



INTERRELATIONSHIP AMONG RETENTION STRATEGY OF IT SECTORS EMPLOYEES OF BENGALURU CITY

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Abstract

Employees are the assets of any organization and organization cannot afford losing its main performers. Thus, for retaining best employees, an organization has to design appropriate strategies. There are various retention strategies adopted by the firms. The purpose of this study was to find out the significant correlation among Employee retention strategies of Small, Medium and Large IT sectors in Bengaluru city. By using purposive and quota sampling methods 220 IT sector employees (Small sector=100, Medium Sector=70 and Large sector=50) from Bengaluru city were selected. This study explored various aspects of Retention Strategies. Correlation analysis was used to analyze the data. The results obtained in the study revealed the significant relation among some variable and some not. Among all three IT sectors any significant relation was not found in medium level IT sector.

Key Words: Retention Strategy, Correlation, IT Sectors and Employees.

Introduction

Employee retention strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and contribute effectively. There are many determinants such as support, work environment, rewards, career development opportunities and work life balance (Shekshnia, 1994). If the organization is not able to retain its employees, it will not be able to capitalise on human assets developed by the organization. Employee retention can be stated as the processes in which employees are encouraged or motivated to stay with the organization for the maximum period of time or until the completion of the project. It is beneficial both for the organization as well as for the employees and the employers. Employee retention is also important because when an employee remains in an organisation for a longer period then he/she becomes the storehouse of knowledge and secrets of the organisation. But when he/she leaves the current organisation and joins a new organisation then it becomes positive for the later and negative for the previous one as because knowledge and secrets are moving with him/her only. In addition, organisation's status is also at risk where turnover rate is relatively high. The customers do not feel positive dealing with an organisation which is unable to keep their employees. Again, constant high turnover rate creates disturbances and increased workloads in remaining present employees. So, when employees notice that their colleagues are going to another organisation, automatically their efficiency levels go down.

Sanda and Ntsiful (2013) studied on dynamics of employee retention among SME'S in a developing economy and found that firms HR practices have significantly negative impact on employee retention and concluded that best retention strategies need to be adopted which are flexible workplace practices, work family support policies as well as focusing on good reward management practices. Ahmad, et.al (2013) investigated relationship between types of benefits and employee's retention. It was found that there was a positive relationship between leave, loan and retirement plan and found that among three benefits leave was dominant factor for influencing employee retention. Kewenin (2013) studied the relationship between work environment, career development opportunities and employee retention in Vodafone Ghana limited and found that work environment and career development opportunities had positive relationship with employee retention. The researcher used Pearson coefficient correlation to establish the relationship among the variables. Zachariah and Roopa (2012) investigated that there is no significant difference in the response among IT professionals of Indian IT and multinational companies and studied that for minimizing the attrition rate effective retention strategies are to be developed for organization so it was concluded that having a robust retention strategy will help the organization in attracting and retaining top talent. Organization should periodically conduct exit, engagement and culture surveys to understand the changing expectation of the critical workforce from time to time and taking all these inputs to have a holistic understanding of the factors influencing retention of employees. Maluti, et.al (2012) studied on impact of employee commitment on retention in state financial corporation in Kenya and found that there was no significant impact of employee commitment on employee retention.

Agrela, et al (2008) states the need to focus on the factors that affects retention leading to growth and success of organizations. Studies suggests that retention strategies, which effectively satisfy the needs of all employees consequently enhances the ability for companies to adapt more effectively to ongoing organizational change (Gale Group, 2006). Research shows that trends redefining modern retention strategies go beyond the traditional salary and benefits package (Gale Group, 2006) and compensation (Feldman, 2000) embracing employee motivation (Thomas, 2000), as one of the key factors to cater to the diversity and long stay of the workforce in the organization. Retention factors incorporating the needs and desires of



employees at any age enhance levels of individual job satisfaction, loyalty, and commitment (Boomer Authority, 2009). Cunningham (2002) states that employees rank employee recognition, flexibility and training as top priorities for prolonging individual employment, while Walker (2001) and others call for establishing a supportive learning and working climate for employee retention. Further, career development (Boomer Authority 2009), organizational commitment (Patrick Owens, 2006), communication (Gopinath and Becker, 2000) and superior-subordinate relationship (Zenger, Ulrich, Smallwood, 2000) are also the factors known for prolonged stay of the employees in the organization.

Method

Objectives

1. To study the employee retention strategies of IT sectors in Bengaluru city.
2. To investigate the relationship of Employee retention strategies among Small, Medium and Large IT sectors from Bengaluru city.

Hypotheses of the Study

Ha₁: There will be significant relationship among Employee retention strategies of Small IT sectors in Bengaluru city

Ha₂: There will be significant relationship among Employee retention strategies of Medium IT sectors in Bengaluru city

Ha₃: There will be significant relationship among Employee retention strategies of Large IT sectors in Bengaluru city

Sample

Purposive and quota sampling methods are adopted in this study. Sample of the study consisted 220 IT sector employees (Small sector=100, Medium Sector=70 and Large sector=50) from Bengaluru city. This study explored various aspects of Retention Strategies. Primary data was collected from the employees of IT sectors and descriptive analysis, persons' correlation methods used to test the obtained results.

Results and Discussion

Table No: 1 The Demographic Profile of the Employees of IT Sectors

S. No	Variables	Description	N	Percentage (%)
1	Gender	Male	157	71.4
		Female	63	28.6
2	Age	20-30 years	76	34.5
		31-40 years	95	43.2
		41-50 years	49	22.3
3	Marital Status	Married	164	74.5
		Unmarried	49	22.3
		Divorced	7	3.2
4	Number of Dependents	2 members	18	8.2
		3 members	120	54.5
		4 members	57	25.9
		5 members	25	11.4
5	Education	Diploma	36	16.4
		Under Graduation	113	51.4
		Post Graduation	71	32.3
6	Financial Commitment	Yes	142	64.5
		No	78	35.5
7	Type of Commitment	No Commitment	78	35.5
		Housing Loan	72	32.7
		Health Care	11	5.0
		More Dependents	49	22.3
		More Responsibility	10	4.5
8	Residential Status	Own House	156	70.9
		Rented	64	29.1
9	Length of Service in Present Organization	1-2 Years	69	31.4
		3-4 Years	86	39.1
		More than 5 years	65	29.5
10	No of jobs changed	2 Jobs	66	30.0
		3 Jobs	93	42.3
		4 Jobs	48	21.8
		5 Jobs	13	5.9



An observation of Table 1 reveals that out of the total number of sample (N=220) 71.4% of are male employees (N=157) and 28.6% of are female employees (N=63). In the present study 34.5% of employees (N=76) are between the age 20-30, 43.2% of employees (N=95) are between the age 31-40 and only 22.3% of employees (N=49) are between 41-50 years. From the table it is clear that, 74.5% of employees (N=164) are married and staying with the spouse, 22.3% employees (N=49) are unmarried and 3.2% of employees (N=7) are divorced. As far as education is concern 16.4% of employees are Diploma graduates (N=36), 51.4% of employees are Undergraduates (N=113) and 32.3% of employees are Post Graduates (N=71). 64.5% of IT employees (N=142) have expressed that they have financial commitment and 35.5% of IT employees (N=78) have expressed they don't have any financial commitment. IT employees who have financial commitment in that more percentage of employees are having housing loan (32.7%: N=72) and 5% of employees (N=11) is having financial commitment for health care, because of more number of dependents 22.2% of employees (N=49) are having financial commitment and 4.5% of employees (N=10) due to more responsibility they have financial commitment.

Majority of the respondents from IT sector stays in own house (70.9%; N=156) compared to the respondents who stays in rented house (29.1%; N=64). In this study 31.4% of respondents (N=69) of IT sector are having 1-2 years of experience in the present organisation, where as 39.1% of respondents (N=86) are having 3-4 years of experience and 29.5% of respondents (N=65) are having more than 5 years of experience. 30% of employees (N=66) have indicated that they have changed 2 jobs before going to join the present organisation, 42.3% of employees (N=93) have changed 3 jobs, 21.8% of employees (N=48) have changed 4 jobs and 5.9% of employees (N=13) have changed 5 jobs before going to join the present organisation.

Table No 2 Correlation among Employee Retention Strategies of Small IT Sector Employees

S. No	Variables	Mean	Compensation	Job Characteristics	Job Flexibility	Working Environment	Training And Career Development	Work Life/Policies
1	Compensation	20.76		.122	-.022	.082	.459***	-.115
2	Job Characteristics	41.30			-.145	.292**	.016	.076
3	Job Flexibility	27.04				.091	-.207*	-.061
4	Working Environment	35.32					.011	.138
5	Training And Career Development	10.54						.024
6	Work Life/Policies	30.66						

The obtained value in table 2 clearly indicates that compensation of small IT sector employees has no significant correlation with Job Characteristics ($r = 0.122$), Job Flexibility ($r = -0.022$), work environment ($r = 0.082$) and Work Life/Policies ($r = -0.115$) respectively, but it has positive relation with Training and Career Development ($r = .459^{***}$) which is significantly very high. Job characteristics has no relation with Job Flexibility ($r = -0.145$), Training and Career Development ($r = 0.016$) and Work Life/Policies ($r = -0.061$) respectively, contrary to this job characteristics has positively high significant relation with working environment ($r = 0.292^{**}$). Interestingly job flexibility of small IT sectors employees has no relationship with working environment ($r = 0.091$) and work life policies ($r = -0.061$) respectively and it has negative significant relation with training and career development ($r = -0.207^*$). Working environment has no significant relationship with Training and Career Development ($r = 0.011$) and Work Life/Policies ($r = 0.138$) respectively. Lastly, training and career development of small IT sector employees has no relation with work life policies ($r = 0.024$).



Table No 3 Correlation among Employee Retention Strategies of Medium IT Sector Employees

S. No	Variables	Mean	Compensation	Job Characteristics	Job Flexibility	Working Environment	Training And Career Development	Work Life/Policies
1	Compensation	23.34		.152	.008	-.044	-.223	.101
2	Job Characteristics	41.96			.048	.108	.016	-.073
3	Job Flexibility	37.50				-.129	-.050	.094
4	Working Environment	14.61					.123	.018
5	Training And Career Development	13.04						.030
6	Work Life/Policies	33.36						

A perusal of table 3 indicates that compensation of medium level of IT sectors employees has no significant relation with Job Characteristics ($r=0.152$), Job Flexibility($r=.008$), Working Environment($r=-0.044$), Training and Career Development ($r=-0.223$) and Work Life/Policies ($r=0.101$) respectively. In the same way job characteristics has no relationship with Job Flexibility($r=0.048$), Working Environment ($r=0.108$), Training and Career Development ($r=0.016$) and Work Life/Policies ($r=-0.073$) respectively. Similarly Job Flexibility also no relation with Working Environment ($r=-0.129$), Training and Career Development ($r=-0.050$) and Work Life/Policies ($r=0.094$) respectively. Working environment of medium sectors IT employees has no significant relation with training and career development ($r=0.123$) and work life policies ($r=0.018$) respectively. More interestingly training and career development also has no relationship with work life/policies ($r=0.030$).

Table No 4 Correlation among Employee Retention Strategies of Large IT Sector Employees

S. No	Variables	Mean	Compensation	Job Characteristics	Job Flexibility	Working Environment	Training And Career Development	Work Life/Policies
1	Compensation	39.86		.116	.122	.245	-.383**	.156
2	Job Characteristics	14.36			.929***	.227	.200	.218
3	Job Flexibility	14.52				.180	.200	.257
4	Working Environment	43.12					.115	.259
5	Training And Career Development	11.08						.022
6	Work Life/Policies	10.76						

The obtained value in table no 4 indicates that compensation of large IT sector employees has no significant correlation with Job Characteristics ($r =0.116$), Job Flexibility ($r=0.122$), work environment ($r =0.245$) and Work Life/Policies ($r =0.156$) respectively and contrary to this compensation has negatively very high relation with Training and Career Development ($r =-.383***$). Job characteristics has significantly very high relation with Job Flexibility ($r =0.929***$), but it has not any significant relation with working environment ($r=0.227$), Training and Career Development ($r =0.200$) and Work Life/Policies ($r =0.218$) respectively. Interestingly job flexibility of large IT sectors employees has no relationship with working environment ($r=0.180$), training and career development ($r=0.200$) and work life policies ($r=0.257$) respectively. Working environment has no significant relationship with Training and Career Development ($r=0.115$) and Work Life/Policies (0.259) respectively. Finally, training and career development of large IT sector employees has no relation with work life policies ($r=0.022$).



Discussion

The present study mainly focused on the relation among employee retention strategies of small, medium and large level IT sectors. Based on these three sectors relation was measured among retention strategies. Obtained results of the study revealed that compensation was very highly and positively correlated with training and career development, Job characteristics was highly related with working environment and job flexibility was related with training and career development of small IT sector. But no significant relation was found among employee retention strategies in medium IT sectors. More interestingly in large level of IT sector negative relation was found between compensation and training and career development, whereas very high and positive relation was found between job characteristics and job flexibility. In small IT sector it can be inferred that due to getting more payment, good promotion, and having good time for working hour compensation may have positive relation with training and career opportunities, where they may get more training programs, their work may be valued and get more career opportunities. Too much of flexibility in work may lead to have better training career opportunities. In large IT sector negative relation between compensation and training and career development confirms they have opposite directions, where as job flexibility and job characteristics have positive relation. It means the more flexibility they get they are happy with their job characteristics.

Conclusions

The obtained results of the study revealed that compensation was very highly and positively correlated with training and career development, Job characteristics was highly related with working environment and job flexibility was related with training and career development of small IT sector. But any significant relation was not found among employee retention strategies in medium IT sectors. More interestingly in large level of IT sector negative relation was found between compensation and training and career development, whereas very high and positive relation was found between job characteristics and job flexibility.

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