



A STUDY ON EMPLOYEE RETENTION IN IT INDUSTRIES

Mr. Sandeepkumar Sathaiah Konda*

B.Com, M.B.A.

Dr. Niyaj S. Sheikh**

B.Sc., M.B.A., M.L.S., M. Phil(Comm.), Ph.D. (MGT.).

Abstract

In Information Technology Sector, Employers have a need to keep employees from leaving and going to work for other companies. This is true because of the great costs associated with hiring and retraining new employees. The best way to retain employees is by providing them with job satisfaction and opportunities for advancement in their careers. The saying, good help is hard to find, is even truer these days than ever before because the job market is becoming increasingly tight.

Employers are fighting to get talented employees in order to maintain a prosperous business. Researchers believe that, there is a straight line between employee satisfaction and customer satisfaction. They believe that today's employees pose a complete new set of challenges, especially when businesses are forced to confront one of the tightest labor markets in decades in IT sector. Therefore, it is getting more difficult to retain employees, as the pool of talent is becoming more-and more tapped-out. The research focuses primarily on Employee Retention and Turnover at Information Technology Industry in Telangana State. Employees that are satisfied and happy in with their jobs are more dedicated to doing a good job and taking care of customers that sustain the operation. Job satisfaction is something that working people seek and a key element of employee retention. However it is difficult to keep employees satisfied. This research is trying to find the probable strategies to minimize the problem of employee retention in IT industry.

Keyword: Employee retention, job satisfaction, Telangana

1. Introduction

Information technology industry has got very import position today in Indian economy and business. Its origin and growth in India have been overwhelming in the last two decades. Not only the economic and business environment has undergone a change but one can also see changes in the social sector as well. The education and employment fields have changed. It has played a key role in putting India on the global map.

The global sourcing market in India rapidly growing at a higher pace compared to the IT-BPM industry. The global IT & ITeS market (excluding hardware) reached US\$ 1.2 trillion in 2016-17, while the global sourcing market increased by 1.7 times to reach US\$ 173-178 billion. India remained the world's top sourcing destination in 2016-17 with a share of 55 per cent. Indian IT & ITeS companies have set up over 1,000 global delivery centres in over 200 cities around the world.

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows US\$ 27.72 billion from April 2000 to September 2017, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Leading Indian IT firms like Infosys, Wipro, TCS and Tech Mahindra, are diversifying their offerings and showcasing leading ideas in blockchain, artificial intelligence to clients using innovation hubs, research and development centres, in order to create differentiated offerings.

In Information Technology Sector, Employers have a need to keep employees from leaving and going to work for other companies. This is true because of the great costs associated with hiring and retraining new employees. The best way to retain employees is by providing them with job satisfaction and opportunities for advancement in their careers. The saying, good help is hard to find, is even truer these days than ever before because the job market is becoming increasingly tight.

2. Objectives

- To identify and explore the dimensions of employee retention in Information Technology Industry based on primary data collected

3. Scope

- The Study helps to analyze how Information Technology companies are retaining their employees.
- The study primarily deals with employee retention at selected IT companies in Telangana.

4. Research Methodology: This is exploratory research.



A. Sample Distribution are given below:-

Convenience sampling Technique has been used to collect the data due to huge size of potential data.

A. Type of Respondents

Designation of Respondent	
Shop floor employees/Technical Executives/Technical Executives	Supervisors & Managers
312	94

B. Age of Respondents

	Age of Respondents			
	Shop Floor Employee/Technical Executives		Supervisor & Manager	
18 - 25	27	8.65%	3	3.19%
25 - 35	105	33.65%	25	26.60%
35 - 45	116	37.18%	39	41.49%
More than 45 Years	64	20.51%	27	28.72%

C. Gender of Respondents

	Age of Respondents			
	Shop Floor Employee/Technical Executives		Supervisor & Manager	
Male	198	63.46%	58	61.70%
Female	114	36.54%	36	38.30%

D. Companies Surveyed during the study

Name of the Company	Shop Floor Employees/ Technical Executives	Supervisors & Managers
1. Kensium Solutions Pvt Ltd	53	17
2. Nihar Info Global Ltd., (NIGL)	58	15
3. New Horizons Cybersoft Limited	48	14
4. Palred Technologies Ltd.	64	18
5. Avon Technologies (India) Pvt. Ltd.	46	16
6. Choice Solutions Limited	43	14
Total	312	94

5. Hypothesis

H01: Task recognition do not influence employee retention in Information Technology Industry

H1: Task recognition do not influence employee retention in Information Technology Industry

6. Hypothesis Testing

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.762	1	8.431	7.573	.007 ^b
	Residual	498.943	494	.989		
	Total	506.836	493			
a. Dependent Variable: Most of the company's employees are working with the company from more than 5years						
b. Predictors: (Constant), Task recognition						



From the above ANOVA table, it is inferred that the F value is 7.762 and the significance is 0.007. As the significance is less than .05. It clearly reveals the fact that the model which is taken for study is statistically significant. Hence the hypothesis i.e. Task recognition do not influence employee retention in information technology industry is rejected and the alternate hypothesis i.e. Task Recognition influences the employee retention in information technology industry is accepted.

Conclusion

Recognition of task done by employee and rewards are most sought after thing for the employees. Most of the companies are following few practices of recognition and reward. The respondents in this study feels that there is moderate relationship been employee retention and recognition and reward.

Toward the end, it can be presumed that to get the best out of employees, it is vital that companies should given them challenging task and recognise task.

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