

Rethinking Work in IT Companies: Impact of Flexibility as a Strategy for Boosting Satisfaction and Reducing Attrition in Tamil Nadu

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ABSTRACT

This study investigates workplace flexibility as a strategic method to enhance job satisfaction and diminish attrition intent among IT personnel in Tamil Nadu. While some employees now work at home, follow a hybrid model or have flexible schedules, these changes do not always result in the reduction of employee turnover due to variations in the way that organizations develop and implement their policies and provide support to their employees. The purpose of this study will be to identify whether workplace flexibility has a positive relationship with job satisfaction and to examine if flexibility and job satisfaction interact to impact employee retention and turnover intention. The quantitative research methodology of descriptive research was used in the study. Primary data were collected from 117 IT employees in Tamil Nadu through convenience sampling. The study found that flexible working practices help to reduce employee commute related-stress and improve productivity; they also relate positively to employee job satisfaction and retention. However, job satisfaction relates to retention more strongly than does flexibility. The regression analysis indicated that job satisfaction predicts retention very well but that flexibility does not predict retention well on its own. Taken together, these data provide evidence for using flexible working arrangements as a means of enhancing employee job satisfaction through use of supervisor support and career development opportunities. Thus, flexible working arrangements contribute most to employee retention because of their ability to increase job satisfaction.

Keywords: *Workplace flexibility, Job satisfaction, Employee retention, Attrition intention, Hybrid work models*

1. BACKGROUND OF THE STUDY

The Indian IT sector is going through structural change because of technological advancements, increased international competition and changing attitudes from employees. Industry reports have shown that on average Indian employees are working almost 48 hours per week and as such, continue to associate their long working hours with being productive and dedicated (Tandon, 2025 Feb. 26). Global companies are experimenting with 4-day weeks and flexible models for example but many Indian organisations prefer employees to be physically present rather than focussed on outcomes. This traditional viewpoint has raised serious concerns about burnout, job satisfaction and increasing turnover. Additionally, it is projected that there will be more than 50,000 technology jobs lost in 2025 in India alone due to restructuring and automation, compared to approximately 25,000 in 2023 to 24 (Parmar, Oct 11th 2025; TOI Education, Oct 12th 2025). These developments suggest the need to review traditional ways of working in the Indian IT sector. As such workforce rationalization can be seen in major firms. Tata Consultancy Services stated that it had over 29,500 employees leave the company in the first 6 months of FY 2025, with a net loss of 19,755 employees in Q3FY25 and a further 11,151 in Q4FY25 which brought TCS employee headcount to just under 582,000 (Bhati, 2026 January 14). The reason for these large employee departures was primarily due to the use of automation, cost cutting measures, and employee up-skilling or down-skilling. Silent employee exits via contract non-renewals, job attrition, and employee performance related decisions are being seen more frequently across major companies (Parmar, 2025 October 11) and as a result employee focus is now on employee flexibility, satisfaction and retention. The issue in Tamil Nadu makes it imperative that there is a need for an effective sustainable workforce development plan. According to PricewaterhouseCoopers (PwC) for the Tamil Nadu Skill Development Corporation study, there will be a requirement of approximately 32 lakhs of skilled and semi-skilled workers in all sectors by 2025. If nothing is done to address this potential shortfall, it has been estimated that a deficiency of up to 48% could occur by 2025 (TNN, August 1, 2019). It was anticipated that the IT and IT-enabled Services sector would create nearly two lakh new employment opportunities, however, graduates were anticipating monthly salaries of approximately Rs. 24,737 compared to the average monthly industry salary of Rs. 11,935, which clearly indicates a significant expectation wage gap (TNN, August 1, 2019). Such wage gaps may contribute to job dissatisfaction and increased employee mobility. There are empirical studies conducted in Tamil Nadu that confirm the relationship between organizational practices and employee retention. Lakshmi and Thaiyalnayaki (2025), stated that 61.3% of the variation in Employer Branding was explained by retention strategies, and that Compensation was the most highly ranked retention strategy factor. Rani et al., (2024), stated that 35.3% of respondents had less than two years of experience, and 39.9% were earning less than ₹20,000 per month, with Work-Life Imbalance being a key reason why they were planning to leave their jobs. Deepika and Mickleaency (2024) stated that 71% of employees have at some point considered leaving within six months of employment, mainly because they did not feel there was enough opportunity for them to grow in their careers. Overall, these studies provide evidence on how important it is for employers to have structured flexibility, career advancement opportunities, and a supportive working environment. In addition to these studies showing a disconnect between what is being done and what could be done, there are also systemic problems with work stress and recognition as indicated by Malar Mathi & Malathi (2013). Additionally, Palanivel (2017), found that TCS lost 15.5% of its workforce in March of 2016 and Infosys lost 3.7% and Wipro lost 3%. Gajendra et al. (2021) also showed that job satisfaction was one of the largest drivers of employee retention. Lastly, Keerthana & Avvai Kothai (2023), determined that demographic factors (such as age and hours worked) were among those that affected how an employee perceived their potential for leaving the company. Reviews of recent studies indicate job freedom, recognition and work environment are major factors in employee retention in knowledge-intensive industries (Krishna Prakash et al., 2025). Employees who are engaged have been found to be 87% less likely to quit and 20% more productive than their disengaged counterparts (Rani & Yadagiri Rao, 2024). A study on Chennai also showed that the amount of time spent at work and commuting stress contributed to an increased level of work-life imbalance (Srinivasan & Bala Kumar, 2025). Therefore, this data suggests that flexible scheduling can act as a strategic method for reducing turnover in Tamil Nadu's IT industry by being used in conjunction with satisfaction-oriented practices.

2. STATEMENT OF THE PROBLEM

The IT industry in Tamil Nadu has changed significantly in recent years as a result of a growing use of flexible working arrangements including remote work, hybrid model, and flexible working hours. Although the intention behind this is to improve the ability of employees to work from anywhere they wish at times most convenient to them and therefore increase their productivity and job satisfaction levels, there

continues to be some variation among organizations in terms of how well these alternatives actually contribute to higher employee retention and job satisfaction levels. Findings from descriptive research have shown that employees perceive the positive benefits of flexibility in helping reduce their commuting stress and in increasing their productivity. Nonetheless, concerns continue to exist about the consistency of implementing company policies relating to flexibility and whether managers provide equal support for all employees who choose flexible work options. Therefore, it appears that having flexible work arrangements will not necessarily lead to long term commitment by employees to an organization. At the same time, IT companies in Tamil Nadu also have problems with attrition and talent mobility. Employees' reported satisfaction with their jobs and overall wellness is moderate; however, emotional attachment to their current employer and long-term commitment to their current employer are somewhat lower. Results from correlation and regression analyses show that job satisfaction has a significantly greater effect on retention intention than do flexibility practices alone. These findings raise an important question about whether flexibility practice independently contributes to reducing employee turnover, or if it is through increased satisfaction of the employees that flexibility affects employee retention. Therefore, the purpose of this study is to conduct a systematic examination of the relationship among workplace flexibility, job satisfaction and employee retention/attrition intention in IT companies operating within Tamil Nadu.

2.1 OBJECTIVES OF THE STUDY

1. To examine the workplace flexibility practices and job satisfaction in IT companies in Tamil Nadu.
2. To analyze influence of workplace flexibility, job satisfaction towards employee retention and attrition intention.

3. RESEARCH METHODOLOGY

Descriptive research has been adopted for this study to analyze the workplace flexibility and job satisfaction level towards employee retention of IT employees in Tamil Nadu. The primary data were collected from 117 employees through online. Employees from various experience groups have been participated in this study such as 39.3% (25 years), 29.1% (6-10 years), 16.2% (< 2 years) and 15.4% (> 10 years). According to nature of work structure, 48.7% (Full time onsite), 35.9% (Hybrid), and 15.4% (fully remote). The study employed a combination of descriptive statistics to measure the mean score and correlation analysis, multiple regression analysis, and ANOVA analysis used to to analyse the relationships.

4. ANALYSIS AND INTERPRETATION

Table No.1: Workplace Flexibility Practices

Factors	Mean	SD
My organization provides genuine flexibility in work timing	3.513	1.134
I have autonomy in choosing my work schedule	3.393	1.090
Flexible work arrangements reduce my commuting stress	3.821	1.149
I can balance professional and personal responsibilities due to flexibility	3.752	1.041
Management supports flexible working without bias	3.359	1.133
Performance is evaluated based on output rather than physical presence	3.556	1.133
Flexible policies are implemented consistently across teams	3.316	1.096
I feel trusted when I am given flexibility	3.726	1.072
Flexible work options improve my productivity	3.786	1.073
Workplace flexibility reflects progressive organizational culture	3.641	1.086
Average Score	3.586	1.101

From table 1, the descriptive statistics for Workplace Flexibility Practices indicated that 'Reduced commuting stress' ranked first (Mean, 3.821), followed by 'Productivity improvement through flexibility' (Mean, 3.786) and 'Work life balance support' (Mean, 3.752). 'Trust through flexibility' ranked fourth (Mean, 3.726), while 'Progressive culture through flexibility' stood at fifth (Mean, 3.641). Followed by sixth position at 'Output based performance evaluation' records 3.556, seventh at 'Genuine flexibility in work timing' 3.513, and eighth at 'Autonomy in work schedule' 3.393. Ninth at 'Management support for flexibility' scores 3.359, and 'Consistent flexible policy implementation' ranks last (Mean, 3.316).

Table No.2: Job Satisfaction and Work Well-Being

Factors	Mean	SD
Satisfaction with current job role	3.709	1.091
Motivation to perform effectively	3.769	1.102
My job provides a healthy work-life balance	3.530	1.071
I experience lower stress due to flexible work policies	3.735	1.062
I feel valued by my organization	3.547	1.118
I am emotionally attached to this organization	3.410	1.108
My job gives me a sense of professional fulfillment	3.581	1.093
I feel supported by my supervisors	3.701	1.132
Work environment satisfaction	3.650	1.037
Flexible work policies increase my job satisfaction	3.786	1.089
Average Score	3.642	1.090

From table 2, the descriptive statistics for job satisfaction and work well-being were 'flexibility driven job satisfaction' at a mean of 3.786, followed closely by 'motivation to perform effectively' at a mean of 3.769, and then 'reduced stress through flexibility' at a mean of 3.735. The fourth highest was 'satisfaction with current job role' at a mean of 3.709. Then 'supervisor support' ranked fifth at a mean of 3.701. The next two lowest ranked items were 'satisfaction with work environment' at a mean of 3.650 and 'professional fulfillment' at a mean of 3.581. Two items ranked as the lowest; 'feeling valued in organization' at a mean of 3.547 and 'healthy work-life balance' at a mean of 3.530. Finally, the item with the lowest mean was 'emotional attachment to organization', at a mean of 3.410.

Table No.3 : Employee Retention and Attrition Intention

Factors	Mean	SD
Intention to stay for three years	3.487	1.096
Low quitting intention	3.402	1.083
Flexible work options reduce my intention to leave	3.778	1.115
I feel loyal toward my organization	3.632	1.119
Workplace recommendation intention	3.769	1.078
I actively search for alternative job opportunities	2.573	1.101
Lack of flexibility would make me consider leaving	3.684	1.096
I see long-term career growth in this organization	3.547	1.063
I feel committed to staying despite external job offers	3.444	1.078
Flexible work arrangements influence my decision to stay	3.803	1.077
Average Score	3.512	1.091

Table 3 shows employee retention and attrition intentions based on a number of factors. The top ranked item is 'Flexibility influences retention decision' with a Mean score of 3.803. This was followed by 'Flexibility reduces turnover intention' (3.778) and 'Workplace recommendation intention' (3.769). The second lowest ranked item is 'Leaving due to lack of flexibility', which scored 3.684. The lowest ranked items are 'Perceived long term career growth' (3.547) and 'Intention to stay for three years' (3.487). The next lowest were 'Commitment despite external offers' (3.444) and 'Low quitting intention' (3.402). The item with the lowest Mean score is 'Search for alternative opportunities' (2.573).

Hypothesis H₀₁ : There is no significant correlation between Workplace Flexibility Practices, Job Satisfaction and Work Well Being, and Employee Retention and Attrition Intention

Table No.4: Correlation Analysis between Workplace Flexibility Practices, Job Satisfaction and Work Well Being, and Employee Retention and Attrition Intention

		Workplace Flexibility Practices	Job Satisfaction and Work Well-Being	Employee Retention and Attrition Intention
Workplace Flexibility Practices	Pearson Correlation	1	.519**	.369**
	Sig. (2-tailed)		.000	.000
Job Satisfaction and Work Well-Being	Pearson Correlation	.519**	1	.499**
	Sig. (2-tailed)	.000		.000
Employee Retention and Attrition Intention	Pearson Correlation	.369**	.499**	1
	Sig. (2-tailed)	.000	.000	

** Significant at the 0.01 level (2-tailed), N = 117

Table 4 indicates significant positive relationships among the variables. Workplace flexibility is moderately related to job satisfaction ($r = 0.519, p < 0.01$) and retention intention ($r = 0.369, p < 0.01$). Job satisfaction also shows a moderate relationship with retention ($r = 0.499, p < 0.01$). All correlations are significant at 0.01 level, hence null hypothesis rejected.

Hypothesis H₀₂ : There is no significant linear relationship between Workplace Flexibility Practices, Job Satisfaction and Work Well Being, and Employee Retention and Attrition Intention in IT Companies in Tamil Nadu.

Table No.5: Model Summary and ANOVA Analysis between Workplace Flexibility Practices, Job Satisfaction and Work Well Being, and Employee Retention and Attrition Intention

Model Summary ^b										
Model	R	R ²	Adj. R ²	Std. Error	Change Statistics					D W
					ΔR ²	F	df1	df2	Sig.	
1	.515 ^a	.265	.252	3.64770	.265	20.573	2	114	.000	1.310

a. Predictors: (Constant), Job Satisfaction and Work Well-Being, Workplace Flexibility Practices

b. Dependent Variable: Employee Retention and Attrition Intention

ANOVA ^a								
Model		SS	df	MS	F	Sig.		
1	Regression	547.473	2	273.736	20.573	.000 ^b		
	Residual	1516.852	114	13.306				
	Total	2064.325	116					

a. Dependent Variable: Employee Retention and Attrition Intention

b. Predictors: (Constant), Job Satisfaction and Work Well-Being, Workplace Flexibility Practices

Table 5 shows $R = 0.515$ and $R^2 = 0.265$, indicating that 26.5 percent of the variation in retention is explained by the predictors. The model is statistically significant ($F = 20.573, p = 0.000$) with acceptable error independence (Durbin Watson = 1.310). Hence, the null hypothesis is rejected, confirming that workplace flexibility and job satisfaction significantly predict retention intention.

Table No.6: Regression and Residual Analysis of Workplace Flexibility Practices, Job Satisfaction and Work Well Being on Employee Retention and Attrition Intention

Coefficients ^a						
Model		Unstandardized		Standardized	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	17.685	2.972		5.951	.000
	Workplace Flexibility Practices	.144	.090	.151	1.602	.112
	Job Satisfaction and Work Well-Being	.337	.075	.420	4.475	.000

a. Dependent Variable: Employee Retention and Attrition Intention

Residuals Statistics ^a					
Measure	Min.	Max.	Mean	SD	N
Predicted Value	28.4544	38.5125	35.1197	2.17246	117
Residual	-11.91469	9.67590	.00000	3.61612	117
Std. Predicted Value	-3.068	1.562	.000	1.000	117
Std. Residual	-3.266	2.653	.000	.991	117

a. Dependent Variable: Employee Retention and Attrition Intention

Table 6 indicates that Job Satisfaction significantly predicts retention intention ($\beta = 0.420, p = 0.000$), while Workplace Flexibility is not significant ($\beta = 0.151, p = 0.112$). Residual statistics confirm model stability. Overall, job satisfaction is the stronger predictor of retention in IT companies in Tamil Nadu.

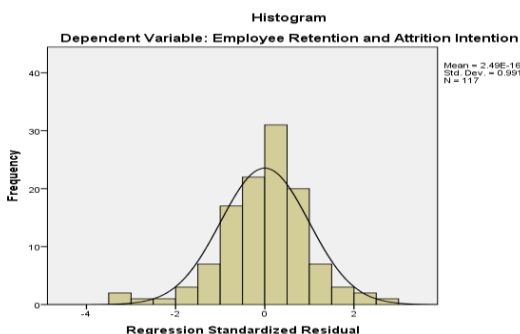


Figure 1: Histogram Showing Normal Distribution of Regression Standardized Residuals for Employee Retention and Attrition Intention

5. FINDINGS

The findings reveal that employees have a positive perception regarding their firm's flexibility initiatives, which were found to be most effective at reducing travel time (Mean score, 3.821) followed closely by increases in employee productivity (Mean, 3.786), and improvements in employee work-life balance (Mean, 3.752). Employees' perceptions of trust related to their employers flexibility were rated as high (Mean score, 3.726) whereas the degree to which employees perceive flexibility to be consistently implemented across all teams is viewed as relatively low (Mean, 3.316). Regarding job satisfaction, flexible work arrangements increased job

satisfaction ratings to the highest level (Mean score, 3.786), followed by motivation to perform (Mean, 3.769), and reductions in employee stress (Mean, 3.735). Ratings for emotional attachment to the employer were reported as the lowest (Mean, 3.410). In regard to employee retention, employee willingness to remain employed with their current firm due to flexible work arrangements was reported as the highest (Mean, 3.803), while the likelihood of actively pursuing employment opportunities elsewhere was reported as the lowest (Mean, 2.573), suggesting moderate levels of job stability among employees.

The correlation data provide evidence for a strong positive relationship ($p < .001$) among flexibility and job satisfaction (.519), flexibility and employee retention intentions (.369), and job satisfaction and employee retention intentions (.499). The regression analysis also provides evidence to support the strength of the model, with an $R = .515$ and $R\text{ Square} = .265$ indicating that approximately 26.5% of the variation in employee retention intentions can be explained by the independent variables. In addition, it appears that job satisfaction has a greater influence on retention intentions based upon its beta weight of .420 ($p < .000$) compared to flexibility (.112 $p > .05$). Therefore, it would appear that flexibility indirectly affects retention through its ability to enhance employee satisfaction, and does so more strongly than it has a direct effect on employee retention.

5.2 SUGGESTIONS

Flexibility policies should be further linked to wellness programs for employees of all IT companies in Tamil Nadu. Because flexibility may help to reduce the daily commute and increase productivity, employers are encouraged to develop a formal hybrid model that clearly defines flexible work arrangements and communicates flexible schedules to employees. At the same time, employers should improve manager neutrality and consistency with respect to policy application, since both have relatively low mean scores. The use of transparent systems for evaluating performance based on output instead of physical presence would also serve to build employee trust and enhance their sense of professionalism. As job satisfaction has greater predictive strength than does employee retention, it is important for an organization to support its employees by providing an environment of supportive supervision, career growth opportunities and recognition systems that create emotional attachments and a sense of long-term commitment to the company. These are supported through mentoring programs, skills training opportunities, and formalized promotion structures or frameworks. Companies that provide flexibility while linking this flexibility to meaningful engagement and career advancement will both reduce the tendency for turnover and develop a stable work environment.

5.3 CONCLUSION

Workplace flexibility in Tamil Nadu's IT firms enhances both employee job satisfaction and employee retention intentions. Commuting stress can be reduced and productivity increased through flexible work arrangements, which employees find of particular value. In addition, statistical analysis indicates a positive relationship exists between the three variables examined (flexibility; job satisfaction; retention) and job satisfaction was found to be the best predictor of job retention. The results of this research support the objective of the study that flexibility in itself does not lead to retention unless there are high levels of employee satisfaction. Effective flexibility practices can lead to better organizational health, lower employee stress levels and enable employees to balance their professional and personal lives. For employees, effective flexibility can also improve employee wellbeing, provide for a steady career advancement and reduce the likelihood that an employee will want to leave the organization. Socially, when attrition is lowered in IT organizations it supports financial sustainability of employment and helps to sustain job growth in Tamil Nadu. Overall, using flexible management practices along with employee satisfaction can help to build long-term success for both organizations and employees.

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