

A Study On The Impact Of Employee Retention In IT Sector

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Abstract

This study was dysfunctional turnover. Dysfunctional turnover is the concern of HR managers. When an employee leaves, it takes approximately eight weeks for this position to be replaced and in the meantime, productivity suffers. Causes and consequences of the Employee Turnover are mentioned in detail in this study. This study is an attempt to understand the impact of Retention Strategies on Employee Turnover. Results of the study showed that Retention Strategies has an impact on Employee Turnover. Other variables such as Welfare Benefits, Personal Satisfaction and Organization Culture, which are said to be associated with the Employee Turnover, were also investigated as a part of this study.

Keywords: Employee Turnover, Retention Strategies, Employee Performance.

INTRODUCTION

Information Technology (IT) is defined as the design, development, implementation and management of computer-based information systems, particularly software applications and computer hardware. Today, it has grown to cover most aspects of computing and technology. The largest firms globally include IBM, HP, Dell and Microsoft. The Information Technology-Enabled Services (ITES) industry provides services that are delivered over telecom or data network to a range of external business areas. Examples of such Business Process

Outsourcing (BPO) include customer service, web-content development, back office management and network consultancy etc. The market size of the industry is expected to rise to USD 225 billion by 2020 considering India's competitive position, growing demand for exports, Government policy support, and increasing global footprint. Employee retention refers to the various practices and policies which make an employee stick to organization for a longer period of time. The organizations invest time and money to groom a new joiner. They bring him at par with the existing employees and make him a corporate ready material. It is a complete loss of the organization when an employee leaves their job once they are fully trained. Various measures are taken into account in employee retention takes so that an individual stays in the organization for maximum period of time.

NEED FOR THE STUDY

The competition to retain key employees is intense. Top-level executives and HR departments spend large amount of time, effort, and money to figure out how to keep their people from leaving. Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time. Employee retention is beneficial for the organization as well as the employee. Employee retention is one of the primary measures of the health of the organization. Losing critical staff members means other people in the departments are looking as well. Exit interviews with departing employees provide valuable information that can used to retain remaining staff.

OBJECTIVES OF THE STUDY

- o To find the relation between demographic factors and Employee Retention
- o To study the impact of employee retention strategies on organization sustainability

- o To suggest suitable the ways by which retention strategies can be managed so as to meet the organizational objectives

METHODS AND MATERIALS

The research has been conducted to find impact of Employee Retention towards a sustainable organization. It also helps to give employee perspective towards various roles of HR that have impacted the retention rate of the organization. Data has been collected via primary source taking a sample of employees from various organizations. The sample size consisting of 50 respondents were selected for the study. Since it is difficult to contact the entire population, sampling technique was adopted. The employees were interviewed using convenience sampling techniques. The research tools used to collect the primary data in this project. The collected data were analyzed by using Percentage analysis and Correlation.

DATA ANALYSIS AND INTERPRETATION

Table – 1: Percentage analysis of personal profile

Particulars	No.of respondents (n=50)	Percentage (100%)
Age		
Below 30yrs	13	26
31 to 40yrs	21	42
41yrs & above	16	32
Qualification		
UG	16	32
PG	34	68
Martial status		
Married	41	82
Unmarried	09	18
Monthly income		
Below Rs.30000	19	38
Above Rs.30000	31	62

Source: Primary data

Percentage analysis indicates that more than one third (42 per cent) of employees between 31 to 40yrs of age group, 32 per cent were 41yrs & above and remaining 26 per cent were below 30yrs. More than half (68 per cent) of employees were Post Graduate and remaining 32 per cent were Under graduate. Majority (82 per cent) of the respondents were married and remaining 18 per cent were unmarried. Majority (62 per cent) of employees' monthly income above Rs.30000 and remaining 38 per cent were below Rs.30000.

Table – 2: Relationship between employees performance with regards to retentions

Employees performance	Correlation value	Statistical inference
Retentions	0.489	0.037<0.05 Significant

Research Hypothesis: There is significant relationship between employees performance with regards to retentions

Karl Pearson Coefficient Correlation test indicates that there is significant relationship between employees performance with regards to retentions. Hence, the calculated value is greater than table value ($p < 0.05$). The research hypothesis is accepted.

CONCLUSIONS AND RECOMMENDATIONS

It was found that initial handholding plays an important role in retaining manpower and hence the HR ad supervisors keenly observe new employees, providing them with feedback and sharing their opinion and experience. The organization should be paying a fair salary and other monetary benefits to the employees according to their ability and talent. Before determination of the salary, the management should also consider the inflation rate and the areas where an employee has to survive. Employees should be free to their work at workplace according to their own mind. There should a fair performance appraisal programme and no space for any type biasness. All the rewards and facilities have

been provided on the basis of performance of the employees. Training and development programme should be organized according to the need of the employees. The organizations can also incorporate certain fun-related activities, get together, and stress relieving games and other such activities so as to reduce the monotony of the work associated with the IT jobs. Then proper feedback should be taken from the employees on the different employees and organization related issues. There should be adequate communication between the employees and the supervisor as it is helpful to create belongingness behavior within the employees towards the organization.

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