



## EXPLORING EMPLOYEE RETENTION STRATEGIES IN IT COMPANIES: INSIGHTS FROM EMPLOYEE'S PERSPECTIVES

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**ABSTRACT** Employee retention remains a critical concern for IT companies seeking to maintain productivity and innovation in a competitive industry. This study investigates effective retention strategies from the perspectives of IT professionals. Drawing upon interviews and surveys, the research examines key factors influencing employee retention, including competitive compensation packages, career growth opportunities, work-life balance initiatives, recognition and appreciation programs, organizational culture, meaningful work, employee well-being, and leadership effectiveness. The findings underscore the importance of aligning company practices with employee preferences and values to foster a supportive and engaging work environment. By understanding and addressing the needs and aspirations of IT professionals, organizations can develop tailored retention strategies that promote job satisfaction, enhance employee engagement, and mitigate turnover rates. The insights gleaned from this study contribute to the ongoing dialogue on effective talent management practices in the IT sector

**KEYWORDS** : Employee Retention, IT professionals, Employee well-being.

### INTRODUCTION

Employee retention in IT companies is a critical concern, especially in the current dynamic professional landscape. Factors such as a positive work environment, fair compensation, job security, opportunities for professional growth, and resilience against disruptive changes are key to retaining employees. Employee retention in IT companies is a pressing issue, with the pace of employee turnover forecast to be 50–75% higher than before. It is essential for organizations to focus on retention strategies to retain talent in the dynamic professional landscape. Factors such as a positive work environment, fair compensation, and opportunities for growth are crucial for employee retention. Some companies have excelled in employee retention due to their flexibility, compassion, and unwavering support. Creating a culture that fosters trust and loyalty is also essential for retaining talent. As the professional landscape evolves, employees have more bargaining power than ever, and remote work has expanded the search area for talent. In this context, it is imperative for IT companies to explore and implement effective employee retention strategies to retain top talent and achieve long-term success. Effective employee retention not only saves organizations from productivity losses but also leads to more engaged workers and significant returns across critical areas

### Objectives of the Study:

- Factors influencing employee retention strategies in IT sector.
- To examine the impact of employee retention strategies on an employee's individual perspectives.

### Research Methodology

The general approach or method a researcher employs to combine various research components logically and cogently regarding the IT retention strategies with an insight of employee perspectives towards it. Studying employee retention in IT companies, researchers could divide the population into subgroups based on factors such as: Age, Gender, Education, level Years of experience, Designation, Level of Income and other various attributes. On the basis of IT companies in Coimbatore (Out of 128 companies, 4 companies were selected based upon the top level performances enacted by the companies and these listed in the market with good capital performance).

### Type of Research

- **Study Design:** descriptive design
- **Sampling Area:** Coimbatore district
- **Study Area:** Coimbatore
- **Sample Size:** 130

### Chapter II

#### Review Of Litreature

1. J. Vijayakumar, (November 2012)

This study delves into Employee Retention in the IT sector in Bangalore, aiming to assist organizations in retaining their talented workforce and implementing HR strategies for enhanced job satisfaction. It explores the correlation between job satisfaction and employee retention while identifying strategies employed by the IT industry to alleviate work monotony for executive positions. Although general conclusions may seem similar across organizations, the specific composition and prioritization of retention key drivers are unique to each company. Moreover, the interpretation of certain drivers and the corresponding actions may vary from one organization to another.

2. Ibrahim Abdulai Sawaneh, Fatmata Kanko Kamara, (July 2019)

The research focused on analyzing factors impacting employee retention in tertiary educational institutions in Sierra Leone. Effective retention policies are vital for organizational success, as many consider keeping talented employees as a fundamental way to reduce costs and achieve organizational goals. Retaining highly skilled employees leads to increased engagement and a deep understanding of the organization's policies and operations. The study is descriptive, relying solely on secondary data and the author's extensive experience with educational institutions in the country. The primary aim is to uncover strategies for a comprehensive understanding of organizational needs, anticipation, and diverse key approaches to address significant issues related to employee retention.

3. Morteza Ghobakhloo, Tang Sai Hong, (2012)

Studying Information Technology (IT) adoption is crucial across various domains, notably in small and medium-sized enterprises (SMEs). SMEs, driven by the manifold benefits of IT, are actively embracing IT applications to enhance their business operations. The adoption process in SMEs differs from larger organizations due to distinct characteristics, particularly resource constraints. This research aims to enhance comprehension of IT adoption in SMEs by thoroughly reviewing and analyzing existing IT literature. Previous studies have sought to uncover pitfalls and challenges associated with IT adoption in SMEs, categorizing influencing factors into internal (such as top management, firm resources, end users, and organizational characteristics) and external (including IT product characteristics, external and competitive pressure, external consultants and vendors, and governmental factors).

4. S Mano, Renee Namratha, AJM Journal

This study delves into the realm of employee retention strategies within the IT industry, focusing on Bengaluru City, to assess their impact on organizational effectiveness. The research findings highlight the importance of fostering a learning culture, engaging leadership, promoting career advancements, conducting employee engagement initiatives, enhancing satisfaction levels, and

implementing work-life balance programs. Retaining employees proves challenging due to personal or professional reasons, necessitating effective retention philosophies to create an appealing workplace. Successful employee retention not only aids in achieving strategic goals but also potentially lowers the costs associated with turnover.

5. Dr. Anju Sig, Joyti Mor Journal of Management (IJM)  
Global companies face a significant challenge in dealing with employee turnover, particularly in the IT sector, where retaining key performers is crucial. Employees are considered valuable assets, and the concern is amplified by the higher likelihood of IT workers leaving their current roles. Employee retention becomes essential for organizations, aiming to create an environment conducive to long-term employee commitment. The study focuses on the methodology, emphasizing the combination of empirical and logical analysis to reveal truths and provide successful elucidation. Retention techniques are widely adopted, motivating employees to stay with the company by fostering a positive work environment. In the Delhi-NCR region, IT companies are actively implementing various tactics to retain their current staff.

**Chapter III**

**Analysis**

**Descriptive Statistics Analysis**

Basic	Valid	Frequency	Percent
Age	23-26	84	64.6%
	26-30	24	18.5%
	30-35	14	10.8%
	35 and above	8	6.2%
	Total	130	100
Work Experience In Current Organisation	2-5	89	68.5
	6-10	22	16.9
	10-15	15	11.5
	Above 15	4	3.1
	Total	130	100

**Intpretation**

It depicts the classification of the respondents based on their age. It has been inferred that 64.1% of the respondents are of age between 23-26, 18.3% of the respondents of the age between 26-30, 10.7% of the respondents are of the age 30-35 and the 6.1% of the respondents are of the age of 35 and above. Majority of the respondents are of the age between 23-26

It depicts that majority of the respondents are of the age between 23-26It has been inferred that 68.9% of the respondents are between the years of 2-5, 16.8% of the respondents are of the years between 6-10, 11.5% of the respondents are 10-15 and 3.1% are of above 15 years of experience. Majority of the respondents of work experience in current organization are 68.9%.

**Chi Square**

**Table Showing Association Between Level Of Income And Employee Retention**

LEVEL OF INCOME AND EMPLOYEE RETENTION			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	70.012a	39	.002
Likelihood Ratio	75.929	39	.000
Linear-by-Linear Association	2.665	1	.103
N of Valid Cases	130		

Source: Primary Data

**Hypothesis:**

H<sub>0</sub>: There is no significant association between Level of Income and Employee Retention

H<sub>1</sub>: There is significant association between Level of Income and Employee Retention

**Interpretation**

The Above Table shows the P Value (.002) is Lesser than the Alpha Value (0.050), so null hypothesis is rejected

It is interpreted there is a significant association exists between Level of Income and Employee Retention

**ANOVA**

**Table Showing Employee Satisfaction And Individual Perspectives**

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	58.992	26	2.269	12.295	.000
Within Groups	19.008	103	.185		
Total	78.000	129			

Source: Primary Data

**Hypothesis:**

H<sub>0</sub>: There is no difference between Employee Satisfaction and Individual perspectives.

H<sub>1</sub>: There is an difference between Employee Satisfaction and Individual perspectives.

**Interpretation**

The Above Table shows the P Value (.000) is less than the Alpha Value (0.050), so null hypothesis is rejected

It is interpreted there is significant association exists between Employee Satisfaction and Individual perspectives

**Findings**

**Descriptive Statistics Analysis:**

- The findings reveal a predominant age range among respondents, with the majority falling between 23 and 26 years old. This concentration suggests a significant representation of young adults in the sample population. Understanding the preferences, aimed at this demographic.
- The findings highlight a prevalent range of work experience among respondents within their current organization, with the majority reporting 2 to 5 years. This suggests a notable presence of mid-level professionals within the sample population. Understanding the dynamics and needs of this group could be pivotal for organizational development strategies.

**Chi-square.**

- The Chi-square analysis reveals a significant association between income level and employee satisfaction. This suggests that variations in income are linked to differences in satisfaction levels among employees.

**Anova**

- The ANOVA results indicate a statistically significant difference in employee satisfaction across various individual perspectives. This suggests that differing viewpoints among employees play a role in shaping their overall satisfaction within the organization.

**Suggestions**

- Consider emphasizing the importance of skills and contributions over age when promoting employee satisfaction. The level of employee satisfaction remains consistent across various age groups, underscoring the significance of organizational values and collective experience over individual age considerations.
- As salary has been speak of the industry retaining strategy here the Employees in IT companies prioritize retaining their positions based on the versatility of skills offered by the company rather than solely focusing on salary, highlighting the importance of skill diversity in this industry
- When evaluating individual performance, it's essential to consider the employee's perspective and provide special attention to gender associations, ensuring a fair and inclusive assessment process

**CONCLUSIONS**

This study delves into how employee satisfaction hinges on opportunities and the diversity of skills provided. It also highlights the equilibrium in retention rates concerning gender and individual viewpoints. In the IT sector, fair compensation and robust professional development opportunities are highly valued. The overarching goal of this research is to facilitate employee engagement with IT firms by promoting beneficial practices that foster stronger work ethics, stability, and alignment with individual perspectives. This aims to

cultivate a conducive environment for employee retention and overall satisfaction within the industry.

This underscores the need for IT companies to align their strategies with the needs and preferences of their workforce, ultimately fostering a more engaged and committed employee base

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