

EMPLOYEE RETENTION STRATEGY IN PRIVATE SECTOR

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Abstract

Employee retention is a process in which employees are encouraged to stay with the organization for a longer period of time or until the project is completed. Staff retention is beneficial to the organization and the employee. Workers today are different. They are the one who do not have good opportunities in hand. As soon as they feel dissatisfied with their current employer or employee, they switch to another job. It is the employer's job to keep the best employees. If they do not, they will be left without proper staffing.

A good employer needs to know how to attract and retain employees. Many employees feel that they are worth more than they are paid. There is a natural difference between what people think they should be paid and what organizations use to compensate. If the difference is too great and another opportunity arises, there may be some benefit. Remuneration is defined as the salary, salary, or compensation that an employee receives to trade for services rendered by an employee. Payment is more than "dollars and cents;" it also respects the value and significance of human contribution. What people are paid for has been shown to have a clear, reliable effect on profits in many studies.

Employees include the company's most valuable assets. In a work environment where employees are unable to use their full potential and are not heard and appreciated, they may leave because of stress and frustration. In a transparent environment while employees experience a sense of accomplishment and being

part of a healthy workplace, the company gains power, strong, reliable employees with bright new ideas for its online blog growth and earn money.

Key words: Employee Retention, Remuneration, Compensation, Employee experience

Introduction

In India IT companies are focused on specific areas such as Bangalore, Chennai, Delhi, Pune, Gurugram, etc. The organization competes in terms of employee-friendly policies and procedures aimed at attracting and retaining potential employees as there is a serious shortage. skilled IT professionals, due to the above situation we are in dire need of employees who leave the organization in a state of disarray and join competing companies. This is the most expensive issue for the organization. This challenged the HR's specialist in the organization to devise a more effective final strategy to address the situation.

While developing the latest IT industry, IT department staff and HR managers are considered as independent and staff retention mechanisms (Compensation, Job Indicators, Job Transformation, Job Training and Development) Job Attitude (Dedication, Work Involvement and and job satisfaction) is considered an independent variable. List of Employee Retention Strategy and work ethic is used to compile a staff information form and other factors that contribute to the retention and outreach of the organization provided to employees and HR management. Collected data, completed in all respects, is processed according to a given order.

Employee Retention Strategy

Employee Retention strategy is a process where employees are encouraged to remain with the organization for a maximum period of time . Employees today are different. They are not the one who doesn't have good opportunity. As soon as they feel dissatisfied with their current job, they switch to the next job. It is the responsibility of the employer to retain its best employees. A good employer should know how to retain employees in the organization. Employee Retention refers to different policies and practices which make employees stick to the organization for a longer period of time. Every organization invests time and money to groom new joiner, make him a corporate ready material and bring him at par with the existing employees.

Retention involves five major things:

- Compensation
- Environment
- Growth
- Relationship
- Support

Employee Retention strategy helps organization to provide effective employee to communicate commitment and enhance the workforce. An effective employee retention strategy is a systematic effort by the employer to create environment that encourage employees to remain in the organization

Objective of the study

For this proposed study on Employee Retention Strategy the following objective were formulated:

- To study the perception of the employees and management about factors influencing to retain employees in Private Sector.
- To study the perception of employees and management about factors influencing to leave employees in Private Sector.
- To investigate the relationship between Employee Retention Strategy and Job Commitment of Private Sector.

Review literature

Studies on Retention Strategies of Private Sector

Akila R (2012) examined the opinion of executives on employee retention attributes at BGR Energy a sample of 109 respondents from executives' cadre. The analysis revealed that the Employees have given highest weighting to comfortableness in working hours and are not satisfied with annual increments provided. Gender had significant relationship with work life balance. Correlation between job satisfaction and working condition led to employee retention. The factor had a greater influence on employees retention were career opportunities, work life balance. Ranjitham D (2013) examined employee retention strategies followed in the BPO industry and the role of HR practices in the fulfillment of job satisfaction amongst the employees of the industry. Researcher found that, organization adopted 25 Career advancement opportunities, Challenging work, Salary, Employee benefits, Motivation etc. The company followed effective retention practices, so the turnover was very less in the organization.

Smit, W A (2014) studied the possible relationships between multigenerations' Total Reward components, Perceived Organizational Support (POS), and Perceived Supervisor Support (PSS). The results showed that performance management and remuneration were considered to be the most important retention factors among multi-generation groups. Differences between total reward preferences and demographical variables which included age, gender, race, industry and job level, were found. The findings of the study indicated a strong practically significant positive correlation

between Total Reward components and POS. A strong practical significant positive relationship was found between Total Reward and PSS. The study confirmed a strong practically significant positive correlation between POS and PSS in this study.

Deery M & Jago L (2015) examined the themes of talent management, work life balance (WLB) and retention strategies in the hospitality industry. WLB seemed as important subjects of employee management and retention. The link between employee attitudes, such as job satisfaction and organizational commitment, personal 26 dimensions, such as stress and alcohol abuse, and WLB had become closer and intertwined.

Studies on Retention Strategies of IT Sector

Employee retention is a continuous and planned effort by organizations to keep their knowledgeable, skilled and competent employees (Shakeel & but, 2015) [30] . Employees are considered to be an essential part of organizations because of the services they offer, therefore when the employee stay longer in the organization without changing quickly, it becomes beneficial to the organization. Furthermore, employee retention is important as organizational issues like the time taken in training and investment, lost knowledge, insecure employees and a pricey candidate search are involved. Hence, when organization fail to retain their key employee's it becomes a costly proposition for them (Sahni & Mishra, 2018) [27] . Therefore, it is important for organizations to retain their employees and this requires them to know how to retain them.

. (Shukla, 2014) [31] . The factors that directly affect employee decision to remain in the organization are career opportunities, work environment, reward, growth and development and work life balance (Hassan et al, 2013) [15] . Furthermore, organizations has to take into consideration factors like compensation and rewards, job security, training and developments, supervisor support culture, work environment and organization justice etc. (Deshwal, 2015) [10].

Research Gap

The retention of employees in private sector enterprises, more particularly IT companies' employees of small, medium and large companies in Bengaluru city has not been fully addressed. Many questions relating to IT sector employer about 42 retention have not been reported yet. Therefore, this study aims to understand the factors influencing Retention Strategy and Job Attitude (Job Commitment, Job Involvement and Job Satisfaction) among small, medium and large private IT sectors' employees in Bengaluru city. The study aims at providing relevant information required by Management to devise retention strategy specific to IT Sector among all the three levels of IT sectors.

Research question

- What are the factors affecting employees' retention at Private Sector
- Does retention have effects towards employee at Private Sector
- What are the challenges facing employees' retention efforts at Private Sector

Hypothesis

The following are the hypothesis formulate and tested in this study:

Ha1: There is a difference between perceptions of employees having various factors which influence the retention of employees.

Ha2: There is a difference between perspectives of employees on various factors which influence them to leave the organization.

Ha3: There is a significant difference between Employee Retention Strategy and Job Commitment, Job Involvement, Job Satisfaction of Private Sector Enterprise.

Ha4: Factors such as age, gender, education, length of service, experience, financial commitment, etc significantly influence to Retention Strategy

Scope of the Study

The present study is confined to employee retention strategy in private sector, which is sub-divided in manufacturing and service sector. In Delhi no of private Sector enterprise active are 1,072,257. According to the report of Aon, the attrition rate have touched 21% in 2021 and 12.8% in 2020. Many IT firms in India have reported high attrition rate for the past few quarters, for example, in the third quarter FY22, Infosys reported an attrition rate of 22.5%, while Wipro reported 22.7%. During this same period, similarly attrition rate of TCS was 15.3 % and Mindtree reported 21.9%.

A higher attrition rate indicates that employees are leaving the organization frequently. The attrition rate is calculated by dividing total number of employees leaving the organization by average number of employees present throughout the year.

The study published by Amazon on the impact of COVID-19 on jobs and future career plans among Indians, among them 51% of Indians are interested in pursuing career in domains that they don't have any experience. At the same time 55% of Indian professionals claim for job compensation to be a declining factor.

Types of environment the employee needs in the Organization

- Learning Environment: It includes continuous learning and improvement of the individual, certificates and other provision for higher studies.
- Support Environment: Organization can provide support in the form of work-life balance which includes:
 - ✓ Flexible hours
 - ✓ Dependent care
 - ✓ Alternate work schedules
 - ✓ Vacations
 - ✓ Wellness

Research Methodology

Research Design

In this the research design is based on Descriptive research and involved in administrative questionnaire as a tool for research work. While developing, research design the private sector, IT sectors employees and HR managers are taken as an independent variable and Employee Retention Strategy, Job Commitment and Job Involvement as a dependent variable. The purpose of this study is to explore the factors affecting employee retention strategy and its effectiveness in IT companies.

To achieve the objective I have tried to collect the data based on the study and gone through some of the details related to this research and recent data could help to know more about the what strategies we can put to reduce the attrition rate. Considering these statements to get the data, (i) organization effort to increase retention employees, (ii) what factors generally prompt an employee to seek an alternative employment and (iii) employees reason to quit an organization with dichotomous and categorical scales?

Status of Talent Retainment in TCS: - Tata Consultancy Ltd all time saw high net addition of 35,209 employees quarterly and its annual highest of 1, 03,546. Total could be 5, 92,195 in the FY22, previously in FY21 the total headcount was 4,88,649.

Comparing it with other software company like Infosys regarding Talent Retainment

Headcount In Last 5 Years

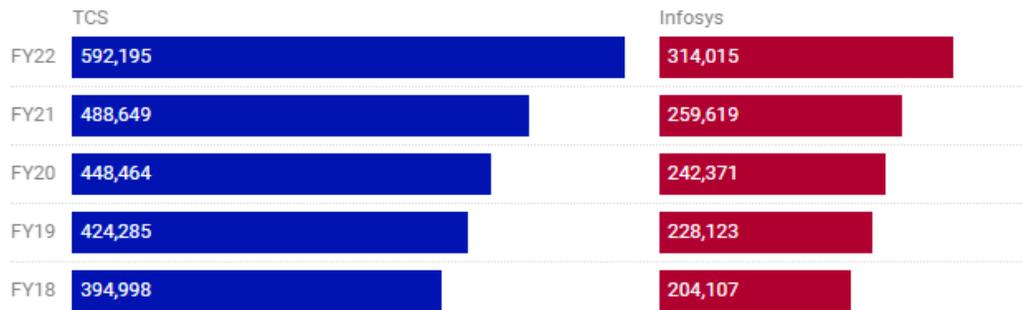


Fig 1

Learning and Development

Company is focusing on Human Development, from gender diversity to occupational safety, TCS’ HR strategy cover all aspects of employee well being. TCS has been leveraging digital technologies extensively to reimagining its talent acquisition, development and engagement functions.

A portfolio of cutting-edge business management courses that help organization to be better assured for future growth. They are designed with :

- Experts’ leadership and direction
- Professional standards
- Leading practices
- Latest business theories, tools and techniques that can be applied to high level corporate challenges.
- Specific customization to meet specific organizational needs
- Real-to-life case studies.

Data Collection

Employees of IT industries were send the questionnaire containing 18 questions related to the factors of job satisfaction including both multiple choices and rating questions (Refer Appendix 1 for full questionnaire). The Indian employees of different IT companies were the target population for this project. The online Google form shared through email or other sources, and the employees are

requested to fill the form. The data was collected in Google form responses and then data was converted to an excel file.

Analysis of Job Satisfaction

To analyse the influencing factors of job satisfaction among different groups, for this we gathered the data of 21 respondents from different private sector companies. It determine whether the unknown means of two population are different from each other based on independent samples from each population.

According to the given questions which is asked in the Google form, responses got in terms of percentage like how long they have been working with the same organization

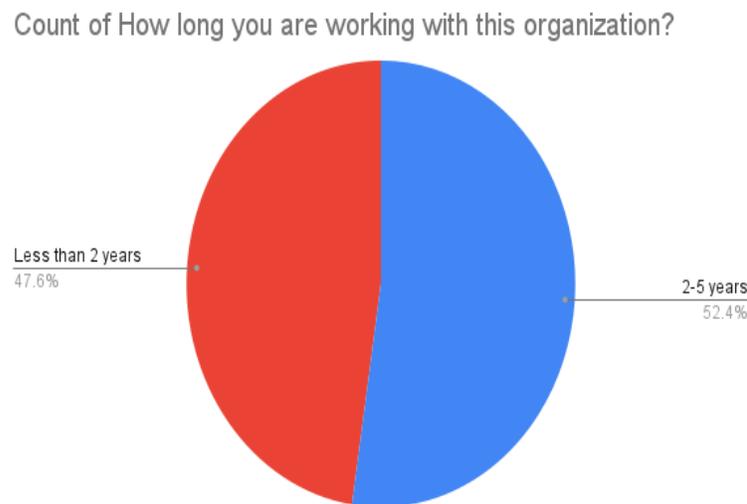


Fig 2

52.4% of respondents are working for more than 2-5 years as it is still working with the organization. Further moving to other factors that some have switched the company so, what would be the reason for shifting to this job?

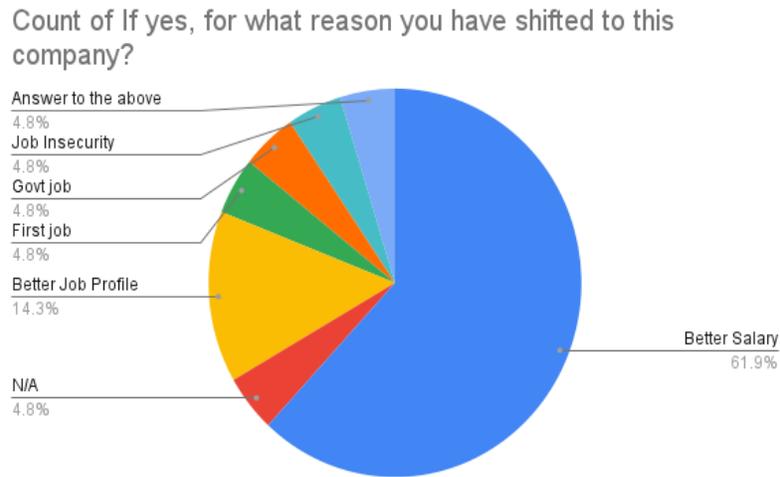


Fig 3

There are so many reasons for shifting to the job but 61.9% (13 respondents) have reason of better salary so that is the important factor for Job satisfaction.

Moving to the Appraisal part as it is important in any organization to motivate employees. In One question I have asked about how many appraisals have they received in your tenure in current organization.

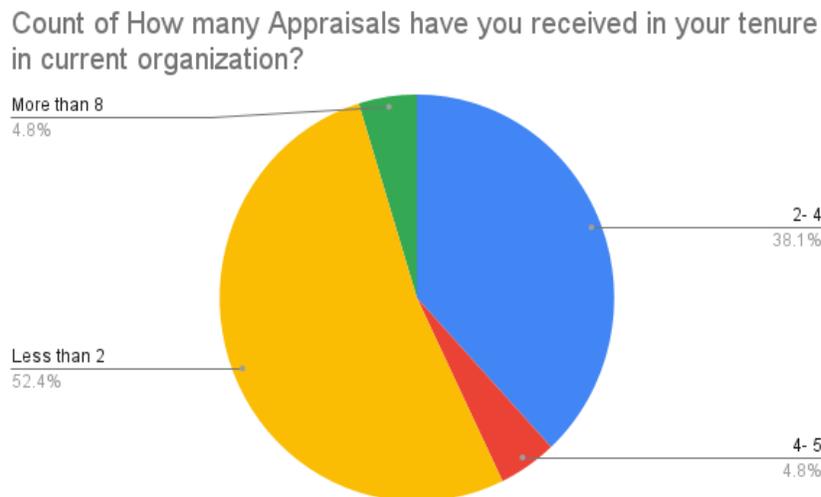


Fig 4

The count of appraisal are quite less but it depends on the tenure of working as well as the current level in the organization also maybe further they will get the appraisal.

Getting incentives or perks for achieving the assigned target is very important, according to the collected data only 61.9% (13 respondents) got the incentives rest didn't get as some have joined just now or haven't assigned the task yet so there are so many perspectives as well.

Do you feel that the incentives or perks received are comparable to effort you had put in to achieve the target?

From this data you can image sometimes we receive incentives sometime we not it differ organization wise as well. It is quite important to give incentives according to the effort we put to achieve the target.

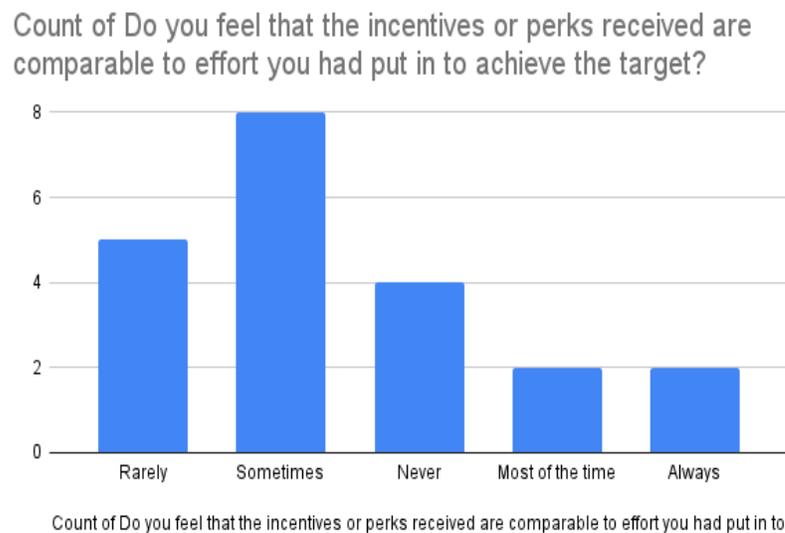


Fig 5

Company gives rewards in the form of mostly in the form of bonuses, gifts and salary raise. It depends on company to company how they provide rewards to their employees to motivate them, and try to satisfy them from their current working organization

Count of Your company provides rewards in form of:

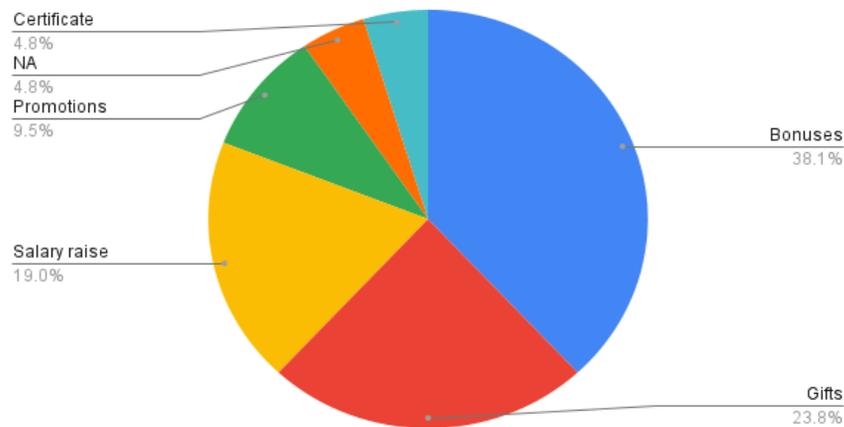


Fig 6

According to the data 76.2% (16 respondents) said that they get promoted through that ladder in due course of time. the factor which determine the salary and bonuses in the organization is performance (71.4%) and second the years of experience (19%). Employees performance is very important in any organization to retain them.

Suggestions

1. Many organizations have come to appreciate the value of human assets, but few have worked. This research helps organizations to try to avoid it plan the final strategies for separation, but make sure it forms a segment a general strategy to strengthen the pull of human talent, which includes additional strategic need, staffing and development.
2. Based on the findings obtained after a thorough and thorough analysis in Research, some of the impacts an organization can make on staff retention. Organizations can conduct “stay” and “opt-out” discussions to understand why 160 employees have chosen to leave the organization. This information will be helpful to understand the reasons why employees leave the organization. Based on this the organization can strengthen their staff retention strategies.
3. Organizations try and encourage and ask their managers to be more involved in it communication process. Managers have to spend a lot of time training staff, encourage good

performers to move to new positions at the top step up and encourage the underprivileged to work better.

4. Organizations can encourage employees to be part of the company's public obligation plans to feel not only do they work for the organization but they also do something good in the community.

Conclusion

Now days the major challenge faced by the employer is retaining the hired employees in the organization. In this age of competition every organization tries its level best to give best facilities to its employees. Satisfying the human source is one of the toughest tasks which majority of the organization faces today. There are so many opportunity available for skilled and talented human resources that is becoming very tough and difficult for employer to satisfy and retain them. There is no single strategy or retention plan which may satisfy each and every employee in the organization.

As we have different personalities so do we different demands and expectations of the organization. Many researchers have done so they found and concluded in their study that age, job satisfaction, residence, job image, are combined expectation, organizational commitment is continuously related to profitability goals and real benefits. Researchers clearly say people, who they are satisfied with their work, they often stay with them for a long time, i.e. low profit, and they become slightly absent. The researchers conducted a meta-analysis to find out the relationship between the work satisfaction and diminishing and they found a negative relationship between the two variables

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