



## Association of Employees Personal Demographic Variables with Respect to Intention to Stay in Information Technology Companies

### KEYWORDS

Age, Gender, Education, Marital status, NASSCOM, intention to stay.

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### ABSTRACT

A contraction of the economy and decline in revenues affect the profitability and expansion of businesses. Without profits and expansion there will be limited employment and thus organizations are forced to downsize their employees to survive. Unlike in the United States and Europe, the statistics on job losses resulting from the economic crisis in India are not known. But companies in India, during recession, have either frozen recruitment or laid off some of their less talented employees. The article primarily investigates the association between employees personal demographic variables such as Age, Gender, Education and Marital status affect their plans to stay with the organisation in information technology companies in Chennai city. Chi-square test was applied to analyse the association between variables collected based on survey among 552 employees from five information technology companies ranked by NASSCOM. Educational qualification of employees showed a significant association with respect to plans to stay with the organisation.

### INTRODUCTION

In today's competitive business climate, where business decisions are taken not out of gut-feel but are taken based on analysis of data related to consumer behavior, market potential, competition mapping etc., Results cannot be achieved only through mindless hard work. In the knowledge-era, we are in; success of an organization is largely determined by the technological skill, domain knowledge and problem-solving abilities of its employees. IT industry in India are in particular defenseless because graduates of India's elite educational institutes often seek employment overseas, such as in the United States, the United Kingdom and Australia where salaries are much higher (Radhakrishnan, 2007).

Organizations have understood that it makes good economic sense to conduct programs to enhance worker's job satisfaction and provide an environment conducive for retaining the talent rather than making investments for replacing valuable talent. Successful business owners seek the best talent to fill positions in their company. In favorable economic climates, retaining the best workers helps the organization make better profits. Monitoring employee retention rates helps the organization to know when and how to take steps to keep talented employees happy and motivated.

### LITERATURE REVIEW

Van Knippenberg (2000) determined that employees become more loyal and remain in the organization when they are able to identify themselves within a group in the organization and contribute to the performance as a group. The goal becomes a team performance and individuals perform better as part of the group. When one associates oneself with the group and task at large, he or she can be expected to perform better.

Phillips and Connell (2003) segmented the job factors related to employee turnover into the following categories: job satisfaction, organizational commitment, job fitment, job alternatives and job search behaviour. The relationships between each of these factors are directly linked to voluntary employee turnover, all though this relationship does not apply to all organizational contexts.

Freyermuth (2007) recommended that organizations must groom leaders to support employees and to create a conducive work environment where employees want to stay. Providing ample opportunities to test their abilities and to showcase their skills can enhance employees' capability and make them stay in the organization.

Hausknecht et al. (2009) agree with other researchers about the recommendation that organizational commitment, organizational justice, flexible work arrangements, organizational reputation and location are some of the potential factors that influence the employees' decision to stay.

Ramlall (2003) people would be eager to work and stay in those organizations that provide positive work environment where employees feel valued and wanting to make a difference. Proficient employees of such organizations will always be at the forefront of pushing the organization forward.

### METHODOLOGY

The main objective of the study is to investigate how employee's personal demographic variables such as Age, Gender, Education and Marital status affect their plans to stay with the organisation in information technology companies in India. In order to meet the objectives of the study, five Information companies classified by the National Association of Software and Services Companies (NASSCOM) based on the revenue, were selected. The respondents for the survey were software development executives working in IT organizations in Chennai city. Sample size was fixed as 552 employees. The feedback was collected with help of a structured questionnaire.

### ANALYSIS AND FINDINGS

#### 1. Association between plans for staying with the organization and gender

Null hypothesis  $H_0$ : Plans for staying with the same organization does not depend on gender.

**Table 1: Association between plans for staying with the same organization and gender**

Yes No		Plans for staying with the same organization		Total	Chi-square value
Gender	Male	N	223	148	0.160 (p = .689)
		%	40.4%	26.8%	
	Female	N	112	69	181
		%	20.3%	12.5%	32.8%
Total		N	335	217	552
		%	60.7%	39.3%	100.0%

Source: Primary Data

From the table 1, it is observed that there is no significant association between plans for staying with the same organization and gender. Chi- square value (0.160) shows that the null hypothesis is accepted at 5% level. It is found from the analysis that plans for staying with the same organization does not depend on gender.

**2. Association between plans for staying with the same organization and age**

Null hypothesis  $H_0$ : Plans for staying with the same organization does not depend on age.

**Table 2: Association between plans for staying with the same organization and age**

Yes No		Plans for staying with the same organization		Total	Chi-square value		
Age	Below 25 years	N	76	42	118	0.909 (p = .823)	
		%	13.8%	7.6%			21.4%
	25-35 years	N	103	71			174
		%	18.7%	12.9%			31.5%
	36-45 years	N	89	60			149
		%	16.1%	10.9%			27.0%
Above 46 years	N	67	44	111			
	%	12.1%	8.0%	20.1%			
Total		N	335	217	552		
		%	60.7%	39.3%	100.0%		

Source: Primary Data

From the table 2, it is observed that there is no significant association between plans for staying with the same organization and age. Chi- square value (0.909) shows that the null hypothesis is accepted at 5% level. It is found from the analysis that plans for staying with the same organization does not depend on age.

**3. Association between plans for staying with the same organization and education.**

Null hypothesis  $H_0$ : Plans for staying with the same organization does not depend on education.

**Table 3: Association between plans for staying with the same organization and Education**

Yes No		Plans for staying with the same organization		Total	Chi-square value		
Educational qualification	Under Graduate	N	158	114	272	6.024* (p = .049)	
		%	28.6%	20.7%			49.3%
	Post Graduate	N	139	69			208
		%	25.2%	12.5%			37.7%
	Ph.D	N	38	34			72
		%	6.9%	6.2%			13.0%
Total		N	335	217	552		
		%	60.7%	39.3%	100.0%		

\* Significant at 5% level

Source: Primary Data

From the table 3, it is observed that there is significant association between plans for staying with the same organization and education. Chi- square value (6.024) shows that the null hypothesis is rejected at 5% level. It is found from the analysis that plans for staying with the same organization depends on education. From the table 3 it is evident that most of the under graduates (28.6%) have plans to stay in the same organization.

**4. Association between plans for staying with the same organization and marital status.**

Null hypothesis  $H_0$ : Plans for staying with the same organization does not depend on marital status.

**Table 4 Association between plans for staying with the same organization and Marital status**

Yes No		Plans for staying with this organization		Total	Chi-square value				
Marital status	Married	N	154	96	250	0.159 (p = .690)			
		%	27.9%	17.4%			45.3%		
	Single	N	181	121			302		
		%	32.8%	21.9%			54.7%		
	Total		N	335			217	552	
			%	60.7%			39.3%	100.0%	

Source: Primary Data

From the table 4 it is observed that there is no significant association between plans for staying with the same organization and marital status. Chi- square value (0.159) shows that the null hypothesis is accepted at 5% level. It is found from the analysis that plans for staying with the same organization does not depend on marital status.

**DISCUSSION AND CONCLUSION**

The study revealed a significant association between plans for staying with the same organization and education is observed. Plans for staying with the same organization depend on education. Most of the under graduates (28.6%) have plans to stay in the same organization. The following initiatives may not fetch immediate results, but can go a long way in helping the organization attract the more potential candidates form domestic and foreign soil and set a platform to hire the worldwide talent pool.

Organizations are keen to develop a brand campaign that should create sustainable recall values at least for two years. This can be achieved through the following efforts such as:

- Engaging with local governments and universities to advance education and computer literacy.
- Conducting global internship programs to appeal to the top talents from universities across the world.
- Capitalizing on established brand reputation through regular news releases and media campaigns at key recruitment locations / cities.

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