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## Factors of employee retention in IT industry

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**Abstract:** Organisations spend a lot of resources for training talented employees and making them worthy, retention of such employees is a crucial task for an organisation. The target of the current study was to research explicit maintenance factors that prompted the authoritative responsibility of high innovation workers. The sample for the data is collected from the 62 expert IT professionals from a reputed IT company in Chennai. The Organizational Commitment Scale and a maintenance factor estimation scale were managed. The most applicable logical variables were pay, work qualities, employee's assistance and work/life balance strategies, which seemed to impact the improvement of hierarchical responsibility in high innovation employees or representatives. The implications of the study are also examined. The study focuses to help the organizations to determine the retention strategies for the maintenance of employees.

**Keywords:** Employee retention, IT, retention strategy, innovation

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### INTRODUCTION

Employee retention is a period in which workers are urged to continue with the company for the entire time period or when the project is finished. Employee retention is beneficial for both the employer and the employee. Today's employees are unique. They're not the ones without any decent opportunities nearby. They turn to the following role when they feel dissatisfied with the present employer or the operation. It is the responsibility of the organization to retain their best employees. Employee retention is beneficial for both the employer and the employee. Today's employees are unique. They're not the ones without any decent opportunities nearby. They turn to the following role when they feel dissatisfied with the present employer or the operation. It is the responsibility of the organization to retain their best employees. They will be left with no good employees, on the off chance that they don't. A good manager should understand how to bring his employees in and keep them. Most employees feel that they are worth more than they are really paid. There is a characteristic divergence between what individuals figure they ought to be paid and what organizations spend in remuneration. Whenever the distinction turns out to be too incredible and another opportunity happens, turn over can result. Pay is characterized as the wages, salary, or pay given to an employee in return for administrations the employee performs for the organisation. Pay is more than "dollars and pennies;" it also acknowledges the value and estimation of the human commitment. What individuals are paid has appeared to have an unmistakable, dependable effect on turnover in various studies. Employees include the most fundamental resources of the organization. In a workplace where employees can't utilize their maximum capacity and are not heard and esteemed, they are prone to leave in view of pressure and disappointment. In a straight forward environment while employees get a feeling of accomplishment and belongingness from a healthy work situation, the organization is profited with a more grounded to solid work-force. Employee Retention is a technique for taking measures to urge laborers to remain in the organization for the most noteworthy conceivable time length. It is a cycle where the laborers are roused to remain with the fulfillment of the specific undertaking. Employee Retention procedure is valuable for the organization just as the specialist. Also, it is up to the HR office staff. Employee retention alludes to the capacity of an organisation to hold its priceless individuals. Employee retention implies endeavors of business organisations to keep up a workplace which underpins current staff in staying with the organization.

Making sure about and holding talented workers assumes a significant part in this cycle, since employee information and aptitudes are integral to aptitudes and are an integral part of the ability of organizations to be monetarily serious. Since employee maintenance is critical for an organization's work and severity, this study focuses on the centralized and employee variables that influence employee retention. In employee learning, a particular premium is taken, as this is seen as a maintenance that supports movement. In any case, the maintenance benefits emerging from self-improvement offer additional opportunities when endeavoring to upgrade worker maintenance. This examination additionally focuses on individual differences that impact employee retention.

Main need of this study is to ensure organizations that authorities, leadership skills and status and seniority have a positive relationship with worker or employee retention.

Our research idea is based on the rich knowledge acquired by our peer teams across the university. (A.C.Gomathi, S.R.Xavier Rajarathinam, A.Mohammed Sadiqc, Rajeshkumar, 2020; Danda et al., 2009; Danda and Ravi, 2011; Dua et al., 2019; Ezhilarasan et al., 2019; Krishnan and Chary, 2015; Manivannan, I., Ranganathan, S., Gopalakannan, S. et al., 2018; Narayanan et al., 2012, 2009; Neelakantan et al., 2013, 2011; Neelakantan and Sharma, 2015; Panchal et al., 2019; Prasanna et al., 2011; Priya S et al., 2009; Rajeshkumar et al., 2019; Ramadurai et al., 2019; Ramakrishnan et al., 2019; Ramesh et al., 2016; Venugopalan et al., 2014). The study aims to examine the factor affecting employee retention strategies with reference to the IT industry in Chennai. To examine the level of employee retention in organisation. To understand the major factors of employee retention To understand the major factors of appreciation received by employees.

## REVIEW OF LITERATURE

(Kyndt et al., 2009) have studied employee retention in Organisational and personal perspectives. The author has studied employee learning and continuous development in organisation and he also explained about securing and retaining skilled employee knowledge and skills are central to companies. Leadership ability and seniority have a good management with the retention of employees. The number of respondents for this research were administered to 349 employees and 11 employees were interviewed. The result has shown that the worker retention at work is positive, The quantitative findings are clarified and defined through interviews and the results indicate that the appreciation and satisfaction of employee-to-employee retention is a great positive contribution.

(Spencer, 1986) has studied the employee voice and employee retention. The author has studied and investigated the relationship between the level to which employees have benefits to express disenchantment. The findings have shown that, whether or not a union is present, high numbers of employee involvement methods are linked to high retention rates.

(Brown and Yoshioka, 2003) have studied the mission attachment and satisfaction as factors in employee retention. The author have studied about investigated employee attitudes towards a youth and recreation service mission organisation. The results have shown that the assumption is that the task might be effective in developing employees, but less productive in sustaining them.

(Sandhya, 2011) have studied the employee motivation. The author have studied about the important factor employee motivation. In detail he researched on open interaction, employee incentive program, career development program, incentives based on success, recreational areas, bonuses on some occasions. As a result the paper concludes that employee retention can be better practiced by recommending.

(Aruna, 2015) have studied the employee retention enablers in the Generation Y employees. The author has studied the significant factors for retaining Generation Y namely, mentoring, career development, work environment and nature of working style. Descriptive statistics, correlation, and regression analysis were used. As a result the study implies that organisations have to redesign mentoring support and work environment retention strategies.

(Samuel and Chipunza, 2009) have studied employee retention and turnover by using motivational variables. The research looked at the extent to which identified intrinsic and extrinsic motivational variables influenced the retention and reduction of employee turnover in both public and private sector organisations. Their research aimed to achieve the following goals, such as identifying and setting up the key intrinsic and extrinsic motivational aspects used by identified public and private sector organizations to retain their employees. The result shows that the employees in both public and private sector organisations were to a very large extent influenced to stay in their respective organisations by a combination of intrinsic and extrinsic motivational factors.

(Cloutier et al., 2015) has studied the importance of developing strategies for employee retention. Their research stated that organisations can achieve employee retention in four strategies, effective communication should be encouraged, hiring a workforce, hiring skilled people, offering employees development and training programs. Their paper discusses these components which contribute towards employee retention strategies. As a result the research states successful employee retention is essential to an organization's stability, growth as revenue.

(Taylor, 2002) has studied employee retention. The author has studied the causes of staff turnover and the most effective ways of measuring, costing, predicting and preventing it with six detailed case studies covering retailers, graduates, engineers, professional services, call centers and the police. As a result this study tells us the effective approaches to solve your retention issues.

(Arnold, 2005) has studied the management of human resources to improve employee retention. This study shows how as the demand for health care services rises, management faces increased obstacles, as the availability of employees with the necessary skills seems to lag. The study also tells that In the effort to service health care needs, employee retention will become more important. As a result, the study stated that effective strategies and policies for human resource management that have been effectively implemented can significantly help management teams deal with the challenges of employee retention.

(Cahalane and Sites, 2008) have studied the climate welfare employee retention . The author have studied about the differences in perceptions of the child welfare work environment and further job satisfaction,emotional exhaustion and personal accomplishment were predictive of staying versus leaving.The result is the empirical evidence suggests that efforts to retain highly skilled and educated public child welfare workers should focus on creating positive organisational climate within agencies.

(Anitha and Others, 2016) has studied the role of organizational culture and the commitment of employees in the retention of employees. The authors have studied about the factors such as employee and organisational culture that measure how to maintain an employee in an organization are highlighted by the industrial manufacturing and service sectors.The result is in order to ensure superior resource usage competitive advantage and to achieve operational productivity, employees must be maintained in a true spirit to cope with all these circumstances.and the employee of the organisation have ,ore positive perception regarding culture of the company and demonstrate that management style has a strong impact on employee retention than continuing dedication and commitment.

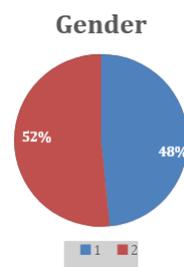
(Cascio, 2014) has studied leveraging employer branding, performance management and Human Resource development to enhance employee retention. The author have studied about the global economic recovery from years of depressed growth has accelerated voluntary turnover, along with employer concerns about retention. As the result this article argues that the biggest winners in this emerging economic environment, at least from a talent perspective, are organizations with positive employer brands, performance management strategies that help employees develop expertise that maximizes their potential, and innovative approaches to the design and delivery of HRD initiatives, especially technology-delivered instruction and social-learning tools.

(Hassan et al., 2013) have studied about the effect of training on employee retention. The authors have studied about the retaining employees in organisations and major variables are training,types of training and duration of training and intervening variables are rewards and supervisory support to the employees. Research is to conducted on a sample scale of 100 from telenor,telecommunications sector and the survey showed the result on job training and employee retention and according to the findings of the research female and male employees have their interest in participating in training and also rewards and supervisory support is found to be in the demand of employees irrespective of male and female.

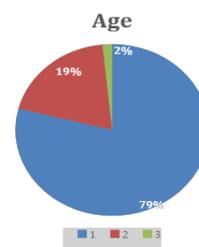
### RESEARCH METHODOLOGY

Descriptive research design was used for the research. Data is collected using questionnaires. Both primary and secondary data plays its importance, whereas primary data is the main phase of this study. The questionnaires are framed using structured items developed by researchers. Sampling helps a lot in research. The sampling technique used in this study is the Convenience sampling method. The sample size of the study is 62 and primary data is used. The tools used of the study are mean analysis, frequency analysis and regression. Regression analysis is used to identify employee stress in the IT sector. The instrument is used as a standard question like Employee Retention ( E. Kyndt Et Al 2009), Appreciation. pressure of work, procedures, learning attitude. ( E. Kyndt Et Al 2009) and it is measured using a 5 point Likert scale.

The demographic profile of respondents is depicted in the pie charts.

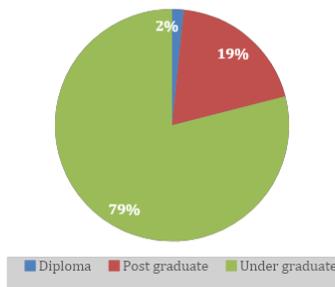


**Fig.1: The above Pie Chart shows the analyses of the frequency of the gender of the respondents. It is clear that 48.4% of the respondents are female and the rest 51.6% are the male respondents.**



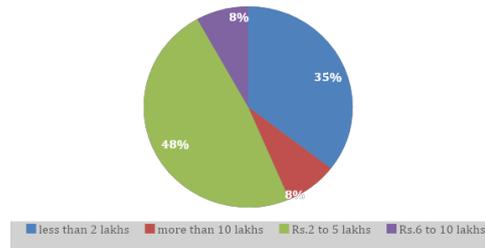
**Fig.2: From the above Pie Chart, it is found that 79% of the employees are of the age group between 18-25 years, 19.4% of the employees are of the age group between 26-40 years, 1.6% of the employees are of age group between 41-55 years.**

**Education Qualification**



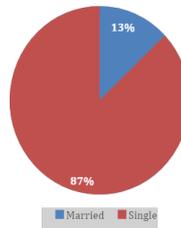
**Fig.3:** The above Pie Chart shows the frequency analysis of the education of the respondents. It is clear that 79.0% of the respondents have completed Under Graduation, followed by 19.4% of the respondents have completed post-graduation and the rest 1.6% of the respondents have completed diploma.

**Annual Income**



**Fig.4:** The above Pie Chart shows the frequency analysis of annual income of the respondents. It depicts that 48.4% of the respondents are having annual income of 2 to 5 Lakhs followed by 35.5% of the respondents are having income less than 2 lakhs and followed by 8.1% of the respondents are having an annual income more than 10 lakhs and 6-10 lakhs.

**Marital Status**



**Fig.5:** The above Pie Chart shows the frequency analysis of the marital status of the respondents. It is found that 87.1% of the respondents are single and 12.9% of the respondents are married.

**DATA ANALYSIS**

The software used in SPSS as version 27. The technique used for analyzing data as frequency, mean and regression. Frequency Analysis is a part of descriptive statistics. The mean of a statistical distribution with a continuous random variable, also called the expected value, is obtained by integrating the product of the variable with its probability as defined by the distribution. Regression analysis is a set of statistical methods used for the estimation of relationships between a dependent variable and one or more independent variables.

**RESULTS**

The R value represents the simple correlation and is 0.774, which indicates the degree of correlation. The R2 value indicates how much of the total variation in the dependent variable can be explained by the independent variable. The R square value 0.571 which indicates 57% of the variance in retention is explained by appreciation, work pressure, procedures and learning attitude.

**Table 1: Regression Coefficients**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.111	.432		-.257	.798
Appreciation	.630	.116	.559	5.434	.000
Pressure_of_work	-.033	.106	-.030	-.316	.753
Following_procedures	.196	.132	.173	1.488	.142
Learning_attitude	.215	.140	.187	1.529	.132

The table indicates the regression coefficients and its significance value for the independent variable. As a rule of thumb, we say that a beta coefficient is statistically significant if its p-value is lesser than 0.05. From the analysis it is found that the Appreciation (0.559) is having a strong positive linear relationship with employee retention compared to other independent variables. The work pressure, learning attitude and following procedures do not have an effect on employee retention.

## CONCLUSION

High attrition destroys the value of going offshore. It causes companies to lose knowledge, incur training fees, get caught up in the never-ending cycle of hiring, and fall behind on scheduled projects. Employee recruiting and retention are big issues for IT organizations, so create a work environment where the employees are involved in the development of rewards programs. Although companies may say they know about all these offshore employee retention strategies, few practice them in their captive centers or measure whether their external vendors are practicing them. Because retention activities are time-consuming. Developing a thorough recruiting process, setting up a career advancement program, and conducting a formal employee satisfaction survey all take time. Unfortunately, it's a "no pain, no gain" situation. Companies are realizing that these programs are worth the effort, as they watch their best employees leave to work for the competition. Invest in your offshore employees and they in turn will help deliver outstanding returns. By the way, if your employees complain of long hours, inadequate compensation, or an excessive workload, your best employees will leave and only those who are not worth retaining will stay.

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