Research Paper | **Management**

Relationship Between Leadership Aspects And Employee Retention in Information Technology Organizations

Shaji.Y	Research Scholar, Department of Management Studies, Noorul Islam University, Kumarakoil, Tamilnadu
Dr.Kinslin. D	Head of the Department, Department of Management Studies, Noorul Islam University, Kumarakoil, Tamilnadu

ABSTRACT

Employee attrition has been a serious concern across industries in today's world. India being a central integral part of the IT services provider, in recent times has been hit by a severe setback associated with employee attrition. With the tremendous growth in the Information Technology arena in India, employees are exposed to greater opportunities which attract employees that they do not look to stay in an organization for a longer period.

Line managers (leaders/managers/supervisors)part in retaining the employees have become the highlight off late that organizations have started to encourage the line manager to help them retaining their employees. This research tries to identify the relationship between various leadership aspects and the employee's willingness to be retained in the organization.

This research concludes that there exists a strong and positive relationship between various leadership aspects of line managers and the willingness of the employees to be retained. With some additional effort that line managers can put on the leadership aspects, they get to retain their employees.

KEYWORDS : IT employee, Leadership aspects, Employee retention

1. INTRODUCTION

There requires a strong relationship between employee and employer in order for successful and meaningful growth for both the employer and the employee.Employer requires the support of the employees to achieve the vision of the organization. As the economystarted to grow,the industrialization had grown requiring more and more human resources to support and during the process of growth, distance between the relationship between employer and the employee started to widen.

IT industry being expanding in India, with the increased number of organizations coming up meeting the need of the customers, the requirement for human resource has climbed up exponentially. More and more skilled professionals are required for performing various sorts of roles in IT organizations which supports customers across the globe inclusive of India.

Due to the increased demand in the IT industry and with the potential future growth being high, there is tremendous requirement for trained, experienced IT professionals across the country.

In the current scenario, recruiting and above all retaining skilled employees has become a major task for the IT organizations to keep their business up and running smooth making customers happy.

IT organizations in India have continuously been working on innovative solutions for employee retention.Adaptation of tried and trusted methodologies on different sectors and new practices such as employee engagement activities are introduced by the organizations to restrain the employee attrition.

2. LITERATURE REVIEW

Success of a project often rests on the understanding of people and management related aspects. The particular people and management related skills that were identified as being important were leadership, motivation, delegation, monitoring and control with a particular focus on influencing skills [2].

The way to manage attrition is to increase the level of satisfaction among employees. By making the work more challenging, by giving more opportunities to use skills, by motivating, the job itself becomes more satisfactory and eventually leads to employee retention [1].

Project managers, by following traits such as self-aware, continue to learn, by being empathy, being motivate, forms a strong bond with their employees [3].

There are two aspects to the responsibilities of the project manager: 1.Technical aspects of the project and 2. Managing of the people related aspects of the project in such a manner as to motivate the project team to successful complete the project and retaining the team[4].

3. OBJECTIVES OF THE STUDY

The objective of this study is to identity and analysethe relationship between various leadership aspects of the line managerand their employee's willingness to continue stay in their organization, to see if leadership aspects of a line manager can influence the retention of their employees.

4. HYPOTHESIS

H_0: There exist no relationship between employee's willingness to continue their tenure with their current organization and various leadership aspects of their line manager(s).

H_a: There exist a statistically significant relationship between employee's willingness to continue their tenure with their current organization and various leadership aspects of their line manager(s).

5. RESEARCH METHODOLOGY

One well-structure questionnaire wasformed to collect Primary data by means of survey. The survey was conducted on a sample population of 219IT employees of both genders performing various job roles including development, testing, maintenance, support, special roles, and team lead role.

The questionnaire consisted of 2 parts. The first part was used to collect information about the respondent including their work location, organization that they work for, experience, job role, age, their willingness to continue work for their organization etc. The second part consisted of questions on various leadership aspects.The survey used Likert rating scale.

SPSS V22 was used for analysingthe data. This study used data analysis techniquePearson's correlation coefficient.

6. RESULTS & DISCUSSION

Based on the data collected, Pearson's correlation coefficient statistics technique was run and the results of the test is presented in the Table 1.

Parameters		Willingness of employee to stay in the organization	Ability to motivate	Ability to make employee feeling valued	Ability to provide constructive feedback	Ability to award/reward and recognize	Ability to perform fair performance appraisal	Ability to support cross-skilling	Ability to utilize skills and competencies of employees	Ability to provide opportunity to work on different assignments	Ability to provide opportunity to learn and up skill
Willingness of employee to stay in the organization	Corr.	1	.303**	.354**	.347**	.235**	.353**	.391**	.372**	.356**	.328**
	Sig.		<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001
Ability to motivate	Corr.		1	.642**	.657**	.583**	.654**	.585**	.508**	.490**	.510**
	Sig.			<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001
Ability to make employee feeling valued	Corr.			1	.712**	.673**	.662**	.670**	.668**	.656**	.607**
	Sig.				<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001
Ability to provide constructive feedback	Corr.				1	.627**	.641**	.603**	.553**	.571**	.606**
	Sig.					<0.001	<0.001	<0.001	<0.001	<0.001	<0.001
Ability to award/reward and recognize	Corr.					1	.679**	.570**	.558**	.554**	.569**
	Sig.						<0.001	<0.001	<0.001	<0.001	<0.001
Ability to perform fair performance appraisal	Corr.						1	.549**	.477**	.490**	.545**
	Sig.							<0.001	<0.001	<0.001	<0.001
Ability to support cross-skilling	Corr.							1	.515**	.573**	.691**
	Sig.								<0.001	<0.001	<0.001
Ability to utilize skills and competencies of employees	Corr.								1	.713**	.570**
	Sig.									<0.001	<0.001
Ability to provide opportunity to work on different assignments	Corr.									1	.631**
	Sig.										<0.001
Ability to provide opportunity to learn and up skill	Corr.										1
	Sig.										
** Correlation is significant at the 0.01 level (2-tailed).											

Table 1. Correlation between leadership aspects and willingness of employees to stay in the organization

Pearson's correlation of coefficientanalysis was conducted to examine the relationship between IT employee's willingness to continue their tenure with their organization and various leadership aspects of line manager(s).

From Table 1, with P-value of <0.001,willingness of employees to stay in their current organization has a strong relationship with the leadership aspects of their line manager(s)- ability to motivate, ability to provide constructive feedback, ability to recognize, award/reward, ability to support cross-skilling, ability to perform fair performance appraisal, ability to provide opportunity to work on new project assignments, ability to utilize the skills and competency of the employees, ability to provide opportunity to learn and up skill, ability to make employee feeling valued.

The correlation analysis between ability to motivate and willingness of employee to stay in the organization are significant, r=.303, p<0.001. This concludes that as the employee(s) get motivated by the leader, their intention to continue their tenure with their current organization improves.

The correlation analysis between ability to make employee feeling valued and willingness of employee to stay in the organization are significant, r=.354, p<0.001. This concludes that as the employee(s) get the feeling that they are valued and their efforts are counted by their manager, their interest to continue their tenure with their current organization improves.

The correlation analysis between ability to provide constructive feedback and willingness of employee to stay in the organization are significant, r=.347, p<0.001. This concludes that regular constructive feedback from the line manager has a strong impact on the employee(s) decision to stay with their current organization for a longer period.

The correlation analysis between ability to award/reward, recognize and willingness of employee to stay in the organization are significant, r=.235, p<0.001. This concludes that effective award/reward and recognition from their line influences the willingness of employee(s) to stay with their current organization.

The correlation analysis between ability to perform fair performance appraisal and willingness of employee to stay in the organization are significant, r=.353, p<0.001. These further states that as the leader ensure that there is a fair and unbiased performance appraisal process followed within the team, the employee's willingness to continue their tenure in that organization also improves as they get motivated.

The correlation analysis between ability of the line to support cross-skilling and willingness of employee to stay in the organization are significant, r=.391, p<0.001. This concludes that more the line managersupports and enables their employees with cross-skilling themselves, more the employees stay in their organization.

The correlation analysis between ability of the manager to utilize skills, competencies of employees and willingness of employee to stay in the organization are significant, r=.372, p<0.001. This concludes that when line managers enable their employee(s) to ably use their skills and competencies in productivity, the employeesstay longer with their organization.

The correlation analysis between ability to provide opportunity to work on different assignments and willingness of employee to stay in the organization are significant,r=.356, p<0.001. This concludes that assigning their employee(s) with various challenging project assignments has a strong impact on the employee's decision to stay with their current organization for a longer period.

The correlation analysis between ability to provide opportunity to

learn, up skill and willingness of employee to stay in the organization are significant, r=.328, p<0.001. This concludes that as the employee(s) get opportunities to learn and up skill themselves, their interest to continue their tenure with their current organization improves.

7. FINDINGS

A strong and positive relationship does exist between various leadership aspects of line managers (ability to motivate, ability to provide constructive feedback, ability to recognize, award/reward, ability to support cross-skilling, ability to perform fair performance appraisal, ability to provide opportunity to work on new project assignments, ability to utilize the skills and competency of the employees, ability to provide opportunity to learn and up skill, ability to make employee feeling valued) and the willingness of their employees to continue their tenure with their organization. This means that by improving these leadership aspects, the line manager gets to increase the willingness of their employees to be retained.

There also exists a strong and positive relationship between different leadership aspects within themselves, suggesting that when one leadership aspect is improved, this helps in improving another leadership aspect as well, they co-exist.

8. CONCLUSION

It is evident from this study that various leadership aspects of a line manager have a strong and positive relationship with the willingness of their employees to continue stay in their organization. Also, different leadership aspects are inter-related meaning when one of them exist, the other exists as well and by improving one aspect, another aspect can be improved.

More likable the leadership aspects of the line manager(s) are, the more the employee(s) like their line manager and more willing they are to be retained in the organization.

As the line manager(s) start to give importance to the leadership aspects and improves the areas where they lack, the more they get to know their employees and more opportunity that they can retain them.

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