

A Study On Leadership And Employee Retention In Information Technology Sector In Chennai

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ABSTRACT

Employee retention is one of the thriving area that grabs the attention of most of the management in all spheres of business organisations, especially in the field of Information Technology sector. Whereas it is imperative for organizations, through the employment process, to attract and retain quality employees to the organization, it is more important for managers to device feasible strategies with which to retain the talented employees in the service. Retaining the talent pool in turn reflects in the customer retention. In the current competitive environment the leaders have to steer their organizations at greater level. They will handle the challenge if they value employees as prime assets and as the ones to give their best to the organizations. This competitive advantage will be guaranteed if the potential work force are retained for longer tenure, assuring continuity of good performance. This paper focuses on the relationship between leadership style and staff retention in the information technology organizations.

Keywords: Leadership, Employee Retention, Information Technology firms

1. INTRODUCTION

The Leader is the one who, knows shows and leads the way. Every organization has leaders of different category with variant skill sets. It is believed that, leader plays a key role in employee retention and motivation. The purpose of the research paper is to analyze the implications of contribution and role of today's leaders in corporate in retaining the organizational talent pool. Employee retention requires numerous steps to convince and satisfy the work force, that involves high cost and internal budgets. It is only the leaders who know their team and recommend / reward their performance. The monetary and non-monetary benefits too have an impact on anchoring the employees to the organization, rather the head or the leader impacts to a greater extent. Assigning responsibilities is one of the prime duty of a leader, where the failure in this creates a mind to look for change. Impartial treatment and free of access, following the concept of open-door policy adds value to the leader. The concept of mentoring in the right time will undoubtedly have its effect on employee retention and enhances the performance to the core. The field of IT is fast growing and the change is inevitable, likewise the movement of workforce too. This study is an attempt to prove the ground reality of what the leadership and the style of leader has on the retaining the organizational talent force.

2. REVIEW OF LITERATURE

G.Balamurugan and R. Abinaya (2016), reveals that, Employee Retention is one of the key challenges faced by IT Organization. Employees are the assets of any organization and organization cannot afford losing its key performers. Effective retention strategies can reduce employee turnover and increase retention within an organization. Key employees are the

instrument for overall growth and development of an organization. Thus, for retaining best employees, an organization has to design appropriate strategies. The present paper is to identify the major causes for employee turnover and analyze the factors involved in retaining employees and also study the most prominent employee retention strategies adopted by the organization.

Prerna Nair, Sonali Malewar (2013), in their study brings out the association between leadership and its impact on employee's work-life and employee retention are the expressions that have gained a lot of magnitude in these day's Organizations. Leadership has been taken up as a foundation in the study as it builds up the essence of our Organizations; Work-life balance has also been addressed as a basic issue for the employees as well the employers. The study undertaken tries to explain in a theoretical and a very interactive way how effective leadership can help balancing the work-life of employees and consecutively leads to help the Organization identify its quality employees and tap their efficiencies for a long-term through employee retention.

G Ajay Kumar, M. Srinivasa Reddy (2016, focus on the increasing rate of employee attrition and the problems the employers and the HR managers face in retaining 'good' and 'performing' employees in the absence of a set of employee retention strategies are simply compounding. The major purpose of this paper to examine the agreement of employees working in software companies in Bengaluru city for the employee retention strategies. 375 software employees were been interviewed and asked to give their opinion for the employment strategies viz. a) Management/Organisational Strategies, b) Orientation Strategies, c) Communication Effectiveness Strategies, d) Reward and Recognition Strategies, e) Employee Benefit Strategies and f) Employees Ideas and Suggestion Strategies. Findings of the study show that agreement level is high for communication effective strategies among all retention strategies for both male and female employees. It can be concluded that agreement level for employee retentions strategies is higher for female employees than male employees, however there is no significant difference between male and female employees' level of agreement for employment retention strategies.

Amit Bijon Dutta, Sneha Banerjee (2014) studies the Employee Retention refers to the ability of the organisation to retain its employees and it's emerging as a big challenge to organisations. Organisation culture, pay and remuneration, flexibility and job satisfaction highly influence the retention rate for any company. The paper provides the prevalent and potential reasons for an employee to leave his job and also talks extensively about the problems faced by an organisation associated with the high employee turnover. The paper elaborates on the retention factors such as training, skill recognition, career development, etc and helps in understanding the importance of effective communication and employee motivation for the cause of employee retention.

K. Balaji Mathimaran, A. Ananda Kumar (2017), shows that, Human resources are the livelihood of all types of an organization. Even though all types of the organizations are now a days, found to be technology driven, yet human resources are required to run the technology. With all round development in each and every area of the economy, there is stiff competition in the market. With this development and competition, there are lots and lots of avenues and opportunities available in the hands of the human resources. The biggest challenge that organizations are facing today is not only managing these resources but also retaining them. Securing and retaining skilled employees plays an important role in any organization, because employees' knowledge and skills are central to companies' ability to be economically competitive. Besides, continuously satisfying the employees is another challenge that the

employers are facing today. Keeping into account the importance and sensitivity of the issue of retention to any organization, the present study tries to review the various available literature and research work on employee retention and the factors affecting employee retention and job satisfaction among the employees.

NEED AND SIGNIFICANCE OF THE STUDY

In the recent struggles the corporate faces is the increase in the employee turnover, and especially in the field of information technology organizations, the turnover rate is comparatively high. This study takes this into account on what grounds the leadership does and governance plays its role in retaining the talented work force and in turn reduces the employee turnover, and to know the prime factors that pull the workforce forms the need for the study.

3. OBJECTIVES OF THE STUDY

- To ascertain the leadership style adopted by the superiors in the organization.
- To identify the factors determining the satisfaction of the employees.
- To determine the role of the leaders in retaining the employees in the organization.
- To know the current retention practices in the organization
- To find out the niche factors that anchor employees in the organization.

4. RESEARCH METHODOLOGY

Research can be defined as the search for knowledge or any systematic investigation to establish facts. The primary purpose of Descriptive research is to provide an accurate description or picture of the status or characteristics of a situation or phenomenon and hence the same is adopted in this study. The Convenience sampling method is followed in-order to collect the data through the structured questionnaire from the respondents. The sample size so arrived at is 140 respondents forming part of Information technology professionals in Chennai.

5. RESULTS AND DISCUSSIONS

CHI-SQUARE TEST -1

Employee's years of experience in the organization and good superior – subordinate relationship that has influenced their stay with the organization

RATINGS	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL
WORK EXPERIENCE						
1 year	04	06	21	15	06	52
1 – 3 years	12	13	28	10	01	64
>3years	02	02	08	07	05	24
TOTAL	18	21	57	32	12	140

TABLE NO 1

H_0 : There is no significant relationship between years of experience and good superior & subordinate relationship that has influenced their stay with the organization.

H_1 : There is a significant relationship between years of experience and good superior & subordinate relationship that has influenced their stay with the organization.

Calculated value = 17.098

Degrees of freedom = $(3-1)*(5-1) = 8$

Table Value = 15.507

Calculated Value > Table Value: 17.098 > 15.507. Hence H_0 is rejected.

Inference: There is a significant relationship between years of experience and good superior & subordinate relationship that has influenced their stay with the organization.

CHI-SQUARE TEST-2

Employees Years of experience in the organization and Training and Development Opportunities that has influenced their stay with the organization

RATINGS	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL
WORK EXPERIENCE						
1 year	03	07	20	15	07	52
1 – 3 years	11	13	25	12	03	64
>3years	01	03	08	07	05	24
Total	15	23	53	34	15	140

TABLE NO 2

H_0 : There is no significant relationship between years of experience and Training & Development Opportunities that has influenced their stay with the organization.

H_1 : There is a significant relationship between years of experience and Training & Development Opportunities that has influenced their stay with the organization.

Calculated value = 12.2191

Degrees of freedom = $(3-1)*(5-1) = 8$

Table Value = 15.507

Calculated Value < Table Value: 12.2191 < 15.507. Hence H_0 is accepted.

Inference: There is no significant relationship between years of experience and Training & Development Opportunities that has influenced their stay with the organization.

CHI-SQUARE TEST – 3

Employees Years of experience in the organization and Better Pay Package that has influenced their stay with the organization

RATINGS	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL
WORK EXPERIENCE						
1 year	06	07	18	17	04	52
1 – 3 years	13	09	29	11	02	64
>3years	03	01	10	01	09	24
Total	22	17	57	29	15	140

TABLE NO 3

H_0 : There is no significant relationship between years of experience and Better Pay Package that has influenced their stay with the organization.

H_1 : There is a significant relationship between years of experience and Better Pay Package that has influenced their stay with the organization.

Calculated value = 31.04

Degrees of freedom = $(3-1)*(5-1) = 8$

Table Value = 15.507

Calculated Value > Table Value: 31.04 > 15.507. Hence H_0 is rejected.

Inference: There is a significant relationship between years of experience and Better Pay Package that has influenced their stay with the organization.

CHI-SQUARE TEST – 4

Employee's Years of experience in the organization and Promotion and career growth that has influenced their stay with the organization.

RATINGS	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL
WORK EXPERIENCE						
1 year	04	09	15	19	05	52
1 – 3 years	09	15	25	13	02	64
>3years	01	05	09	06	03	24
Total	14	29	49	38	10	140

TABLE NO 4

H_0 : There is no significant relationship between years of experience and Promotion and Career Growth that has influenced their stay with the organization.

H_1 : There is a significant relationship between years of experience and Promotion and Career Growth that has influenced their stay with the organization.

Calculated Value = 9.2654

Degrees of freedom = $(3-1)*(5-1) = 8$

Table Value = 15.507.

Calculated Value < Table Value: 9.2654 < 15.507. Hence H_0 is accepted.

Inference: There is no significant relationship between years of experience and Promotion and Career Growth that has influenced their stay with the organization.

6. SUMMARY OF FINDINGS

- Majority of the respondents (58.5%) belong to age group below 25, where 75% are unmarried, and 58.5% have done their under graduation qualification.
- Most (44.2%) of the respondents are in the position of Senior Executive, with annual package of 3-6 lacs, and 45.7% are having 1-3 years experience in the current organization.
- Most (32.8%) of the respondents feel that the treatment is impartial, they are also encouraged for different perspectives when solving problem, and 35% opined that their boss provide appropriate model to follow, out of that, 33.5% get inspired by boss's plans for the future.

- Majority of the respondents agree (57.8%) as employee get special recognition form boss when they perform well, and 38.5% get commendation for their performance. The boss also respects their personal feeling as opined by (35%). Most of the respondent's superior follows democratic style of leadership (29.2%).
- Majority of the respondents agree (51.8%) when comes to package aspect. Most of the respondents are agree (51.7%) in influence of career growth. Most of the respondents disagree (30.7%) to the low workload.
- Majority of the respondents agree (53.65%) for appreciation and guidance. Majority of the respondents agree (43.9%) when comes to providence of training. Majority of the respondents agree (52%) that there is proper recognition. Majority of the respondents feels good and confident with boss at 40.7% neutral.
- Majority (51.9%) of the respondents agree with the chances of promotion opportunities. Majority of the respondents agree with (54.15%) welfare measures and 35.1% agree with job rotation has a role in retention.
- Most of the respondents disagree with the providence of support for higher education at 55.9%. Majority of the respondents agreed at 52% of rewards and recognition. 52.7% disagree to the availability of other benefits like loans, allowances etc. Surprisingly, 54.45% disagree for trying to change the organization.
- Majority of the respondents disagree at appreciating the work done with 50.50%. Majority of the respondents agree that they try to seek opportunities within organization at 38.5%.
- Most (54.05%) of the respondents disagree with the fact of want of a job irrespective of the organization.
- Majority of the respondents disagree working in same organization for next 5 years with 52.15% even if they are satisfied.
- Majority (57.15%) of the respondents disagree with the future within the organization in spite of which 60.3% are unwilling to move to another company where 57.35% agreed to the fact that they love their current job.

7. SUGGESTIONS

- The position and pay package should merge and value to the contribution of the employees to gain their fullest satisfaction and involvement in work.
- Proper planning and transparency in conveying and implementation is much sought fact among the employees.
- Career growth clarification should be provided to the employees in their induction stage itself to avoid situations of doubt and dilemma in their minds.
- Work load to be equally distributed in impartial manner so as to gain the goodwill for their leadership and administration.
- Good superior & subordinate relationship maintained by the leader has a direct influence on their stay with the organization.

8. CONCLUSION

The study based on clear cut objectives, can be clearly concluded by stating that, there is clear impact of leadership style in retaining the talented work force in the organization. The training provided to the employees, rewards and recognition, promotion opportunities too influence the satisfaction and make them stay in their current organization. The management of the information technologies shall retain the employees and reduce the turnover rate if they

consider the findings and suggestions provided respectively. This leads to the overall development and market sustainability of the organization.

9. REFERENCES

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