



EMPLOYEE RETENTION STRATEGIES IN INFORMATION TECHNOLOGY SECTOR: AN OBSERVED STUDY OF SELECTED SOFTWARE COMPANIES IN CHENNAI CITY

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ABSTRACT

Human resources are the most significant part of a company. The growth and achievement of any business depends on its employees. Developing countries like India youngest employees are available. But most of the companies have various types of retention strategies have using there. Employee proceeds are prime tackle for every company. Contributed in changing India's image from a slow-moving developing economy to a global leader in technology on which many countries can rely for world class technology solutions. The Indian information technology industry has been an amazing achievement. Last twenty years the transfer of software engineers from one industry to another industry. Because increased income level of employees, technology updating and individual growth. It is keeping on increases around 45% in the Indian software market hence the software industry has adopted many strategies to retain the talent employees for betterment of the software companies. The research paper focuses on employee retention strategies adopted the software companies.

Keywords: Retention Strategies, Employee Satisfaction, Software Industry.

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INTRODUCTION

The growth and success of any companies based on its employees. Attracting the brilliant employees is not a problem with IT sector but to retain employees is the major challenge (Gopinath, 2020a). Information technology is not just one of the fastest growing sectors in India, but it also plays a major role in driving the nation's economy onto a positive growth curve and has highly contributed in changing India's image from a sluggish developing economy to a global leader in technology on which many countries can rely for world class technology solutions (Gopinath & Chitra, 2020b). With a very aggressive market and a huge necessity of IT professional it become extremely significant for a company to retain their greatest employees to major the sustainability and efficiency of the companies.

IT Industry in India is viewed as growth engine of Indian economy. To Contributing in increase of Gross Domestic Product (GDP), urban employment and exports. India's IT Industry accounts nearly 6.4% of GDP (Gopinath & Chitra, 2020a). Past one decade the IT sector has increase in once-a-year rate of 30 percent. In India IT companies are concentrated in certain places like Bangalore, Cochin, Chandigarh, Chennai, Delhi, Gurgaon, Hyderabad, Calcutta, Mysore, Mumbai, Noida and Pune. Bangalore is also call as Silicon Valley of India due to it has numerous national as well as international companies. Some of the companies have its head office there. In India, 70 percent information technology sectors investment size in very low and remaining 30percent companies are large size investments such as TCS, Wipro, Infosys, Orange and HCL (Gopinath, 2020b). The above companies are providing direct and indirect employments. The domestic IT services in India is estimated to grow 12.8 billion in 2013 from 5.7 billion in 2008-2009, representing a compounded annual growth rate of 18.6% from 2008 to 2013. India's emplacement merits have been key reasons for fast growth of the IT sector. After recession there is a growth in Indian IT sector and now the market become very competitive (Gopinath, 2020c; 2016b). In today's competitive environment attracting the talented employee and retaining them is a very big challenge faced by employer.

REVIEW OF RELATED LITERATURE

Dr. Satpal and Manju Dhillon (2016), the employee retention has become major concern for corporate now days. The retention of the precious IT workers become difficult day by day due to complex nature and demands of the work and inability of management to understand their need leading them to change their jobs. This study brings out that work environment, family problems, compensation, relation with superiors are the prominent factors that may be considered while planning a job change by an IT professional. Every company wants to retain its employees but when they get trained have tendency to move to other organization for better prospects. This paper concludes that companies felt the importance of retention strategies and accepted that without it they won't be able to survive in competitive market. Some benefits like lucrative salary, flexible timing, better work environment and better career growth helps in retention. If any employee is leaving organization, then HR department should intervene and know the exact reason for leaving. Organization should aim at developing effective retention practices and policies which increase employee retention.

Bodjrenou Kossivi, Ming Xu, Bomboma Kalgora(2016) this study taken the factors like development opportunities, compensation, work-life balance, management/leadership, work environment, social support, autonomy, training and development. The conclusion of the study shows that further investigations need to be conducted regarding employee retention to better comprehend this complex field of human resource management.

Maran Kaliyamoorthy and Praveen Kumar (2018) The Four primary factors that are examined in pull factors are: 1) compensation & other benefits 2) flexible work environment 3) on-site opportunities 4) career opportunities and prospects.

The study also proved that clients may shelve their project if the replaced employees are not up to their expectations. In the case of the impact on employees, stress was found to be more among female employees. Similarly staffing disruptions were found more when experienced employees leave the organization and too many responsibilities in the wake of team members' attrition force employees to engage in extra work.

STATEMENT OF THE PROBLEM

All company employees are frequently appreciating larger success while they have strategies to retain IT sector employees. The cost to replace an IT employee ranges from 50% to 150% of that person's annual salary (Hester, 2013). The general business problem was the failure of leaders to improve employee retention duty in a way that has permanent effects on company's profitability. The detailed business problem is that some leaders lack the strategies to increase IT employee retention

Objectives of the Study

- To study the employee retention techniques used in information technology sector
- To analysis the safety and welfare measures towards information technology sector

Hypothesis

- H₁: There is a significant relationship between age of the employees and their opinion towards Employee Retention Techniques.
- H₁: There is a significant association between income of the respondents and their opinion towards safety and welfare measures.

RESEARCH METHODOLOGY

The researcher has chosen three software companies in Chennai City. For the purpose of the research both primary and secondary data has been used in the research paper. Primary data collection from three hospitals software companies' employees, it has been questionnaire method used. Secondary data collection from previous research paper, books, magazines, and online sources. sample size 137. Simple random method has been applied in the research paper.

RESULT AND DISCUSSION

Table 1 Classification of employees based on personal factors

Demographic factors		No. of respondents (137)	Percentage	Mean
Gender	Male	63	46.0	1.5401
	Female	74	54.0	
Age	21 – 35	42	30.7	2.5328
	36 – 40	36	26.3	
	41 – 45	19	13.9	
	46 – 50	24	17.5	
	above 51	16	11.7	
Marital status	Married	46	33.6	1.6642
	Unmarried	91	66.4	
Income	Bellow 20,000	33	24.1	3.0949
	21,000 – 30,000	13	9.5	
	31,000 – 40,000	37	27.0	

Demographic factors		No. of respondents (137)	Percentage	Mean
	41,000 – 50,000	16	11.7	
	above 50,000	38	27.7	
Education	UG Arts & Science	33	24.1	2.9708
	UG Engineering	23	16.8	
	PG Arts & Science	26	19.0	
	PG Engineering	25	18.2	
	Diploma Holder	30	21.9	

Source: Field survey

The above table explains about personal factors of employees of the selected software companies in Chennai city.

Gender: The highest 54% employees were female and 46% of the employees were male with a mean of 1.5401.

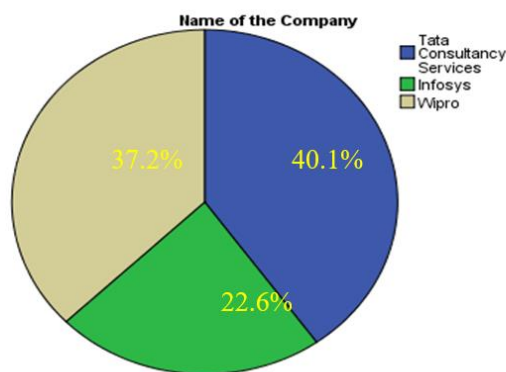
Age: Out of 137, 30.7 percent of the employees are age group of 21 years– 35 years, 26.3 percent of the employees are age group of 36 – 40, 17.5 percent of employees are age group of 46 years – 50 years, 13.9 percent of employees are age group of 41years – 45 years and 11.7 percent of employees are age group of above 51 years with a mean of 2.5328.

Marital status: The highest 66.4 % of the employees were unmarried and 33.6% of the employees were married with a mean of 1.6642.

Income: The highest 27.7% of the employees were income of above Rs.50,000, 27% of the employee's income of Rs. 31,000 – 40,000, 24.1% of the employee's income of Bellow 20,000, 11.7% of the employee's income of Rs.41,000 – 50,000 and 9.5% of the employee's income of 21,000 – 30,000 with mean score of 3.0949

Education: 24.1% of the employees belong to education were UG Arts & Science, 21.9% of the respondents studied to Diploma Holder, 19% of the employees are studied PG Arts & Science and 16.8% of the employees studied UG Engineering with mean score of 2.9708.

Chart 1 Employees are working of the software companies in Chennai city



The pie chart depicts the employees are working of the software companies in Chennai city 40.1% employees are working in Tata Consultancy service followed by 37.2% of the employees are working there Infosys and 22.6% of the employees are working there Wipro.

Table 2 ANOVA Test between Age of the Employees and their opinion towards Employee Retention Techniques

Retention Techniques			Sum of Squares	df	Mean Square	F	Sig.
Performers profiling is good	Between Groups	(Combined)	25.760	4	6.440	4.723	.001
		Linearity	.934	1	.934	.685	.409
		Deviation from Linearity	24.827	3	8.276	6.069	.001
		Within Groups	179.991	132	1.364		
		Total	205.752	136			
There is good orientation and on boarding process	Between Groups	(Combined)	11.181	4	2.795	2.357	.057
		Linearity	.223	1	.223	.188	.665
		Deviation from Linearity	10.959	3	3.653	3.080	.030
		Within Groups	156.570	132	1.186		
		Total	167.752	136			
Career bathing and the two-way value proposition done	Between Groups	(Combined)	75.148	4	18.787	27.380	.000
		Linearity	40.454	1	40.454	58.956	.000
		Deviation from Linearity	34.695	3	11.565	16.854	.000
		Within Groups	90.574	132	.686		
		Total	165.723	136			
There is good communication and employee's engagement systems	Between Groups	(Combined)	49.705	4	12.426	13.099	.000
		Linearity	9.805	1	9.805	10.336	.002
		Deviation from Linearity	39.900	3	13.300	14.021	.000
		Within Groups	125.215	132	.949		
		Total	174.920	136			
There is high moral boosting activity done by the company	Between Groups	(Combined)	100.896	4	25.224	64.562	.000
		Linearity	74.484	1	74.484	190.646	.000
		Deviation from Linearity	26.412	3	8.804	22.534	.000
		Within Groups	51.572	132	.391		
		Total	152.467	136			

Sources: Computed from the primary data

Significant at 5% level

Table 2 shows Retention Techniques of the employees and their Performers profiling is good with respect to age mean score was 6.440, $F = 4.723$ Significant level = .001, There is good orientation and on boarding process with respect to age mean score was 2.795, $F = 2.357$ Significant level = .057, Career bathing and the two way value proposition done with respect to age mean score was 18.787, $F = 27.380$ significant level = .000, There is good communication and employees engagement systems with respect to age mean score was 12.426, $F = 13.099$, significant level = .000 and There is high moral boosting activity done by the company with respect to age mean score was 25.224 $F = 64.562$, significant level = .000. Hence, the calculated value is less than the table value. Therefore, the research hypothesis is accepted and the null hypothesis is rejected.

Table 3 Relationship between income and safety and wealth measures

Independent Samples Test										
safety and welfare measures		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Company have tie ups with hospitals	Equal variances assumed	5.403	.022	-1.872	135	.063	-.48505	.25910	-.99747	.02738
	Equal variances not assumed			-2.027	52.600	.048	-.48505	.23926	-.96503	-.00506
Health camps facilities provided for employees and family members	Equal variances assumed	.509	.477	1.113	135	.268	.30062	.27012	-.23360	.83484
	Equal variances not assumed			1.063	43.801	.294	.30062	.28277	-.26933	.87057
Insurance schemes provided by the organization are good	Equal variances assumed	8.687	.004	.257	135	.798	.06231	.24237	-.41702	.54163
	Equal variances not assumed			.338	78.679	.737	.06231	.18458	-.30512	.42973

From the above analysis conclude that there is a relationship between income, safety and welfare measures such as Company have tie ups with hospitals, Health camps facilities provided for employees and family members and Insurance schemes provided by the organization are good. The independent sample tests

RESULT

Company have tie ups with hospitals

F = 8.687,

Significance level = .022

Health camps facilities provided for employees and family members

F = .509

Significance level = .477

Insurance schemes provided by the organization are good

F = 8.687

Significance level = .004

Hence, the calculated value is less than the table value. Therefore, the research hypothesis is accepted, and the null hypothesis is rejected.

CONCLUSION

The Indian software company's employee's retention strategies are good. But some health issues and family environment have not continued their position. Hence those companies are recruitment policy changes in their related to retention strategies (Gopinath, 2020d; 2016a). The factors with respect to organization Strategy to uphold improved retention strategy is, providing better other environment practices to employees in stipulations of making them to benefit from their social life and positively implementing exit interview suggestions followed by re-structure of organization according to changing needs in the organization is an effective management strategy.

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