A COMPARATIVE STUDY ON EMPLOYEE RETENTION STRATEGIES WITH SPECIAL REFERENCE TO IT EMPLOYEES.

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Abstract

Strategies on how to minimize employee attrition, confronted with problems of employee attrition, management has several policy options viz. changing (or improving existing) policies towards recruitment, selection, induction, training, job design and wage payment. Policy choice, however, must be appropriate for the precise diagnosis of the problem. Employee attrition attributable to poor selection procedures, for example, is unlikely to improve where the policy modification to focus exclusively on the induction process. Equally, employee attrition attributable to wage rates, which produce earnings that are not competitive with other firms in the local labor market is unlikely to decrease where the policy adjustment merely to enhance the organization's provision of on-the job training opportunities, Global market economy has given rise to global organizations and thus a global workforce. Every company is faced with a greater challenge of developing its human resources for competitiveness sustainability. The dimension of human resource development has several variables of multiple natures and is interconnected with various approaches. Most of the studies on Human Resource Development have considered sub-systems of Human Resource Development as the dimensions of human resource development like performance appraisal, potential appraisal, career planning, training & development coaching, employee welfare etc. Employee population components also influence human capital of an organization and employee turnover intentions. Dimensions of human resource development can be both quantitative and qualitative. This paper attempts to focus on quantitative aspects of Human Resource Development and its relationship with employee retention in IT sector in India with specific reference to Bangalore &Chennai

Keywords: Employee Attrition, Employee Retention, Strategies.

Introduction

The concept of human resources development can either be limited to a narrow focus on acquisition of skills and knowledge for employment purposes or cover a broader perspective of human development for the well-being of individuals and society at large (Rao, 1996). Human resources development in the latter sense incorporates all developmental aspects of human beings at every stage of life including occupation and industry development. The quantitative aspect of Human Resource Development is of interest in this paper. The quantitative aspects of Human Resource Development should be considered rather than implicitly assuming employees are a homogenous group with similar attributes and beliefs. The analysis of general quantitative characteristics of employees such as location, density, age, gender, social groups, income and economic level, etc. as well as the analysis of qualitative traits of population such as education, skills, knowledge and ability is fundamental to the comprehensive understanding of human resource development. However, the quantitative dimensions of Human Resource Development namely age, gender and work location are specifically examined in this research paper.

Review of Literature

Work-life balance is increasingly important for engagement and affects retention. Hyman et al., (2003) in their empirical research in the UK found that interventions of work demands into the personal life

(e.g. working during the weekend) resulted into heightened stress and emotional exhaustion among the employees. In a study conducted by the Australian Telework Advisory Committee (2006) it was found that 70% of businesses that incorporated telework options reported a number of positive benefits, such as increased business productivity and reduced costs, improved employee flexibility and work life balance, and increased workforce participation.

According to Miller, Erickson &Yust (2001) employees get benefited by work environment that provide a sense of belonging. Wells &Thelen (2002) have stated in their study that organizations which have generous human resource policies, have a very good chance to satisfy and retain employees by providing them an appropriate level of privacy and sound control on work environment which enhances the motivation levels to commit with the organization for the long term.

Ramlall (2003) stressed the need for recognizing the individual needs of an employee in an organization as it will encourage commitment and provide a suitable work environment. Messmer (2000) found that one of the important factors in employee retention is an investment in employee training and career development. The Organization is always invested in the form of training and development of those workers from whom they expect to return and give output on its investment.

Tomlinson (2002) forwarded the view that organizations can keep the leading edge in this competitive world by having their employees well trained in the latest technologies. Garg&Rastogi (2006), explained that in today's competitive environment feedback is very essential for organizations from employees and the more knowledge the employee learn, the more he or she will perform and meet the global challenges of the market place.

Handy (2008) has mentioned that proper innovation, and assimilation of new knowledge is essential for survival in any work environment. This knowledge is the most expensive asset of any firm. Leadership and Employee Retention.Eisenberger and associates (1990), suggested that employee's perception regarding an organization is strongly influenced by their relationship with the supervisor. McNeese-Smith (1995), mentioned in his study on Leadership behavior of hospital directors found that there is significantly positive relation between productivity, worker satisfaction and organizational commitment of staff.

Brunetto and Farr-Wharton (2002) were of the view that supervision of the immediate manager increases the level of job satisfaction in the public sector employees. Chung-Hsiung Fang, Sue-Ting Chang, Guan-Li Chen (2009) has found that leadership style can affect organizational commitment and work satisfaction positively and work satisfaction can affect organizational commitment and work performance positively.

Objectives
- To understand the various factors influencing the employee for retaining them.
- To suggest and recommend some measures to improve employee retention strategies
- To study the attrition factors of employee.
- To know the retention factors and strategies
- To study various approaches to Human Resource Development to attract employees.

Research Paper
Impact Factor: 6.089
Peer Reviewed Monthly Journal
www.ijmdrr.com

IJMDRR
E- ISSN –2395-1885
ISSN -2395-1877

Scope of the Study

This study may be helpful for the management to know their employees' mind set towards their job. The recommendation and suggestion of the study can also be applied to similar project. It will be helpful for the management to identify the needs of employees in order to retain them in the organization. This project can be used for the students who doing the project in the related area and to the organization to have best retention strategies.

Methodology

Research Methodology is a way to systematically solve the research problem. Research is an art of scientific investigation, Descriptive research design was used to analysis the problems, the data was collected through survey questionnaire by administering to IT employees in Bangalore and Chennai. Out of a sample of 500, 297 completed questionnaires were received having a response rate of 59.4%. Five retention variables namely, HR practices, Job satisfaction, Organizational commitment, Leadership and Intent to leave were measured on a five point likert scale.

Analysis &Interpretation

Demographic Profile

S.No	Gender	No .of Respondents	Percentage
1.	Male	202	68.
2.	Female	95	32.
Total		297	100

Table 1: Comparison by Location

Retention Factors	Location	Mean	Std Deviation	t value	p value
HR Practices	Bangalore	4.3235	0.63807	2.932	0.004
	Chennai	4.1183	0.32469		
Job satisfaction	Bangalore	4.3186	0.77615	2.066	0.04
	Chennai	4.129	0.62945		
Organizational Developments	Bangalore	3.8333	0.71691	4.004	0
	Chennai	3.4839	0.65297		
Management approach	Bangalore	4.1127	0.79533	2.713	0.007
	Chennai	3.828	0.92811		
Committed to leave	Bangalore	2.5931	0.56686	-2.074	0.039
	Chennai	2.7312	0.44575		

Significant 5% level of significance

The findings indicate that there exists a significant relationship between location and retention variables. The mean for Bangalore and Chennai are similar (X=4.32,X=4.11) and therefore suggest sound HR practices in both the locations. The means for JS (X=4.31,X=4.12)is also similar in both the locations suggesting that employees are satisfied with their jobs. There also exists a significant relationship between location and HR practices (t=2.93,p=.004) and similarly between JS(t=2.06,p=.040) and location. Likewise, the means for organizational commitment were also found to be significantly similar in both the locations.

Table 2: Comparisons by Gender

Retention Factors	Gender	N	Mean	Std Deviation	T-test	p value
HR Practices	Male	202	4.4752	0.50063	11.512	0
	Female	95	3.8	0.40212		
Job satisfaction	Male	202	4.4208	0.82629	5.799	0
	Female	95	3.9158	0.27918		
Organizational Developments	Male	202	3.9455	0.71376	8.721	0
	Female	95	3.2526	0.43683		
Management approach	Male	202	4.2921	0.73899	8.96	0
	Female	95	3.4526	0.78236		
Committed to leave	Male	202	2.4703	0.50036	-8.737	0
	Female	95	2.9895	0.42513		

Significant 2 tail test

There are significant differences between males and females in terms of HR practices (t=11.51,p=.000),Organizational Commitment (t=8.72,p=.000),Job Satisfaction (t=5.79,p=.000), Leadership (t=8.96,p=.000) and Intent to leave (t=-8.73,p=.000). There was a statistically significant difference found between various age groups as determined by one-way ANOVA for all the Retention variables.

Table 3: Comparisons by Age

Retention factors		Sum of Squares	df	Mean Square	F	Sig.
HR Practices	Between Groups	26.105	4	6.526	27.645	0
	Within Groups	68.932	292	0.236		
	Total	95.037	296			
Job satisfaction	Between Groups	26.836	4	6.709	14.598	0
	Within Groups	134.201	292	0.46		
	Total	161.037	296			
Organizational Developments	Between Groups	14.172	4	3.543	7.541	0
	Within Groups	137.188	292	0.47		
	Total	151.36	296			
Management approach	Between Groups	66.83	4	16.707	33.413	0
	Within Groups	146.006	292	0.5		

Research Paper
Impact Factor: 6.089
Peer Reviewed Monthly Journal
www.ijmdrr.com

IJMDRR
E- ISSN –2395-1885
ISSN -2395-1877

	Total	212.835	296			
Committed to leave	Between Groups	21.357	4	5.339	24.602	0
	Within Groups	63.37	292	0.217		
	Total	84.727	296			

Findings
- The studies have explores that turnover is associated with demographic and biographical characteristics of workers. The findings of this study indicate that location does have a significant relationship with respect to retention variables. Bangalore employees rated their organizations' leadership practices higher in comparison to Chennaiemployees.
- Intent to leave received a lower rating and was significantly different in both the locations. Chennai employees indicated a greater intent to leave their organizations than Bangalore.
- Data also indicates that gender has a significant relation with retention factors. Males have rated high for the retention variables than females indicating their satisfaction with retention factors considered in this study.
- However, in females, the intent to leave the organization is high in comparison to males. A large number of studies comparing the behaviour and attitudes of males and females report that gender differences do exist and that these experiences in turn shape an individual's attitudes and behaviour in the workplace.
- The findings also indicate that there is a statistically significant difference found between various age groups as determined by one-way ANOVA for all the Retention variables.
- Age is associated with attitudinal and behavioural.
- There is evidence that older people face greater recruitment and selection barriers than younger people. Therefore, the study reports that quantitative dimensions of Human Resource Development does influence employee intention to leave or staying the organization because of significant differences in attitudes and beliefs towards various retention factors.

Suggestions
The management can't completely put a full stop to the process of employees quitting their jobs but can control it to a large extent.

Let us go through some strategies to retain an individual
- An employee looks for a change when his job becomes monotonous and does not offer anything new. It is essential for everyone to enjoy whatever he does. The responsibilities must be delegated according to the individual's specialization and interests. It is the responsibilities of the team leader to assign challenging works to his team members for them to enjoy work and do not treat it as a burden. Performance reviews are important to find out whether the employees are really happy with their work or not.
- Constant disputes among employees encourage them to go for a change. Conflicts must be avoided to maintain the decorum of the place and avoid spreading negativity around. Promote activities which bring the employees closer. Organize outdoor picnics, informal get together for the employees to know each other better and strengthen the bond among themselves. Let them make friends at the workplace whom they can really trust. Friendship among employees is one

strong factor which helps to retain employees. Individuals who have reliable friends at the workplace are reluctant to move on for the sake of friendship. No one likes to leave an organization where he gets mental peace. It is essential to have a cordial environment at the workplace.

- The human resource department must ensure that it is hiring the right candidate. Frustration crops up whenever there is a mismatch. A finance professional if is hired for a marketing profile would definitely end up being frustrated and look for a change. The right candidate must be hired for the right profile. While recruiting a new candidate, one should also check his track record. An individual who has changed his previous jobs frequently would also not stick to the present one and thus should not be hired.
- Employee recognition is one of the most important factors which go a long way in retaining employees. Nothing works better than appreciating the employees. Their hard work must be acknowledged. Monetary benefits such as incentives, perks, cash prize also motivate the employees to a large extent and they prefer sticking to the organization. The performers must have an upper edge and should get a special treatment from the management.
- Performance appraisals are also important for an employee to stay motivated and avoid looking for a change. The salary hike should be directly proportional to the hard work put by the employees. Partiality must be avoided as it demotivates the talented ones and prompt them to look for a better opportunity.
- The salary of the employees must be discussed at the time of the interview. The components of the salary must be transparent and thoroughly discussed with the individuals at the time of joining to avoid confusions later. The individuals should be made to join only when the salary as well as other terms and conditions are acceptable to them.
- The company's rules and regulations should be made to benefit the employees. They should be employee friendly. Allow them to take a leave on their birthdays or come a little late once or twice in a month. It is important for the management to understand the employees to gain their trust and confidence. The consistent performers must also have a say in the company's decisions for them to feel important.

Conclusion

The growing needs for organizations to retain its best employees in the face of competition, the findings of the study suggest that certain variables are crucial in influencing the employees' decision to either leave or remain in an organization. Such variables include training and Development, recognition/reward for good performance, a competitive salary package and job security. Nonetheless, the importance of other variables should not be Under- estimated when formulating a retention policy. It is only a comprehensive blend of intrinsic and extrinsic motivational variables that can enhance retention and reduce the high rate of employee turnover in our various organizations.

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