

A Study on Employee Retention in Tier Iii It Industry

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Abstract :

Employee retention is one of the key bases that are essential for organization achievement by keeping employee in an organization. In Tier III IT industry, retention of employee is one of the greatest challenges to HR particularly during high turnover rates. The aim of the study is to find the impact of demographic factors, attrition factor and motivation factor on employee retention. The data has been collected from 27 samples for the study and used non probability convenience sampling method. The entire questions were given in the five point likert scale. This study concludes by showing that there is no significant difference between marital status and work life balance but there is a significant difference between experience of the respondents with the management as well as between age levels with the non monetary rewards.

Keywords : Employee retention, Tier III IT industry.

Introduction :

In an organization, the Human Resource person faces one of the greatest

challenges to retain their employee. A recent study also demonstrated that retention of profoundly talented employees has turned into a troublesome assignment for HR as this classification of employees are being pulled in more than one association at any given moment with different sorts of motivating forces. Employee retention is the process of retaining/ holding their esteemed employees in an organization for the most extreme timeframe or until the culmination of the undertaking the projects. Over the past decades, the Tier III IT industry is facing a high turnover rate. To control the turnover rate of the employees, should take some right strategies to retain the employee and enhance their productivity. In IT business, this has tossed open different openings for work among IT experts. Mitchell, T. H. (2001) the expense incurred during the replacement of employee is assessed to be twice a person's yearly pay. Substantial interest involves for preparing and improvement, time and different assets are additionally required to convey newcomers to the coveted level of execution on the grounds that if a worker leaves an organization then it takes away the gathered learning with them.

Objective of the Study:

- To study the impact of demographic factors on employee retention in Tier III IT industry.
- To study the impact of attrition factors on employee retention in Tier III IT industry.
- To study the effect of motivation factor on employee retention in Tier III IT industry.

Scope of the Study:

- The researcher study endeavored to comprehend and analyses different factors spinning around the impact on employee retention in tier- III IT industry.
- The study also analyses how the organizational culture effects on employee retention.

Limitation of this study:

The sample size of this study was limited and the analysis cannot be considered as a universe because the study was conducted in the small industry in Chennai.

Review of literature:

Vandana Sharma (2016) To control the turnover rate in IT industry, the investigation has discovered the contrast between association endeavors toward employee retention and employee perception to most inciting variables to look for an elective work and in addition to know the reasons for quitting an organization.

Reddy, C. M. (2018). Study stated that there is certain and huge connection among Impact of organizational culture on employees commitment, job satisfaction and employees retention. In the event that the organizational culture is certain, it will improve employees' commitment, job satisfaction and reduce the employee's retention and consequently the performance will be high. It is very simple to build up your association decidedly when any worker is on the correct way. It is seen in this examination that strong organizational culture is exceptionally useful for the new representatives to accept the organizational culture.

Leena James and Lissy Mathew (2012) Study investigated the Welfare Benefits, Personal Satisfaction and Organizational Culture is some of the variables, which are linked with the Employee Turnover in addition to that Intention to stay, are the proxy variable which consider for the employee turnover.

Aguenza, B. B., & Som, A. P. M. (2018) this hypothetical paper explored motivational variables that impact employee retention and looks at their effects on the both organization and workers. This paper contends the motivational variables that are vital in impacting employee retention are job characteristics, financial rewards, career development, management, recognition and work-life balance. To reduce turnover in organization they represent the holistic systems approach.

Terera, S. R., & Ngirande, H. (2014) conducted the study to found whether there is a connection between rewards and job satisfaction, to found the relationship between job satisfaction and employee retention and to make proposals to the approach creators in the association on conceivable routes/strategies to enhance employee retention. The findings stated that rewards and job satisfaction are key factors in holding employees. Consequently, it is essential for administration to build up a retention methodology that tends to representative remuneration and job satisfaction as central point. Remuneration and advantages bundle of representatives ought to be lucrative with the goal that it pulls in the esteemed workers to remain in the organization.

Vishwakarma, V., & Rao, P. S. (2017) inspected the rate of attrition and the reasons for attrition. Then they look at the relationship between the retention strategy and attrition level and to see whether attrition influences profitability of the IT industry. Conducted the survey from 1000 employees and found that retention strategy has no impact on attrition level but the attrition rate has an impact on profitability of the IT industry. By the survey they said that there is no impact of reskilling and attrition rates.

Papa, A., Dezi, L., Gregori, G. L., Mueller, J., & Miglietta, N. (2018) studied the impacts of knowledge acquisition on innovation performance and the

moderating impacts of human resource management (HRM), regarding employee retention and HRM rehearses. By using standardize questionnaire they tested the hypothesis through OLS regression model. The outcomes of the study show that knowledge acquisition decidedly influences innovation performance and that HRM moderates the connection between knowledge acquisition and innovation performance.

Nasir, S. Z., & Mahmood, N. (2018) study conducted to recognize the effect of HRM hones on employee retention. Then the outcome of the study states that they have a positive relationship between the chosen variable (supervisor support, rewards and recognition and work like policies) and employee retention.

Dhanpat, N., Modau, F. D., Lugisani, P., MaboJane, R., & Phiri, M. (2018) the researchers proposed that specific retention factors (compensation, career advancement, supervisor support and work-life balance) are critical in impacting employee's intention to leave. In order to yield low turnover rates and enhance retention, call center organization are urged to guarantee that operators are compensated well, and are given a workplace where they can develop and advance and also supports their work and individual life.

Iqbal, S., & Hashmi, M. S. (2015) considered the impact of Perceived Organizational support at retention of employees with mediation of psychological

empowerment. Consequences of research archives that perceived organizational support has significant relationship with employee retention, with a mediator between perceived organizational support and employee retention. Psychological empowerment has significant relationship with faculty retention and furthermore states as mediator between perceived organizational support and employee retention.

Research Methodology:

Sample Design:

The researcher has chosen the Tier III IT industry for this study. To collect the data from the respondents the researcher used non probability convenient sampling method.

Sample Size:

The members in this study were 27 representatives working in various departments. The reason for picking distinctive departments is to cover the representatives of various work nature and to get the data from the major working units in the organization.

Questionnaire Design:

These five-point Likert scale was chosen as the response mode for the poll. For every one of the estimations the respondents are

Data Analysis:

requested to tell whether and how extremely satisfied or dissatisfied helps to contradicting the proposal that is made. This is completed by picking a number given on a five-point scale. The reactions would then be able to be given scores e.g. from 1 to 5 as was done in this examination. At that point the scores can be summed for every one of the respondents by keeping in mind the end goal to give attitudinal score for each question.

Data collection

Primary data

Primary data was collected both survey method by distributing questionnaires to IT employees. The questionnaires were carefully designed by taking into account the parameters of my study.

Secondary data

Besides the primary data, the secondary data was also collected for the Websites and books, Articles written by various authors were referred for this purpose from the library to facilitate proper understating of the study.

Tools of analysis

The data collected from both the sources is analyses and interpreted in the systematic manner with the help of statistical tool like percentage analysis and SPSS tool.

ES – Extremely Satisfied with the statement; S – Satisfied with the statement; N – Neutral with the statement; D - Dissatisfied with the statement; ED - Extremely Dissatisfied with the statement.

S.No.	Parameters	No. of Respondents					%				
1	Age										
	• 20 – 25 YEARS	20					74.1				
	• 26 – 30 YEARS	5					18.5				
	• 31 – 40 YEARS	1					3.7				
	• >40 YEARS	1					3.7				
2	Gender										
	• Male	14					51.9				
	• Female	13					48.1				
3	Marital Status										
	• Married	5					18.5				
	• Unmarried	22					81.5				
4	Experiences										
	• 0 – 2 YEARS	15					55.6				
	• 3 – 5 YEARS	7					25.9				
	• 6 – 10 YEARS	3					11.1				
	• >10 YEARS	2					7.4				
5	Salary	ES	S	N	D	ED	ES	S	N	D	ED
	Satisfied with the salary given to me	1	15	5	5	1	3.7	18.5	33.3	29.6	14.8
	Periodic salary increment	3	8	12	2	2	11.1	29.6	44.4	7.4	7.4
	Allowances	1	5	9	8	4	3.7	18.5	33.3	29.6	14.8
6	Supervisor – subordinate relationship										
	Appreciation given by the supervisor for the work completion within a stipulated time. Working towards our job	5	12	4	5	1	18.5	44.4	14.8	18.5	3.7

	promotion by the supervisor.	3	11	7	3	3	11.1	40.7	25.9	11.1	11.1
	Your suggestions and ideas are seriously taken by the supervisor.	8	10	5	2	2	29.6	37	18.5	7.4	7.4
7	Growth Opportunity	3	11	5	6	2	11.1	40.7	18.5	22.2	7.4
	Promotional Opportunity	6	10	7	2	2	22.2	37	25.9	7.4	7.4
	Provide opportunity to learn the subject which are of interest to me	5	15	5	2	-	18.5	55.6	18.5	7.4	-
8	Welfare Facilities										
	Accommodation & Transportation provided by the company.	1	6	8	7	5	3.7	22.2	29.6	25.9	18.5
	Loan Facilities	3	2	6	9	7	11.1	7.4	22.2	33.3	25.9
9	Policies and Procedures										
	Policies and procedures of the company.	-	11	9	3	4	-	40.7	33.3	11.1	14.8
	Expected that the employee should spend time to learn the policies by themselves.	3	10	9	3	2	11.1	37	33.3	11.1	7.4
10	Nature of the job										
	Job is interesting and challenging.	7	14	4	2	-	25.9	51.9	14.8	7.4	-
	Satisfied with the job allotted to me.	8	14	3	1	1	29.6	51.9	11.1	3.7	3.7
	Job makes me to understand myself and provide opportunity to put my own talent and initiative.	7	14	4	2	-	25.9	51.9	14.8	7.4	-
11	Financial rewards										
	Rewards for good performance.	-	9	13	4	1	-	33.3	48.1	14.8	3.7
	Incentives.	1	9	7	7	3	3.7	33.3	25.9	25.9	11.1
12	Recognition										
	Non monetary rewards are provided by the company.	1	5	13	5	3	3.7	18.5	48.1	18.5	11.1
	Recognition is transparent,										

	frequent and timely feedback given.	3	11	5	7	1	11.1	40.7	18.5	25.9	3.7
13	Work life balance										
	Flexible working hours	3	12	7	4	1	11.1	44.4	25.9	14.8	3.7
	Leave policy	3	13	5	4	2	11.1	48.1	18.5	14.8	7.4
	Work from home	-	5	5	8	9	-	18.5	18.5	29.6	33.3
14	Management										
	Grievances are handled properly by the company.	4	10	9	3	1	14.8	37	33.3	11.1	3.7
	Relationships are trustworthy.	4	14	6	2	1	14.8	51.9	22.2	7.4	3.7
	Giving attention to your needs.	4	11	9	3	-	14.8	40.7	33.3	11.1	-

INDEPENDENT SAMPLE T-TEST:

Analysis of Marital Status and Work Life Balance:

Null Hypothesis (H0) : There is no significant difference between the marital statuses With respect to work life balance.

Alternative Hypothesis (H1) : There is a significant difference between the marital statuses with respect to work life balance.

Analysis of Marital Status and Work Life Balance

S.No	Work Life Balance	T- Value	Significant value
1.	Flexible working hours	1.091	.286
2.	Leave Policy	.452	.655
3.	Work from home	.048	.962

Interpretation:

From the table, it is found that the significant value is greater than 0.05. Therefore, the table indicates that there is no significant difference between the marital status and work life balance.

ANOVA – ONE WAY:

Analysis of Age level and Recognition:

Null Hypothesis (H0) : There is no significant difference among the age level and the

recognition.

Alternative Hypothesis (H1) : There is a significant difference among the age level and the recognition.

Analysis of Age level and Recognition

Recognition	Group	Sum of Squares	df	Mean Square	F	Significant value
Non monetary reward are provided by the company	Between Groups	7.657	3	2.552	3.307	.038
	Within Groups	17.750	23	.772		
	Total	25.407	26			
Recognition are transparent, frequent and timely feedback given	Between Groups	4.630	3	1.543	1.315	.294
	Within Groups	27.000	23	1.174		
	Total	31.630	26			

Interpretation:

From the table, it is found that the significant level is less than 0.05, thus there is a significant difference between level of age and non monetary rewards which are provided by the company. There is no significant difference between the level of age and the recognition feedback given to they are transparent, frequent and timely manner.

Analysis of Experience and Management:

Null Hypothesis (H0) : There is no significant difference among the experience and the Management.

Alternative Hypothesis (H1) : There is a significant difference among the experience and the management.

Analysis of Experience and Management

Management	Group	Sum of Squares	df	Mean Square	F	Significant value
Grievances are handled properly by the company	Between Groups	2.741	3	.914	.876	.468
	Within Groups	24.000	23	1.043		
	Total	26.741	26			

Relationship are trustworthy	Between Groups	7.005	3	2.335	3.160	.044
	Within Groups	16.995	23	.739		
	Total	24.000	26			
Giving attention to your needs.	Between Groups	1.871	3	.624	.769	.523
	Within Groups	18.648	23	.811		
	Total	20.519	26			

Interpretation:

From the table, it indicates that there is no significant difference among the experience of the respondents with the grievance handled by the company and the attention given to their needs. But, there is a significant difference among the experience of the respondent with the relationship of the management.

FINDINGS:

- In this survey, 48.1% of the employees are Female and 51.9% of the employees are Male.
- 74.1% of the employees are of the 20 - 25 years of the age group, 18.5% of the employees are of the 26 - 30 years of the age group, 3.7% are of above 31 years.
- 18.5% of the employees are married and 81.5% of the employees are unmarried.
- 55.6% of the employees are of the 0 - 2 years of experience, 25.9% of the employees are of the 3 - 5 years of experience, 11.1% of the employees are of the 6 - 10 years of experience and 7.4% of the employees are of the above 40 years of experience.

- 51.9% of the employees are satisfied and 25.9% of the employees are extremely satisfied and said job is interesting and challenging.
- 51.9% of the employees are satisfied and 29.6% of the employees are extremely satisfied with the job allotted to them.
- 51.9% of the employees are satisfied and 25.9% are extremely satisfied with that the job makes them to understand themselves and provide opportunity to put their own talent and initiative.
- 18.5% are equally satisfied and dissatisfied with the non monetary rewards provided by the company.
- 40.7% of the employees are satisfied and 25.9% are dissatisfied with the recognition which are transparent, frequent and timely feedback given.
- 37% of the employees are satisfied and 33.3% are neutral in handling grievances by the company.
- 51.9% of the employees are satisfied and 22.2% are neutral with their relationship.

- 40.7% of the employees are satisfied and 33.3% are neutral in giving attention to their needs.
- From the independent sample t- test, we can conclude that there is no significant difference between the marital status and work life balance.
- From the Anova analysis, we can conclude there is a significant difference between experience of the respondents with the management as well as between age levels with the non monetary rewards.

SUGGESTION:

- At Tier - III IT industry still pursuing conventional strategies to keep up database of employee. It is profoundly suggested that if they digitalize every one of their information, it would be simpler for them to get the information when required and saves a lot of time.
- Tier III IT industry should give some relaxation time for the employees in order to improve their productivity and helps to reduce turnover rate.
- Tier III IT industry should give more Non monetary benefits to the employee in order to improve the retention level.
- It is necessary to create openness relationship between management and employees.

CONCLUSION:

The researchers propose that specific factors are crucial in impacting employee's choice

to either stay or leave in an organisation. The result indicates that there is no significance difference between genders with motivational factors. But there is a significance difference among the experience of the respondent with the management. It is only the motivational factors that can improve retention and diminish the high rate of employee turnover in the organizations.

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