

A Study on Employee Retention Strategy In It Sector

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Abstract- *In a company, staff retention is crucial since it has an impact on productivity. The goal of this study is to determine how various employee retention tactics, such as performance-based bonuses, flexible work schedules, timely promotions, and career development programmes, affect both employee performance and retention. The study's indicates that employee retention techniques had a favourable impact on both employee performance and retention. While employees are expensive to acquire and difficult to retain, the theoretical framework of this study would encourage businesses and their employers to consider them vital resources. This study's main goal is to identify and examine the key determinants that influence employee retention. The following broad factors were examined in-depth in this study: health and wellness benefits, personal growth, compensation, work-life balance, recognition and rewards for top performers, superior-subordinate relationships, training and development, job characteristics and job commitment, monetary rewards, and welfare programmes.*

Keywords- Employee reward, compensation, Promotion, rewards, job commitment.

I. INTRODUCTION

Employee retention is a process that is growing more and more important in the current environment of rapid globalisation, significant economic growth, and development. Any organization's greatest asset is its talent or human resource. The company spends a lot of money on its HR practises, including recruitment, selection, and training programmes. What would happen to the company if these employees or talents left the company abruptly in search of better opportunities? Organizations are now realising the need to better understand the supply-demand dynamic in order to gather effective strategies to recruit and retain top talent for the firm as well as the workforce due to unpredictable retention patterns and fierce global competition. The ability of an organisation to keep its human resources is referred to as employee retention, and it is becoming a significant concern for businesses. The retention rate for any company is greatly influenced by factors such as organisational culture, pay, benefits, flexibility, and job satisfaction. The document lists the key elements that can help increase employee retention.

The paper goes into detail about the factors that affect retention, including pay, health and wellness benefits, training programmes, skill recognition, relationships between superiors and subordinates, career development, etc.

II. REVIEW OF LITERATURE

ShouryKuttappa found that the significance of HR Policies & Practices in the changing business landscape of the 21st century has been spoken about in numerous forums across the world. There is, clearly, a developing awareness that these aspects of management cannot be pushed under the carpets any longer. Nor can there be a “one plan fits all” approach to Human Resource practices any more. Several famous experts have begun to study this sphere and have brought out many interesting findings to the surface. The analysis investigates about a few selected HRM Practices and Policies and sees how these effects the decision makers in this region. It is an attempt to bring to the prominence how HR practitioners see these factors, as compared to the rest of the world.

Poonam Madan, Jasleen Kaur Bajwa found that in the present scenario retaining the employees with the organizations for longer duration for the benefit of both individual and organization have become a crucial point. Motivation is an important aspect which helps to retain the employees and perform better. To retain the best and the most suitable employee organization needs to provide proper career opportunities, working environment, compensation benefits and supervisor support to the employees. The objective of this research paper is to investigate & understand employee retention strategies prevalent in banking industry. The study also helps to determine the different strategies adopted by banking sector to retain its employees and maintain them.

Daniel Esem Gbervbie (2010) conducted a study to empirically examine employee retention strategies and its performance in the Nigerian banking sector over the period 2000 – 2005. The author used questionnaire and structured interview to obtain data. The study revealed that the organization if implements employee retention strategies such as regular salary package employee participation in decision making will have a good retention system.

III. OBJECTIVE OF THE STUDY

- To Identify the factors influencing Employee Retention Management in It Industry.
- To study the employee retention strategies of IT Industry

FACTORS INFLUENCING EMPLOYEE RETENTION MANAGEMENT IN IT INDUSTRY

Retaining competent people is crucial to the organization's performance and long-term advantages. Our best employee's continued employment ensures product sales, client pleasure, pleased coworkers and those in positions of reporting responsibility, efficient advancement planning, and deeply ingrained organisational knowledge and learning: The following are some potential determinants of an employee's length of employment with the company, including

- **Nature of Work**

Work is defined as any physical or mental task that is completed at a specific location and time, in accordance with guidelines, and in exchange for compensation. Whether or not an activity is truly a work depends heavily on financial consideration. Job is another word for work. A key factor influencing human resource activities is the type of work and how managers organise it. The term "job" or "work" goes beyond the associated tasks' financial value. An analysis of the task is used to determine the type of work. Job analysis is the procedure of gathering data on a job. It involves gathering data that should contain the knowledge, skill, and aptitude the incumbent needs to do the job well. The degree of a person's familiarity with their profession might be interpreted as knowledge. The ability to specifically operate a machine or system is referred to as skill. Information on how to use tools, equipment, and machinery is also included.

- **Pay**

The payment an employee receives in exchange for their services to the company is known as remuneration. It holds a significant place in an employee's life. The compensation he or she receives determines his or her style of living, place in society, motivation, loyalty, and level of work. Employee compensation is important for the employer as well because it affects the cost of production. In the organised sector, a typical employee is entitled to a number of benefits, both financial and non-financial. To be more precise, an employee's usual compensation consists of pay plus benefits like as incentives, perquisites, fringe benefits, and non-cash compensation.

No of how many hours an employee works, wages are the hourly rates of pay, and salary is the monthly rate of pay. Annual increases are possible for salaries and wages. They vary from employee to employee and are based on seniority, merit, the sort of industry, and the nature of the job. In addition to earnings and salary, incentives are paid. Rewards are based on performance, sales, profit, or cost-cutting efforts. Rewards may be given to specific people or to the entire group. The employee benefits include things like a provident fund, gratuities, health and group insurance, medical treatment, hospitalisation, accident relief, canteen, uniform, and recreational opportunities. Executives are entitled to benefits such as a corporate vehicle, club membership, paid holidays, provided housing, stock option plans, etc. The benefits are provided to attract and keep skilled workers.

- **Promotion**

The phrase "promotion" refers to a change that entails more obligations, generally better income and working circumstances, as well as a higher position or rank. A promotion, in the words of Scott and Clothier, is the moving of an employee to a position with a higher salary or greater perks. A promotion may be described as an employee's upward advancement within a company to a new position that comes with better salary, status, and opportunities, as well as greater responsibility and authority, a better working environment, better hours, and better facilities. The satisfaction of the promoted person's desires for respect, belonging, and security is positively impacted by promotions. They also provide the chance for greater self-actualization through more interesting and difficult tasks. Promotions are typically given to employees in order to increase their value to the company, give them the opportunity to earn more money from their work, and remove them from their current position rather than fire or demote them. They are also given to acknowledge an employee's performance and to reward them for their efforts in order to give them motivation to advance. If better is available, employees won't be as motivated. Jobs are reserved for outsiders in order to strengthen an employee's organisational effectiveness, to boost employee morale, loyalty, and sense of belonging when it becomes clear that they will be promoted if they merit it, and to increase job satisfaction.

- **Motivation**

The performance of an individual depends on his or her ability backed by motivation. Ability refers to the skills and competence of the person to complete a given task. However ability alone is not enough. The person's desire to accomplish the task is also necessary. Organizations become

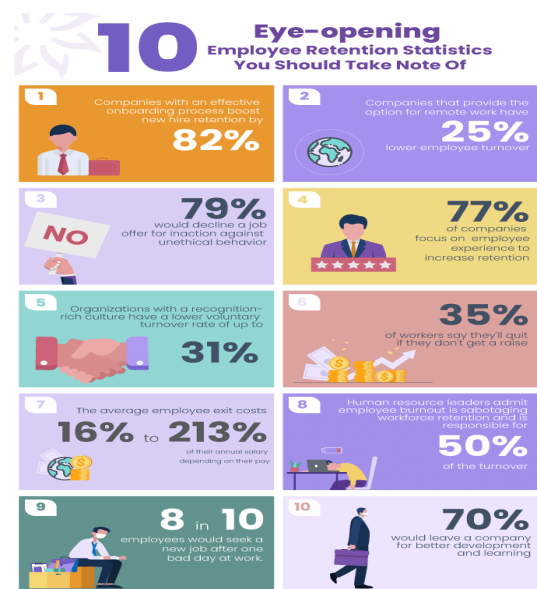
successful when employees have abilities and desire to accomplish given tasks. Motivation in a simple term may be understood as the set of forces that cause people to behave in certain ways. Motivation refers to the way behaviour gets started, is energized, is sustained, is directed, is stopped and what kind of subjective reaction is present in the organism while all this is going on. The purpose of motivation is to create the conditions in which people are willing to work with zeal, initiative, interest and enthusiasm, with a high personal and group moral satisfaction, with a sense of responsibility, loyalty and discipline and with pride and confidence in a most cohesive manner so that the goals.

- **job commitment**

The person's decision to remain in or leave the employment is influenced by a variety of elements related to the work that they undertake. Job happiness is the most crucial component. An unhappy employee can never perform efficiently and will consequently propagate his misery to others. So, it is crucial to understand whether the employee is happy with his job or not. Employees should be passionate about their work and the company they represent. Employees need to believe that their employment has purpose and that the work they do for their company is worthwhile. The staff members should feel as though they are helping the company achieve its goals and that they have enough opportunities to put their skills to use. Overall, the staff should be happy with their jobs.

STRATEGIES EMPLOYEE RETENTION

It refers to the strategies used by management to encourage staff members to remain with the company for a longer period of time. Employee retention techniques play a significant role in inspiring workers to stay with the company for as long as possible and make valuable contributions. Sincere efforts must be made to guarantee that personnel grow and learn in their existing roles and that they appreciate what they do. In the current environment, corporates are very concerned about employee retention. After receiving training, people frequently move on to better opportunities in other firms. Lucrative pay, convenient hours, a nicer environment, and growth opportunities are some of the things that make an employee look for a move. The management and human resource team must step in right away whenever a skilled employee expresses a desire to leave the company and ascertain the precise factors that led to the choice.



Source : Vantage circle

Studying employee retention in the IT sector's qualities, awareness, and decision-making processes is useful in developing retention strategies. 16 Workers are an organization's most valuable asset, and it cannot afford to lose its top performers. Using efficient retention tactics, organisations work to keep their people. Excessive Employee Turnover will consequently affect the organization's productivity and long-term viability. Because people are the most important resource in the current world, employee retention is now a key factor for every company's competitive advantage. Other resources can be organised with ease, but the most challenging challenge is to acquire efficient and competent human capital.

As a result, firms are now paying more attention to staff retention. For retention, organisations employ a variety of HR strategies. Past study by a number of academics has demonstrated that the real turnover is determined by the employee's intention to stay or go. Even with a great income, an employee won't be content with his work if he is unable to spend time with his family during his free time. Keep in mind that only a happy employee will prove to be a productive employee. Create regulations that can help employees balance their professional and personal lives, such as requiring paid time off and establishing set hours for work. Last but not least, we need to determine who is in charge of retention: the supervisor, second level supervision, HR department, or senior management.

Supervisor is the one who interacts with the employee the most, each supervisor bears equal responsibility for retaining every person that works for him. In addition, the HR department must use exit interviews to determine why

people leave the company and discover ways to teach and develop personnel in accordance with their capabilities. High management must also maintain an open door policy and support supervisory recommendations. Employee compensation is one component of the problem.

IV. CONCLUSION

In a company, staff retention is crucial since it has an impact on productivity. According to the current study, employee reward programmes, flexible work schedules, staff training, performance-based bonuses, employee recreation, and career development programmes all have a favourable impact on both employee performance and retention. The ability of businesses to retain their people is essential to their ability to continue operating. Although this study made an effort to highlight all the characteristics associated to staying in an organisation for a long period as well as the ones that impact leaving an organisation. According to the study, the most important factors for employees to stay in a company are pay, flexibility in the workday, and work-life balance, while the most important factors for employees to leave a company are a lack of benefits and low pay, discrimination and favouritism, lack of emphasis on professional development, and lack of compensation. According to the research, the firm should focus on these retention strategies: flexible work schedules, employee awards, and professional development programmes. By doing so, it will raise employee happiness, which will lead to a higher rate of retention.

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