A STUDY ON EMPLOYEE RETENTION STRATEGIES IN IT SECTOR COMPANIES

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Abstract- Employee retention is growing widely in the companies. It's also a challenge for companies to retain their talented employees. Employees are assets to companies, so companies plan and implement strategies and various job satisfaction programs to hold down their attrition rate. Productivity and sustainability is also proportional to employee turnover. Thus, it is necessary to understand the factors controlling employee turnover in IT sector.

Keywords: Employee retention, Retention importance, Retention strategies

1. INTRODUCTION

Employee retention defined as an organization's ability to prevent their workforce to leave organization with voluntarily and involuntarily. The lost of their important talented workforce over a certain period of time is a significant issue for most organization. To keep the best employees in the organization is the primary goal of retention. It's a leading challenge among the organization and the HR managers. Individuals leaving jobs have different issues some are voluntary as to betterment of jobs or some involuntary as just getting laid off. An employee retention strategy focuses on the voluntary turnover. Some turnover is also avoidable as employee moving out of city, quit working, retirement age or health issues. The management should try best to retain their best effective contributors and who are really important to their system.

2. OBJECTIVES OF THE STUDY

- To understand the need and importance of employees retention.
- To know the present Retention strategies in IT companies.
- To examine and analyze available tools responsible for the retention of employees.
- To know the employees perspective towards attrition and retaining job.
- To provide suggestion and recommendation based on research.

3. NEED AND IMPORTANCE FOR EMPLOYEE RETENTION

I.   Existed experienced employees know better about organization working. Those who changes job frequently are hardly can contributes effectively.

II. Adjustment problems occur to the new employee who replaces the existing one. To know team members, building trust and be friendly with them is a challenge for the new one. Team works better members are compatible to each other.

III. Resigning from existing job and join competitor organization is possibly a transfer of strategies, policies and important data. Individual can take secrets and statistics from old to new .So, the strict policy should be made which prevents individual to join competitor. It can help to retain them.

IV. The longer employee stay in company they feel more loyal towards company.

V.   Those employees who have great potential and have different innovation ideas should be retain by the organization. They could be the true gems for the company.

VI. Hiring new employees is time consuming. Even New employee work capabilities or understanding for organization is uncertain.

VII. Organization spends much time & money on employee grooming, training and development. Sudden exit of that individual is a waste of time and money.

4. EMPLOYEES RETENTION STRATEGIES

4.1 EFFICIENT STRATEGY

- New Recruit- presenting new applicant to the actual working preview during recruitment has a positive effect on new hire retention.
- Social connectivity-Conducting assimilation program, exchanging of experiences, formal and informal activities helps new recruit to socialize and stick to job.
- Training and Development-When giving opportunities to update their skills employees are more likely to stay.
- Rewards and Compensation-Appreciation for their good work can be given in the form of payouts, holiday's package, bonuses etc. It keeps them happy and motivated.
- Engagement of Employees- Engaged employees are more likely satisfied and enjoy their work. Even less likely to leave job.
- Under Supervision-Every employee need a good supervisor and equal fairer treatment from their supervisor.

4.2 DIVERSIFIED STRATEGY

- Research on Current Retention- Searching analyzing the need in subsystem or departments.
- Knowledge of Competitors strategy-Finding other competitor's strategy is effective or not effective.
- Benchmarking the Reports- This provides comparison views of pay other competitors pay benefits etc.

4.3 RETENSION EXECUTION MANAGEMENT-

Managers plays vital roles in retention. Having a good knowledge of employee retention, motivation and effectiveness is a key to success.

- Determine-Both internal and external assessment of turnover.
- Establish- Creating a plan to improve retention process.
- Implement- Execute strategies that is necessary for the specific problem.
- Evaluate- Evaluate the results to access the impact of implemented strategies.

4.4. AIMMING BASED STRATEGY-

Determine the highly linked and relatively issue and find a suitable solution for the significant issue. Employee focus groups and interviews are most helping tool.

4.5 BENCHMARKING-

Through internal benchmarking company can review turnover rate. External benchmarking data helps in compares turnover data to competitors and other industries.

4.6 INTERNAL ISSUES-

Some small issues between company and employees.

- Without having a proper knowledge of organization goal or how they are strategic contributing to business employees find it burdening or heavy jobs.
- Top management and managers unsure about employee's true value.
- Disputes between employees over work contribution.

4.7 COST AND RETURN INVESTMENT

Estimate the review of cost occurred in training, promotion, and transfer, absentee and discrimination complaint etc.

4.8 EMPLOYEE AUDITING AND EVALUATING

Programs that are made to retain employees need to evaluate in frequent times. Working of right program at the right time is necessary. Evaluate the program if is it effective or need improvements. e.g. stay interview and exit interviews.

4.9 OVERSEAS JOB RETENTION

In the era of globalized economy retention of good employee is a major problem. Retaining employee in some part of world is difficult. Employee Expectation for pay, feeling of isolation, work assignment, disconnection from home and different culture is often, employer needs to give support and timely checkups on employee. Sort of small training or briefing on how to live in their homeland again. This would help them in job consistency.

5. RESEARCH METHODOLOGY: Primary and Secondary data has been taken for research. Collection data period is year 2021-2022. For primary research structured 130 questionnaires was distributed.

Primary Data-Primary data is collected from IT sector companies in Delhi region through questionnaire by online and offline form.

Secondary Data: Collected from newspaper, websites and research papers.

6. DATA RESULTS

The questionnaire respondents are Mid-level employees. Mid-level employees stay or exit is more dependent on company's policies and benefits. Results have been taken from 100 respondents.

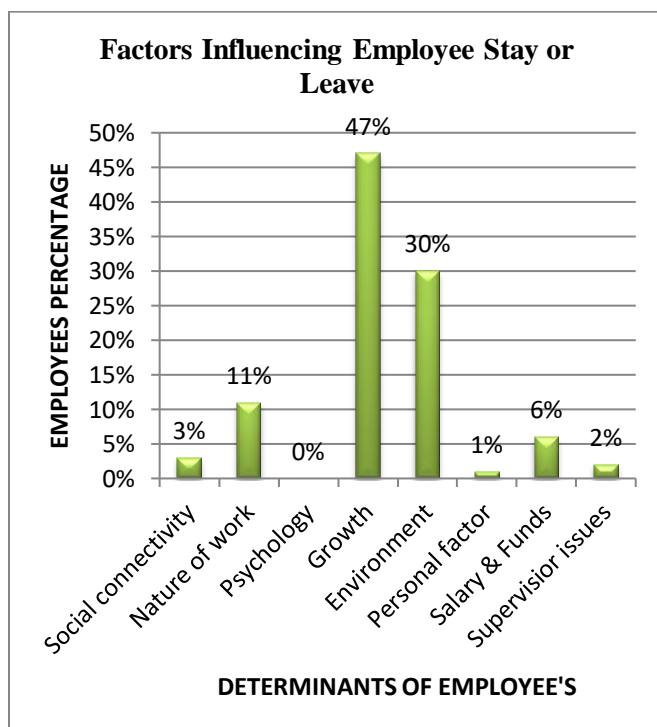Most important results are briefing as below, showing by Bar Graph: Figure.1.

Figure. 1. Factors influencing employee stay or leave

Attrition rate in IT companies

According to newspaper reports attrition rates are highest in 20 years in year 2021.It is 21% in 2021 as compared to 12.9% in 2020.Employees have been changing their jobs for better ones.

Business line reports that, IT companies in India have hired about 3,50,000 employees in first three quarters of 2021.Among these Tata Consultancy Services has hired maximum people. Whereas, now Infosys, Cognizant, Wipro, HCL, Capgemini are now focusing on hiring more fresher's.

According to Aon reports, the attrition numbers are expected to remain high due to unmatched demand and supply of human resources. It is also expecting that salary hikes will likely be 9% highest in last 5 years.

7. SUGGESTION AND RECOMMENDATION

I. Identifying the training need and give proper opportunity to deserving one. As per the result shows most employees prioritize Growth in their career. Growth in job is important aspect as it's also a substantial to promotions and appraisals.

II. HR professionals and employer should motivate, appreciate and recognize work of their employees.

III. Hiring a qualified, skilled and experienced employee which matches the organization requirement.

IV. Stress management, fun activities, welfare and festive celebrations can be organized to develop a sense of involvement towards companies.

V. Work life balance plays important part in retention because it brings peace to employee. Work from home and crench facility is also helpful for women employees.

VI. An equal opportunity and fair credit given to employees is must. It develops a trust, responsibility and loyalty towards company.

VII. Exit and post stays interviews can be helpful in determine the facts of employee leaving jobs. So according to that Retention strategy can be chosen and make certain changes.

8. CONCLUSION-Managing retention effectively in any organization isn't easy task. Extensive analysis and follow correct strategy is necessary. Any strategy without align HR practices would be ineffective. (i.e. training ,development, appraisal, and compensation) Companies are also applying several tactics to retain their staff. Talented and committed employees are rare assets to companies.

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