

FACTORS AFFECTING EMPLOYEE RETENTION: AN ANALYSIS OF IT SECTOR IN DELHI-NCR

¹Ms. SURABHI TEOTIA

¹Assistant Professor, Institute of Professional Excellence & Management, Ghaziabad

Chapter ID: NSP/ICAAR-2023/A-21

ABSTRACT

In order to succeed, businesses must retain their top talent. Employee retention refers to the methods, a company implements to keep its valuable employees and the tactics it adopts to reduce the risk of employee turnover. Today, firms and HR departments have a major difficulty in employee retention. One of the most cutthroat industries in the world is IT. That is why IT employee retention is a significant challenge. In this industry, the typical rate of employee turnover is approximately 20%. One-fifth of the workforce changes employment every year. There is a high incidence of employee turnover and an even higher proportion of those who are dissatisfied with their work. Another explanation is that people don't think their jobs are interesting or difficult enough to warrant sticking around at their companies for a while. At present scenario the Major Challenge faced by Indian IT Sector is not limited to hiring eligible employee but also their retention. The Indian IT Industry have seen a very high employee turnover since last decade. The problem of job hopping in IT Sector has become new normal now. According to an article published in Business Standard, Indian IT Industry recorded 25.2% employee attrition in FY22 and that pain will continue as it loses talent to other industries. Hence, it is crucial for Human Resource Managers to understand the factors that instigate employees to leave an organization. This paper examines the influence of working culture, employee health and well-being, compensation and benefits, relationship with the superiors, rewards and work recognition and HR policies on employee retention in IT Industry of Delhi-NCR. In this regard, this study has been done to understand the major issues associated with the retention of the IT employees Another objective is to identify the major causes of the high level of the attrition rate.

Keywords: Retention, Job hopping, Human Resource, IT Industry, Attrition, Employee turnover

INTRODUCTION

Employee Retention is the capacity of an organization to keep its personnel. It may also be referred to as a procedure whereby resources are encouraged and incentivized to remain with a company for a longer period of time in order to ensure the sustainability of the company.

Making both the stakeholders—employees and employers—happy is employee retention's ultimate goal. It makes it easier for devoted personnel to remain with the business for a longer period of time, which is advantageous for all parties involved. Every firm invests time and resources to train new hires and get them ready for the corporate world. If such personnel leave the company after receiving all necessary training, the corporation will suffer a complete loss. The organization is entirely at lost when the employees leave their position once they are fully trained.

The numerous steps done to ensure that a person stays with a company for the longest possible time are considered in the employee retention process.

According to research, the majority of employees quit their jobs due to irritation and ongoing conflict with their managers or coworkers. Sometimes a low wage, a lack of career advancement opportunities, and a lack of desire force a worker to look for a change. Although there are several reasons why workers leave their jobs, there are generally five key factors that influence this decision.

1. Bad fit between the employee and the position
2. Poor fit with the climate and culture of the business
3. There is insufficient remuneration for performance.
4. A lack of rapport between the employee, their coworkers, and the manager
5. Limited possibilities for development and advancement.

REVIEW OF LITERATURE

In the People's Republic of China, **Chen, Zhen Xiong, Tsui, Anne S., and Farh, Jiing-Lih Larry** (2002) looked at the relationship between organizational commitment and employee performance in their roles and outside of them. There were two studies performed. A five-dimension commitment to supervision scale was created and verified in the first study. The second study looked at the connections between employee performance, commitment to the organization, and supervisor loyalty. The findings showed that organizational commitment was not as significantly connected with both in-role and extra-role performance as was loyalty to the supervisor. The significance of the findings for upcoming cross-cultural research and management techniques are examined.

Miguel Pinae Cunha (2002) in his case study of an integrated information technology services firm, concludes how the interplay between culture, structure, and leadership is managed in order to build control and employee loyalty. He suggests that the reason these processes work so well is because they support one another. In order to serve the needs of both the business and its professionals, they must be articulated because it is their expression, not their existence, that serves as a covert management mechanism and a process that fosters employee loyalty.

Cunha, Miguel Pina et al. (2002) examined how the interaction of culture, structure, and leadership is managed to foster employee retention in their case study of an integrated information technology services sector. He suggested that the reason these processes work so well is because they support one another.

Kyle LaMalfa (2007) in his study pointed out that as an employer, you need to understand why your employees are emotionally connected to your business - and it's generally much more than salaries, training, or benefits. Research shows that emotionally connected employees are the best employees because they are engaged and productive, and they feel validated and appreciated.

The work in the subject of employee attachment to their employer is one of the core themes across the social sciences, and **Monika Hamori and Peter Cappelli's** (2006) overview of the field is helpful. They used a special data set from a well-known executive search firm that tracks whether executives have accepted or pursued job offers from other companies to examine an important aspect of attachment, job search, in the context of executive jobs. This measure is an improvement over earlier attachment studies that relied on real turnover and were thus muddled by job market opportunities. They looked at a variety of elements related to positions and hiring procedures that strengthen an executive's connection to the company and deter him or her from looking for other employment.

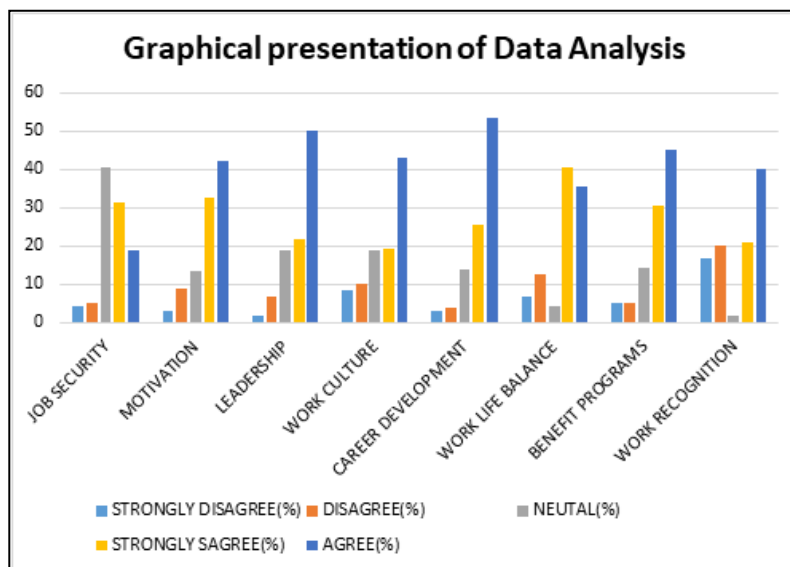
RESEARCH METHODOLOGY

In this study a google form is used as a tool for doing research and is based on a descriptive research design. Data from primary sources have been gathered in order to meet the study's goals. Data was gathered from the IT employees in the IT sector. The random sampling method was employed for the current investigation. Wipro, HCL, TCS, Tech Mahindra, and Oracle were among the six IT sectors chosen, and 30 individuals from each sector were chosen as a sample. Hence, a sample size of 150 employees was taken. The five-point scale was adopted in the google form for this study ranged from strongly disagree to strongly agree. The percentage approach was applied to the data analysis.

Data Analysis and Interpretation:

The table below provides an overview of the data analysis for eight components. Several questions were framed for each attribute, and the responses' opinions were gathered.

Attributes	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	TOTAL (%)
Job Security	4.33	5	40.34	31.33	19	100
Motivation	3	9	13.33	32.67	42	100
Leadership	2	7	19	22	50	100
Work Culture	8.5	10	19	19.5	43	100
Career Development	3	4	14	25.66	53.34	100
Work Life Balance	7	12.5	4.5	40.5	35.5	100
Benefit Programs	5	5	14.33	30.67	45	100
Work Recognition	17	20	2	21	40	100



FINDINGS

- The above table demonstrates that career development management is the most crucial element in boosting employee retention in the company.
- Salary, pay, or some other monetary advantage is always a factor in employee retention. Otherwise, skilled workers will be drawn to the well compensated jobs of other companies.
- According to the overall analysis, the majority of employees have a strong understanding of the role that organizational culture plays in retaining personnel. They are content with the corporate culture. So, they are not considering changing jobs.
- The majority of those surveyed believed that the workplace (facility, workplace, and campus) had an impact on employee job satisfaction and, ultimately, employee retention.
- It was shown that the majority of employees value supervision, direction, and guidance within the workplace.
- The majority of respondents believe that benefit programs like paid time off, retirement benefits, and health and welfare services help them manage their work and personal lives.
- Respondents believe that work-life programs (such as those that support their families and personal lives) help them balance their personal and professional lives.
- Career opportunities have been demonstrated to increase employee happiness. Motivating others requires effective leadership.

CONCLUSION

This study indicates the growing significance of employee retention in the workplace. It draws attention to the causes of the high attrition rate and the costs this behavior incurs for the business.

This study briefly discusses the numerous contexts in which employee retention tactics are put into action, such as the workplace environment, corporate culture, remuneration negotiation, benefits administration, rewards and recognition, leadership, and the interaction between staff members and management. Hence, by implementing retention tactics and providing various welfare measures, the firm can teach certain behaviors that encourage employees to work well.

It simply refers: "If you sincerely respect, appreciate, and treat them well, you will never lose them!"

Employee Retention Strategies:

The fundamental principles that should be considered when developing employee retention strategies are as follows:

1. Make sure you first hire the correct personnel.
2. Give workers more autonomy. Provide the staff the power to complete tasks.
3. Let workers understand that they are the company's most important asset.
4. Have confidence, respect, and trust in them.
5. Share knowledge and information with them.
6. Continue to comment on their performance.
7. Acknowledge and value their accomplishments.
8. Have a positive attitude.
9. Foster an atmosphere where workers want to engage and have joy.

BIBLIOGRAPHY AND REFERENCES BOOKS

- 1) *Davis, K. and Nestrom, J.W. (1985). Human Behaviour at work: Organizational Behaviour. 7th Edition, McGraw Hill, New York,*

- 2) Feldman, D.C., & Arnold, H.J., (1983). *Managing Industrial and Group Behaviour in Organizations* McGraw-Hill, New York, p.
- 3) Milkovich GM, Newman JM (2004). *Compensation (8th ed.)*. Burr Ridge, IL: Irwin McGraw-Hill.
- 4) Spector, P.E., (1997). *Job Satisfaction: Application, Assessment, Causes and Consequences (Advanced Topics in Organizational Behaviour)*. 1st Edition, Sage Publications, CA, pp: 104.
- 5) Srijan Sengupta & Anjali Ray, *Employee Retention: An Indian Perspective*, Lambert Academic Publishing.

RESEARCH PAPERS REVIEWED

- Davies, D., Taylor, R. and Savery, C. (2001) *The Role of Appraisal, Remuneration and Training in Improving Staff Relations in the Western Australian Accommodation Industry: A Comparative Study*. *Journal of European Industrial Training*, 25, 366-373
- Hytter, A. (2007) *Retention Strategies in France and Sweden*. *Irish Journal of Management*, 28, 59-79.
- Kali prasad, M. (2006). *The human factor I: attracting, retaining, and motivating capable people*. *Cost Engineering*, 48(6), 20-26.
- Agarwal, N.C. (1998). "Reward Systems: Emerging Trends and Issues". *Canadian Psychology*, 39(1), 60-70.
- Lambert, E.G., Lynne Hogan, N. and Barton, S.M. (2001) *The Impact of Job Satisfaction on Turnover Intent: A Test of a Structural Measurement Model Using a National Sample of Workers*. *The Social Science Journal*, 38, 233-250.
- Herman, R.E. (2005) *HR Managers as Employee-Retention Specialists*. *Employment Relations Today*, 32, 1-7.
- Christeen, G. (2015) *Retaining Professional Workers: What Makes Them Stay?* *Employee Relations*, 37, 102-121.
- Dr K. Balaji Mathimaran & Prof. Dr A. Ananda Kumar, *Employee Retention Strategies- An Empirical Research*, *Global Journal of Management and Business Research: E Marketing*, Volume 17, Issue 1, Year 2017, Global Journals Inc. (USA)
- Ram Lall, S. (2003). *Managing Employee Retention as a Strategy for Increasing Organizational Competitiveness*, *Applied H.R.M.*
- Garg, P. & Rastogi, R. (2006). *New model of job design motivation employees Performance*. *Journal of Management Development*.

WEBSITES

- <https://www.forbes.com/advisor/business/employee-retention-strategies>
- https://www.researchgate.net/publication/359336967_Employee_Retention_Strategies_IT_Industry
- <https://www.managementstudyguide.com/importance-of-employee-retention.htm>
- <https://www.roberthalf.com/blog/management-tips/effective-employee-retention-strategies>
- *Records and reports alone cannot solve the problem of employee retention. It solely depends on how well the employers comprehend the numerous issues that the employees have, and how they assist them in finding a solution when necessary.*