A Study of Employee Retention Strategies in IT Sector

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Abstract - One of the fastest growing industries in India is the sector of information technology. This sector plays a vital role in the growth of India's economy and to emerge as a global leader in technology.One area where IT industry is lacking behindis to retain their best talent for organization's productivity and sustainability. Thus, employee retention is a challenge for IT Sector. The purpose of the study is to find the main reasons for employee attrition and to study the strategies to retain the employee for a longer time and to offer suggestion to retain them effectively.

Introduction - Employees are important for any organization. They are the lifeblood for an organization. Employees leave the organization for many reasons and this is the major problem which Indian IT sector is facing.It is emerging as achallenge for IT sector to retain their employees for longer duration.

Employee retention is defined as an organization's ability to retain or sticking its employees on the workforce for a longer period for the sustainability of the organization. In other wordencouraging employees to remain in the organization for a longer period of time can be termed as employee retention.

The main aim of employee retention is to make both the employer and employees happy. But in present competitive scenario it is becoming impossible to retain employees for a longer time.

HR Department plays important role to retain employees for a longer time by designing the policies, practices and strategies which enable the organization to retain the employees for longer duration which leads to the organization growth and success.

The most critical challenge the employees especially in new organization facing is the high rate of attrition caused by the scarcity of manpower coupled with continuously increasing demand for manpower. The employer had to deploy all his skills and intelligence in retaining the employees and keeping the attrition rate at a lower level. Whenever a talented employee expresses his or her willingness to quit, it is the responsibility of the management and the HR team to intervene immediately and find out the exact reasons leading to the decision.

Challenges to employee retention: Employee retention is all about managing people. But there are several challenges to it. These are as follows-

1. Monetary dissatisfaction
2. Career development
3. Monotonous and boredom
4. Unrealistic expectations

Employees Retention Strategies: It is impossible to put a complete full stop to the process of employees quitting their jobs but it can be controlled to the large extent by keeping the following employee retention strategies-

1. To realize the employees that they are the most valuableasset of an organization.
2. Performance appraisal should be done on regular basis to give them feedback on their performance.
3. Always try to keep the employee morale high.
4. Hiring the right people at the right place and at the right time.
5. Creating workplace environment employee friendly and cooperative.
6. Giving the employee power of authority where it is necessary.
7. Providing employees suitable and necessary information.
8. By keeping the employee morale high through trust, faith and respect.

Review of literature

Aryee (2000) found a significant positive correlation between satisfaction with work flexibility and organizational commitment and thereby good rate of retention. He indicated that turnover is affected by organizational size. They suggest that organizational size impacts turnover primarily through wage rates but also through career progression paths. Developed internal organizational labour markets produce lower departure rates since promotion opportunities have a strong negative influence on quitting for career related reasons enhancing an employee's well-

being at work thereby resulting in retention.

Casper and Buffardi (2004) stated that the availability of organizational work-life benefits, supportive supervisor and a favorable organizational climate play a vital role in attracting and retaining human resources. The role of an effective supervisor in arresting attrition rates has been highlighted by other too. Good quality supervision contributes to employee satisfaction and helps in retention. Gberevbie (2008) have found that if appropriate employee retention strategies are adopted and implemented by organization employee will surely remain and work for the successful achievement of organizational goals. In his view HR Department plays an active role in retaining its employees. It makes policies for employee betterment such that employee would be satisfied with the organization and stay with the firm for longer time. This shows that it is not just retention of employees but also retention of valued skills. So, effort is needed to create and foster an environment that encourages employees to remain employed in one place for long time.

Rajendran and Chandramohan (2012) have upheld the traditional hypotheses that the job satisfaction has a significant negative impact on employee turnover. Job satisfaction plays an important role indetermining turnover of employees. High job satisfaction leads to low turnover. In general, dissatisfied employees are more likely to quit than those who are satisfied. He suggested that self-reported level of job satisfaction is a good predictor for job mobility and employee attrition. Thus, frequent satisfaction surveys act as smoke detectors and help in uncovering potential turnover intentions.

Sangeetha Gorde (2019) studied the certain circumstances that lead to employees leaving the organizations are job is not what the employee expected to be, no growth opportunities, lack of trust, appreciation and support of subordinates and seniors.

Objectives:
1. To study the employee retention strategies in IT Sector.
2. To identify how retention strategies reduces employee turnover.

Research Methodology: The research problem of this study is"A Study of Employee Retention Strategies in IT Sector." This research problem addresses the following issues-
1. What are the various employee retention strategies in practice in IT sector?
2. Which strategy the managers consider important?
3. Does strategies are fruitful in retaining employees?

Descriptive research design is adopted for this present study. Descriptive research is concerned with describing the characteristics of a particular individual or of a group. This research design is adopted because the study deals with the problem that exists in present scenario and

challenges HR Department and thus organization have to develop strategies to keep the employees for longer duration.

For this present study both primary and secondary data have been collected. Primary data is collected through questionnaire and interview while secondary data is collected through referred journals and books.Random sampling technique is adopted to gather data. Sample size is 50. The employees are interviewed to know their perception about retention strategies. Study is constructed on 5 point scale. Percentage method is used to analyze the data.

Data analysis and interpretation:

Factors	Rank
High salary expectation	1
Lack of security	2
Lack of social interaction	8
Monotonous work	3
Unusual working hours	4
Low perceived value	7
Stress and burnout	5
Lack of motivation	6

On the basis of these ranks and factors, a vicious circle is formed as shown below-
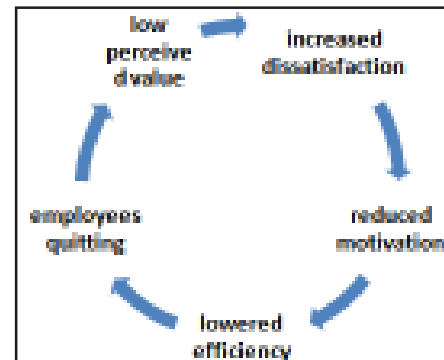
Vicious circle of attrition

Factors	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Compensation	46	16.5	18	11	8.5
Work environment	40	33.33	14.67	10	2
Career development	48	35.33	14.67	1	1
Benefits programs	20	30.34	42.33	4	3.33
Leadership	38.5	47.5	8.5	4.5	1
Motivation	53	21	19	6	1
Management employee relationship	45.2	30.6	22.2	1	1
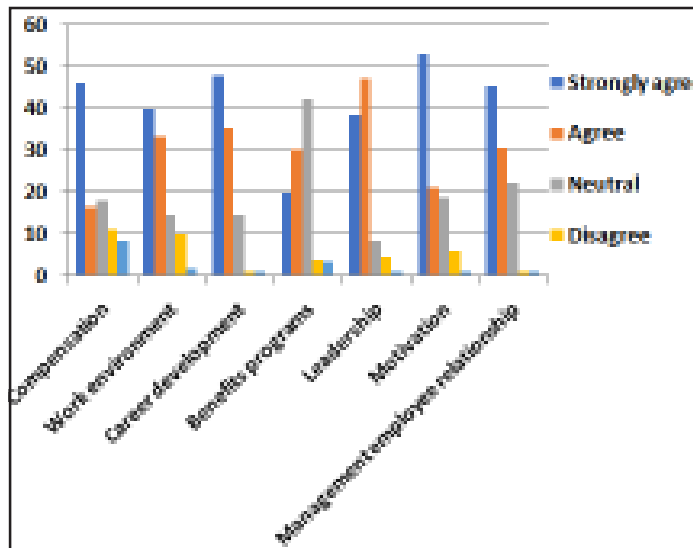
Findings: The employee attrition and retention have been quite a challenge for IT sector. The relationship between management and employees seems important in increasing retention of employees in IT sector.

The most motivating factor in retaining employees is compensation or monetary benefits or salary otherwise highly paid jobs of competitors will attract skilled employees. The work environment, relationshipwith fellows, work life balance and career opportunities drives satisfaction to the employees which motivates them to work in one organization for longer time.

Conclusion: Employees are the assets which can make as well as break an organization progress and growth. Retaining them will help in the long-term growth of an organization and will also add to their goodwill. In the light of above discussion, it is concluded that retention of employees is all about creating a work environment that provides a sense of belonging, pride, empowerment, benefits, flexibility, career growth and satisfaction.

Suggestions: IT sector need to think and adopt strategies on employee retention giving importance to flexible workplace, friendly work environment, encourage performance by boosting employee's self-esteem and sense of ownership.

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