26 percent. IT service providers are the biggest recruiters of analytics human talent (Gupta, 2017). The main objective of this study is to find out the manager or supervisor behavior with women employees in IT sector and how it affects her decision to stay with the organization? This study will keep

expanding over the years to look for more factors responsible for women employee turnover in IT industry in India. The larger cities which accounts for bigger employee base, have higher attrition rates as compare to cities which has lesser employees (Gupta, 2017). Employee turnover increases with a decrease in experience level. Younger employees tend to switch jobs more often. According to (Twum, 2015) employees contribute significantly to their organizations in terms of their skills, abilities and knowledge which helps the organization in gaining competitive advantage. The research is expected to contribute to the body of knowledge and research in the area of retention of women employee and practices that leads to retention in the IT industry of India.

2. Review of literature

Top leadership commitment, strategic plan of the organization which is diversified, career planning, employee involvement, empowerment, promotion, flexible work timings are the factors which are important for both managers and employees to retain the employees (Twum, 2015).The major reason for quitting the current job for any employee is dissatisfaction from his current job. Dissatisfaction can be due to working conditions, lack of growth opportunities, No proper training and no fair remuneration (Kaur, 2013). Employees do not want to work in a same position. They need support, and space so that they can work freely and grow. If they are not finding this, they will look for another employer (Tech industry report, 2016). The software industry has characterized the shift to a world in which cross border flows of skilled workers have is vital to the way firms in developing and developed countries connect. Compensation and monetary factors have been keys to promote such mobility (Commander *et al.*, 2004). Women employee turnover is higher in technology than in science and in engineering. In all cases quit rate for women is higher than it is for men. In the high-tech industry, the quit rate is more then twice as high for women than it is for men (Hewlett *et al.,* 2008). Women managers have extremely positive effect on other women. Juniors have the impression that senior women help them a lot. Compensation and rewards should be according to employee performance and that should also be competitive enough to retain and attract employees (Twum, 2015). A survey of Indian organization reveals that 48 percent of the turnover happens because of poor relationships with the supervisors. 53 percent of the employees in India are not satisfied with their immediate manager (Kaur, 2013). Employees in the tech industry are becoming more proactive, to know their input has the potential for the company (Tech industry report, 2016). It has been found that proportion of female managers, changes the key variables intensely. Suddenly women employees started feeling less isolated and have an easier time accessing role models. They feel more confident in discussing work life balance issues with a female manager (Hewlett *et al.,* 2008). Research suggests that women don't always quit job basically for family concerns. They could have taken the other decision if more flexible options they had to complete their responsibilities. If a company comes to know the reason of their quitting, things can be different to handle the situation (Women in tech report, 2016).

On the basis of literature presented in the above section the following hypothesis have been developed

H_{01}- There is no significant association between sixteen leadership facets and intention of employees to stay with the organization.

H_{02}- Employees intention to stay with the organization does not differ with respect to the marital status.

H_{03}- Employees intention to stay with the organization does not differ with respect to the bond signed status.

3. Research aims and objectives

The aim of this research is to examine the leadership factors and its impact on women employee turnover in IT industry in India. Data from 91 women employees has been collected from Gurugram which is considered to be the technology hub of India as it houses many domestic as well as multinational IT companies and some of the companies have its headquarters here.

4. Research methods and questions

The study employs the use of qualitative and quantitative research techniques which involves the use of self-structured questionnaires which includes open and close ended questions. Qualitative and quantitative research methods for collecting data had been used. The source of data is based on primary study. The Primary data has been collected from 91 women employees through questionnaires from executive and non-executive professionals working in Indian owned, multinationals, small and big companies employing from 50 to more than 1000 of employees.

5. Data analysis and interpretation

Data has been collected from 91 women employees working different size companies of IT's sector in Gurugram region. Socio demographic factors of the employees depicts 23 of the women were in 18 -24 years of age and out of 91 women, 60 were single (Table 1). Out of the total respondents 72 have not signed any bond with the company and 79 of them were working in non-voice process (Table -2). Maximum respondents lie in the age range of 25-34.

Count		Marital Status		Total
		Married	Single	
Age	18 to 24	0	23	23
	25 to 34	25	35	60
	35-44	4	2	6
	45+	2	0	2
Total		31	60	91

Table 1.
Age * Marital status cross tabulation

Count		Nature of your Job		Total
		Non voice	voice	
Have you signed any bond to stay with the organization?	No	62	10	72
	Yes	17	2	19
Total		79	12	91

Table 2.
Have you signed any bond to stay with the organization? * Nature of your job cross tabulation

According to Field (2005) Reliability is the fact that a scale should consistently reflect the construct it is measuring. In statistical terms reliability is based on the idea that individual items should produce results consistent with the overall questions. Cronbach alpha technique was employed in the present study to test reliability. The value of alpha varies from 0 to 1 and satisfactory value is considered to be above 0.6 for the scale to be reliable (Cronbach, 1951). As we can see in table 3 Cronbach's alpha is. 968 which indicates a high level of internal consistency for our scale.

Cronbach's Alpha	N of Items
.968	16

Table 3.
Reliability statistics

Table 4 represents the total item statistics. Final column presents the value that Cronbach's alpha would be that particular item was deleted from the scale. There is no question which helps in higher Cronbach alpha after removing that particular question except question 2, even that would result in very minor difference.

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Supervisors are approachable and co-operative in nature.	72.40	374.647	.832	.966
I receive constructive feedback about the quality of my work	72.66	376.094	.758	.967
Guidance and Motivation is provided by the Immediate Supervisor	72.74	367.024	.838	.965
In my company, views and suggestions of employees on work related issues are considered and it helps in retention	72.77	371.844	.820	.966
Good performance is very well Recognized by the managers and organization	72.77	373.799	.776	.966
Promoting respect and fair treatment among all staff is a high priority of my organization	72.81	368.852	.811	.966
I feel encouraged by my manager to pursue professional development opportunities	72.80	367.690	.836	.965
In my company open communication with superiors and subordinates contribute well towards retention of employees.	72.70	366.167	.862	.965
Organization focuses on team Work and to also to develop leadership Skills in the employees.	72.74	369.653	.824	.966

Respect and Fair Treatment received from managers and other employees	72.50	371.579	.831	.966
Disciplinary actions against employees are done in a respectful and Human Manner	72.50	378.590	.768	.967
Supervisor regularly congratulate employees in recognition of their efforts	72.53	374.139	.817	.966
My manager helps me in solving the personal problems	73.52	382.455	.547	.971
I feel comfortable with my Supervisor/ manager	72.53	370.746	.838	.965
Current job provides employee with the opportunity to both communicate with his supervisor and to receive recognition from them as well	72.79	370.550	.828	.966
My manager is competent in guiding me through difficult professional situations	72.73	371.074	.792	.966

Table 4.
Item-total statistics

Linear regression analysis

H_{01}: There is no significant correlation between sixteen leadership facets and decision of employees to stay with the organization.

Table - 5 provides the R and R square values. The R value represents the simple correlation and is .666 which indicates strong degree of correlation between sixteen facets and decision of employees to stay with the organization. The R square value indicates how much variation in decision to stay can be explained by sixteen leadership facets (independent variable). In this case 44.4 percent variation can be explained out of total variation.

Table 5.
Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.666[a]	.444	.313	1.139

a. Predictors: (Constant), My manager is competent in guiding me through difficult professional situations , Promoting respect and fair treatment among all staff is a high priority of my organization, My manager helps me in solving the personal problems, I receive constructive feedback about the quality of my work, disciplinary actions against employees are done in a respectful and human manner, organization focuses on team Work and to also to develop leadership skills in the employees, good performance is very well recognized by the managers and organization, Supervisors are approachable and co-operative in nature, current job provides employee with the opportunity to both communicate with his supervisor and to receive recognition from them as well, Respect and, dair treatment received from managers and other employees, guidance and motivation is provided by the immediate supervisor, I feel encouraged by my manager to pursue professional development opportunities, supervisor regularly congratulate employees in recognition of their efforts, I feel comfortable with my supervisor/ manager, In my company, views and suggestions of employees on work related issues are considered and it helps in retention, In my company open communication with superiors and; subordinates contributes well towards retention of employees.

b. Dependent variable: Intention to stay with the organization

Table 6.
ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	70.476	16	4.405	3.393	.000
	Residual	88.277	68	1.298		
	Total	158.753	84			

Above table indicates how well the regression equation fits the data. With 16 predictors the regression effect has 16 degrees of freedom. The regression effect is statistically significant where $F_{(16, 68)} = 3.393$, $p < 0.05$ indicating that prediction of the dependent variable is accomplished better than can be done by chance. The p value of the F statistic labeled as sig. is less than 0.05, demonstrating very strong evidence that the model has a strong explanatory power of prediction. It could also be said that since the F value is significant then all the 16 variables jointly affect the dependent variable in the population.

H_{02}: **Employees decision to stay with the organization does not differ with respect to the Marital status**

Table 7.
Group statistics

	Marital Status	N	Mean	Std. Deviation	Std. Error Mean
Leadership composite score	Single	31	77.4839	20.40404	3.66467
	Married	60	77.6500	20.63552	2.66403

Table 7 shows group statistics for independent sample t-test that was conducted to compare the Leadership composite score for single and married women employees. The results showed there was no significant difference in scores for single (M=77.48, SD=20.40) and married women employees (M=77.65, SD=20.62).

		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference		Lower	Upper
Leadership composite score	Equal variances assumed	.015	.903	-.037	89	.971	-.16613	4.54716		-9.20124	8.86899
	Equal variances not assumed			-.037	61.371	.971	-.16613	4.53066		-9.22464	8.89238

Table 8. Independent samples T test

The independent samples t-test was chosen as the statistical measure for this question. Results of the Levene's test indicated that equal variances could be assumed and an alpha level of .05 was chosen for this test. The p-value of Levene's test is 0.903 we can assume that the variance of two groups is the same. (If the p-value of Levene's test is less than 0.05, we have to use the "Unequal variance" result), since the p-value is 0.971, we accept the null hypothesis and conclude that there is no difference between the mean score of leadership in marital status at 5 percent significance level

H_{03}: **Employees decision to stay with the organization does not differ with respect to the bond signed status**

	Have you signed any bond to stay with the organization?	N	Mean	Std. Deviation	Std. Error Mean
Leadership composite	Yes	19	75.4211	17.54460	4.02501
	No	72	78.1667	21.21652	2.50039

Table 9. Group statistics

Table 9 shows group statistics of independent sample t-test that was conducted to compare the Leadership composite score for employees who signed bond with the company and who did not. The results showed there was no difference in scores for who signed the bond (M=75.42, SD=17.54) and who did not sign the bond (M=78.16, SD=21.21).

		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference		Lower	Upper
Leadership Composite	Equal variances assumed	.030	.863	-.519	89	.605	-2.74561	5.29422		-13.26512	7.77389
	Equal variances not assumed			-.579	33.315	.566	-2.74561	4.73842		-12.38254	6.89131

Table 10. Independent samples T test

The independent samples t-test was chosen as the statistical measure for this question. Results of the Levene's test indicated that equal variances could be assumed and an alpha level of .05 was chosen for this test. The p-value of Levene's test is 0.863 we can assume that the variance of two groups is the same. (If the p-value of Levene's test is less than 0.05, we have to use the "Unequal variance" result), since the p-value is 0.605, we accept the null hypothesis and conclude that there is no difference between the mean score of leadership in bond signing status at 5 percent significance level.

6. Conclusion

Managers find it too difficult to address dissatisfied employees not to quit the job and they are not able to address dissatisfied employees to ensure that employee don't leave their job. Mismanagement is one of the basic reason of employees to quit job (Melaku, 2014). One out of ten women in tech have experiences unwanted sexual attention. One in 10 women in tech reported experiencing unwanted sexual attention. Many female's tech managers have spoken about the culture of harassment they have experienced before (Mercer, 2017).Present study reveals that decision of staying with the job depends on the relationship with the manager. Marital status of a women employee does not affect her decision to stay in job. Interview with the respondents has revealed that lack of monetary rewards is the primary reason of quitting the job. Work life imbalance and job insecurity are the other reasons of looking for new job. Work life balance is also the reason women employee quit their job. Out of 91 respondents 5 want to look for other opportunity due to weak leadership. Insights are required to look for other factors which affect the women employee turnover.

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Suggested readings

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