A STUDY OF FLEXIBLE WORKING CONDITIONS TO RETAIN EMPLOYEES IN IT INDUSTRIES

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Abstract: *Indian industries are increasingly adopting flexible working hours at the office as it helps contain costs and push up employee productivity. Four-fifth of companies in India are now offering their staff flexible working hours and a majority of these companies are finding that it is bringing them major benefits such as reduced overheads. Study proved that about 59 per cent of firms in India believe that flexible working costs less than fixed office working, the report said. Over eight out of ten businesses offering flexible working report that their staffs have a significantly better work-life balance. Improving satisfaction and motivation, while almost four in ten believe that it improves staff productivity. A major obstacle to India's greater economic growth is problems with the transport infrastructure and the fact that India's entrepreneurs and employees waste hours each day in traffic. Flexible working could help address this issue. The world's most successful companies in IT industries in Bangalore make employee retention a top priority.*

Keywords: *Flexible working hours, employee retention, IT industries, chi – square.*

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INTRODUCTION

Flexible work options are employment arrangements which aim to achieve the best possible match between the interests of the agency and those of individual employees. Flexibility in working arrangements can improve customer service and productivity and provide employees with choices to achieve a balance in meeting their work and personal obligations.

Flexible working is not all about parents with young children and those caring for sick relatives. Employees may seek flexible or part-time hours to accommodate their education, volunteering or other professional activities in their local communities, or to achieve a work-life balance that suits them. Those closer to retirement age may seek it in order to cut down their hours and duties. It is also often the best solution for those coming back into work from prolonged leave or for those with underlying medical conditions. For employees the benefits are clear. But flexible working can also hold benefits for employers, particularly in terms of retaining the skills and experience of workers who want or need to reduce their working time and in providing the employer with greater flexibility in times of economic difficulty.

LITERATURE REVIEW

Working more flexibly doesn't mean working less hard; it often means just the opposite. Business review research shows that the average productivity of an individual working from home is 20% higher than when they are in the office. Flexible working arrangements are good for business, but for most organisations it requires a shift in mindset and culture. "You can have the best processes and policies and technologies in the world, but it will never happen without the right kind of leadership. Four-fifths of the companies in India and 81 per cent of firms globally offer their staff flexible working conditions, related to office hours or location, says a recent study by Regus, a workplace solutions provider. To contain costs and boost profitability, companies are increasingly following flexible working patterns that gives top priority to an employee's choice of shift timings as well as place of work.

Flexible working patterns are also recognised as effective in motivating and rewarding family-oriented employees. 70 per cent of firms globally consider flexible working to be more family-friendly. Flexible working has many advantages for both the employer and the employee, including increasing the staff morale and loyalty, reducing staff turnover and

absenteeism as well as decreasing overhead costs. However, there is still a significant stigma and an overwhelming assumption that flexible working is designed for, and only available to, some workers; specifically parents, carers, and women. Most research has shown positive or equivocal outcomes associated with the use of FWOs. Flexibility is usually a low-cost or no-cost project and has been related to reduced turnover and absenteeism, and increased productivity (Lee 1991). Flexible job scheduling has also been associated with reductions in physical and psychological symptoms of job strain (Thomas & Ganster 1995), and with minor improvements or no change in measures of organisational effectiveness, attendance behaviour, and job attitudes such as job satisfaction (Christensen & Staines 1990). Women who worked for companies with family-friendly FWOs recorded higher job satisfaction, lower absenteeism, worked more in their own time, worked later into their pregnancies, and were more likely to return to work after parental leave.

STATEMENT OF THE PROBLEM

Flexibility is one approach that allows resource pressures and demands to be met. There has always been an argument saying that if employees are given flexibility then it will ruin the work they do and thus hamper productivity. On the other hand, opposition says that flexibility at work allows employees to do work as they like and thus meet the targets. This study is to understand the importance of flexible working conditions at IT industries, and the benefits it brings to the employees and the organization as a whole.

SCOPE OF THE STUDY

The study was conducted keeping in mind the various employees working in Information Technology in and around the city of Bangalore. The employees mainly belonged to the various operational divisions such as Programmer, data operator leader etc. The opinions of the respondents were taken by contacting them personally through interviews and telephonic conversations. The research would focus on studying the opinion of the respondents on the retention initiatives taken by the management of respective organizations. The study aims at exploring the opportunity of implementing flexible working in an IT organization and analyzing various ways in which flexibility can be provided without affecting the work.

OBJECTIVES

- ➢ To understand the importance of flexible working conditions IT industries.
- ➢ To study the employee perspective towards flexibility at work in IT industries.
- ➢ To study and understand the extent to which flexibility should be provided by the HR manager.

RESEARCH DESIGN

The study was based on descriptive research design and involved administering questionnaire as a tool for research by taking the response of the employees working in various Information Technology Industries in Bangalore. In order to fulfill the objectives of the study, the data was collected from both the primary and secondary sources, namely:

Primary data

The primary data was collected by means of questionnaire administration. The respondents were contacted through personal interactions outside their organizations as well as through telephonic conversations/interviews.

Secondary Data:

The secondary data was collected from internet resources, journals, Magazines, etc.

The Population

The population of the study included all employees working in Information Technology Industry in Bangalore.

The Sample

The sample consisted of 100 employees from Information Technology Industry in Bangalore. The respondents were contacted through personal interactions outside their organizations as well as through telephonic conversations/interviews.

Sampling Method

Convenience sampling was used to collect the opinion of the respondents.

Data Analysis

The data collected from the study were analyzed by the use of MS-EXCEL applications. Data interpretation was done using statistical tools such as mean scores, chi-square test.

HYPOTHESIS

Null hypothesis (H_o) = Employees are neutrally disposed towards flexible working.

Alternate hypothesis (H_1) = Employees have strong views on flexible working.

FINDINGS OF THE STUDY

Profile of the Respondents:

Out of the sample of 100 respondents, the profile details of the respondents can be represented by table 1.

Items		Frequency	Percent (%)
Gender of Respondents	Male	61	61
	Female	39	39
	Total	100	100
Age Group	20-30 yrs	41	41
	30-40 yrs	34	34
	40-50 yrs	25	25
	Total	100	100
Often do you take your work home	Always	22	22
	Sometimes	34	34
	Never	44	44
	Total	100	100
Flexible working policy in the organisation	YES	69	69
	NO	31	31
	Total	100	100
Flexible working policy will help to balance work life	YES	81	81
	NO	19	19
	Total	100	100
Should the management allow work from home option	YES	91	91
	NO	9	9
	Total	100	100
Hours spent in a day for travelling	nearly 1 hour	23	23
	nearly 2 hours	47	47
	more than 2 hours	30	30
	Total	100	100

The above table depicts that most of the respondents are in the age-group of 20-40 years, and fall in the annual income category of Rs 3-5 Lakhs, The technical department is where the purpose of the company is served, whereas the non technical department is more of the support role. Work patters differ, pressure differs and at times timings also differ. Therefore the sample included an equal number of respondents from each group. Majority (70 percent) of the employees works for 9 – 10 hours a day. 30% of the employees work for 10 – 14 hours.

One cannot afford to stay around the company since it is an industrial area and also very high on the budget of an average salaried employee. Even though the company has bus facilities, it still takes a lot of time especially at the end of the day while going home. Most of the people hate long distance travelling and many a times this becomes factor to consider a job change, especially if one has family responsibilities.

Importance of flexible working conditions and would prefer working under these conditions. Many IT industries are opting for this in some way or the other. In order to retain their talent, IT industry has to come up with a policy that will reduce work life imbalance, give more freedom of choice to their employees and thus make them enjoy their work with less stress. This is clear that they are facing work over load or cannot complete the work due to rigid working conditions or too much of stress. The 57% who never take their work home prefer to stay up beyond working hour's in order to complete the work given for the day. This also affects their work life balance because of inflexibility; they have to come to work the next day at the same time even though they worked overtime the previous day. This in turn causes stress, job discontentment, etc. Nowadays there are many IT industries that are providing flexible working in India in many form such as flexible timings, work from home option, etc. If the company does not adopt this policy then there is a chance that the employees will shift to their competitor due to better work practices. The following are some ways Flexible starting time, Flexible ending time, Flexible hours in general, Job sharing, Work from home.

A huge number of employees (91% of the surveyed population) say that management allow work from home options. This policy if implemented correctly and monitored can have many benefits such as: reduce work pressure, increase satisfaction and morale, help employees to complete work on time along with attending to family responsibilities, reduce purposeful absenteeism and thus increase productivity because employees will work from home which they are more comfortable and thus can complete their work with less. Employee retention in Information Technology Industry in Bangalore is influenced by Flexible time and working condition.

Hypothesis testing is an important part in order to prove the assumption made while conducting the study.

The above hypothesis can be tested using Chi Square One Tail test:

Chi Square Test (one tail test)

Formula: $x^2 = \frac{\epsilon(Fo-Fe)^2}{Fe}$

Where: $x^2 = $ Chi square value Fo

= Observed Frequency   **Fe** = Expected Frequency

Responses	Fo	Fe	(Fo - Fe)	(Fo - Fe)^2	(Fo - Fe)^2/Fe
Yes	88	50	38	1444	28.88
No	12	50	-38	1444	28.88

x^2 =57.76

Degree of freedom = K – 1 = 2 -1 = 1

Table value at 5% (0.05) significance level = 3.841

If Calculated chi Sq > table value then reject null hypothesis

<u>**Conclusion:**</u>

57.76 > 3.81

Therefore **reject null hypothesis and accept alternate hypothesis.**

Thus it can be said that **"Employees have strong views regarding flexible working"**

This can be clearly seen in the response given by the respondents of the survey which shows that majority of the employees are in favour of flexible working arrangements make to retain the employees in the same industry.

FINDINGS, RECOMMENDATIONS

- ✓ Employees are unable to strike a balance between work and family. No work life balance.

- ✓ At times employees have to take their work home to complete it which leaves them with very little time to attend to family responsibilities.

- ✓ Employees are stressed due to long working hours and have to do overtime mostly in order to complete the work.

- ✓ The inflexible work culture of the company affects performance of the employees. Their working policies are rigid and thus they have to work under a lot of pressure and stress. This lowers performance levels and in turn will affect the company in the long run.

- ✓ The company does not have any stress reduction activities. This too can affect the performance of the employees and also may lead to absenteeism or attrition.

- ✓ The normal working days of all IT industry is Five days in a week but most of the time the employees end up coming to work on Saturdays as well in order to complete the work. Also recruitment drives are mainly carried out on Saturdays.

- ✓ The employees feel that the company should have a flexible working policy which will help them to balance their work life. They would prefer if the management gave them 'work from home' option so that whenever it is not possible to be physically present at the workplace they can work from home using internet, videoconferencing, and other modes of communication. In this way the employee can attend to other responsibilities without any impediment to the work.

- ✓ Flexible working is needed by all employee groups, be it married or single. Single people want to spend time with friends and social events and married people prefer to dedicate time to their family.

- ✓ Most of the married ladies feel that it becomes difficult for them to manage their work and family since the company is very far from home and thus think of leaving the job. Long travelling hours is a major put off for the employees who live in far areas and specially those who have family responsibilities.

- ✓ Work from home option should be provided when the employee is really unable to attend to work and other responsibilities.

- ✓ Employees should also be given the authority to solve minor work related problems which are within their work area. This increases commitment towards the job and a sense of importance

- ✓ Employees feel a part of the organization when their suggestions are considered by their boss and they are made a part of the decision making process

SUGGESTION

Following steps should be adhered to retain the employees while planning and implementing flexible working policy

- ✓ Have a brainstorming session with groups of employees to find out which mode of flexible working is best suited.

- ✓ List down various mode suggested analyze the ones that the organization can provide.

- ✓ Put down the policies in black and white form (written) so that they form a set of rules and regulations.

- ✓ Each option (work from home, flexi timings, etc) should have a stated description as to who can avail, under what circumstances, the authority who can give permission, etc.

- ✓ Communicate to all the levels of employees regarding the policy and all rules should be clearly stated to them.

CONCLUSION

This research helps to gain an insight to the developments in the field of HR in the Indian IT industry with special reference to Bangalore IT industry. It helps to clarify many myths about flexible working arrangements and also brings up interesting facts about the same. Most of the respondents are in favour of flexible working especially since they are aware of the fact that the competitors like IBM, Accenture do provide some amount of flexibility to their employees.

The most important reasons for flexibility of working conditions are to balance work life and thus contribute positively to the productivity of the firm. This will help in controlling the attrition rate to some extent.

IT industries have a high growth potential since it has a high quality workforce. Due to its credibility it has managed to gain some of the top corporate as its clients. Therefore the management should work towards retaining their talent by taking care of their needs to retain them.

The company should provide its employees certain amount of flexibility so that they are able to balance their work life thus reducing absenteeism, attrition and increasing productivity. It is always a known fact that if a company takes care of the needs of the employees, the employee will serve the company better.

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