A study on key factors that influence employee retention according to employees working in DLF IT park- Chennai

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Abstract--Today’s market is very competitive and it’s absolutely not an easy task for any organization to retain its high performing employees. “We can’t stop employees from leaving, unless we have a plan to make them stay”- Indra Nooyi, CEO PepsiCo.. Once an organization finds its suitable employee, the organization by all means have to ensure that the employee remain productive, satisfied and committed to the organization’s long term plans/goals. A recent study says that one third of new hires quit the job after about 6 months from their date of joining. With a wide range of options available, even if an employee is slightly dissatisfied with the rapport he/she has with the organization, he/she thinks to move out and find a better place to work. It is very important for every organization to connect and understand its employees both personally and professionally to bring out the best in them. So, every organization should invest time and money in making plans to hold back with them their highest asset who will ensure growth and success of an organization. The purpose of this study is to identify key factors that induce commitment and loyalty with the employees and make them stay with the organization. This is more of an empirical study where the researcher, through questionnaire with a sample size of 170 employees selected through random sampling working for different organization in DLF IT park- Chennai draws respondent’s reflection on the elements they feel is very important for any employee to stay with the organization. Some of the key influencers are employment flexibility, security, good superior- subordinate relationship, recognition, rewards.. etc. Keywords: Organization, Employees, Retention

1. Introduction

Today’s world is becoming more and more modernized, sophisticated, smaller and quicker in such a way that people are so used to it that most of them will find it difficult to cope with life in the absence of the so called ingredients like gadgets, internet, fast messaging, video calls, travel that contribute to making our lives easier. Modernization has been rapid in the past few decades thanks to the emergence of the IT sector. Working in an IT Park that houses different companies gives a heads-up about what’s going on in other companies. An event or a job fair does not go unnoticed. There by attracting other working professionals to move to a different company. Often companies face stiff challenge in retaining their talent pool. Some of the best and frequently known practices in retaining employees in an IT sector are as follows

Remuneration - One of the most successful and time tested ways of retaining an employee. Like the movie Quote in Godfather ‘ I am going to make an offer he can’t refuse’ employers offer huge packages in retaining their employees especially when there is a crunch in getting experienced employees in that
particular field to fulfil a particular job requirement. **Job Satisfaction** – Employers tweak rules in order to retain employees. Like providing work from home option to having a 3 day week off. They try their hand in all creative ways in retaining the employees. **Onsite** – One offer employees can’t resist is Onsite. Employers lure employees with Onsite visits or promise of an Onsite visit in the near future which acts as a perfect employee retention plan. **Perks** – Bonus, Incentives, Movie tickets, Weekend outings are some of the ways employees feel like continue working for the company. **Work Culture**- A peaceful, transparent, ethics, value and employee welfare oriented work culture adds on to the job satisfaction of an employee resulting in retention. Lesser restrictions on the costumes worn by employees. **Internal Job Posting** – Internal movements and promotions within the company helps in retaining the employees.

2. **Objective of the study**

The objective of the study is to identify factors that influence employees to retain themselves with the organization they are currently employed with.

3. **Review of literature**

According to Wiley (2011), it is essential for managers who wish to increase the rates of employee retention to take adequate time in understanding the actual turnover drivers in different parts of their organizations. This will ensure that effective and targeted interventions are developed. These interventions are also likely to succeed. Hutton (2009) identified different tools that can be used to identify the real causes of employee turnover. Majority or organizations either do not keep a record of why people leave or do so in an unsophisticated manner and hence fail to provide a significant platform for building strong employee retention practices. A typical approach that employers can use is talking formally and briefly to their departing employees to find out why they are leaving and if possible, identify their new employer. This strategy is often referred to as the use of exit interviews. Zedeck and Mosier, (1990) has mentioned that the issue of employee turnover is very crucial and important to managers, researchers and individuals. Jackson, (1981) and Stear (1991) have stated in their studies that high turnover is caused by unhappiness with the work, inadequate compensation, unsafe and unhealthy conditions, unrealistic expectations, inappropriate processes or tools, and poor candidate screening. Other causes are lack of career opportunities and challenges, dissatisfaction with the job-scope or conflict with management. From the point of view of Susskind at el., (2000) turnover problem should be dealt with careful strategies exclusively concentrating on human resource problems. Zuber, (2001) found that employees are more likely to stay when there is a predictable work environment and vice versa. Zuber also stated that instable organization have a high degree of employee turnover. Henry Ongori (2007) concluded in his study that employees are the long-term investments in an organization and as such management should encourage job redesign, task autonomy, task significance and task identity, open book management, empowerment of employees, recruitment and selection must be done scientifically with the objective of retaining employees and decreasing employee turnover.

4. **Research Methodology**

**Universe:** The study was conducted with employees working in DLF IT Park which is located in Ramapuram, Chennai district.

**Sample size:** Around 120 employees both men and women with different marital status and different educational qualification with more than 5 years of experience with the same organization located inside DLF IT park between the age group of 30 to 50 years were selected as respondents for the study.
Sample technique: The technique adopted to select the sample size was simple random sampling. A simple random sample is a subset of a statistical population in which each member of the subset has an equal probability of being chosen.

Research design: Descriptive research design is the type of research design used for the study. A descriptive study cannot conclusively ascertain answers to why and is used to obtain information concerning the current status of the phenomena and to describe “what exists with respect to the variables and condition in a situation.

Tools and Data Collection: Data was collected from the 120 respondents through well-structured questionnaires. The questionnaire was divided into two parts. The first part primarily dealt with demographic details of the respondents and the second part had questions assessing the prime reasons for employee retention. Two point rating scale was used to analyse the data. Secondary source of data was collected from journal, articles and books related to the topic of the study.

5. Data Analysis

The data that was collected via questionnaires are analysed and presented below

| Table 1: Gender of Respondents |
|-----------------------------|
| S. No | Gender | No. of Respondents | Percentage (%) |
|------|--------|---------------------|----------------|
| 1    | Male   | 68                  | 56.6           |
| 2    | Female | 50                  | 41.6           |
| 3    | Transgender | 2                  | 1.6            |
| Total|        | 120                 | 100            |

| Table 2: Age of the Respondents |
|-----------------------------|
| S. No | Age (In years) | No. of Respondents | Percentage (%) |
|------|----------------|---------------------|----------------|
| 1    | 30 to 35       | 50                  | 41.6           |
| 2    | 35 + to 40     | 40                  | 33.3           |
| 3    | 40 + to 45     | 19                  | 15.8           |
| 4    | 45+ to 50      | 11                  | 9.1            |
| Total|                | 120                 | 100            |
Table 3: Marital status of Respondents

| S. No | Status       | No. of Respondents | Percentage (%) |
|-------|--------------|--------------------|----------------|
| 1     | Not Married  | 39                 | 32.5           |
| 2     | Married      | 69                 | 57.5           |
| 3     | Others       | 12                 | 10             |
| **Total** |              | **120**           | **100**        |

Table 4: Experience of Respondents

| S. No | Experience (years) | No. of Respondents | Percentage (%) |
|-------|--------------------|--------------------|----------------|
| 1     | 5 – 10             | 78                 | 65             |
| 2     | 10 – 15            | 25                 | 20.8           |
| 3     | 15 – 20            | 17                 | 14.1           |
| 4     | Above 20           | -                  | 0              |
| **Total** |                | **120**           | **100**        |

Table 5: Qualification of Respondents

| S. No | Qualification     | No. of Respondents | Percentage (%) |
|-------|-------------------|--------------------|----------------|
| 1     | Diploma completed | 27                 | 22.5           |
| 2     | UG completed      | 79                 | 65.8           |
| 3     | PG completed      | 14                 | 11.6           |
| **Total** |                | **120**           | **100**        |

Table 6: Pay scale (monthly)

| S. No | Salary (in rupees) | No. of Respondents | Percentage (%) |
|-------|--------------------|--------------------|----------------|
| 1     | < 20,000           | 0                  | 0              |
| 2     | 20,000 to 40,000   | 18                 | 15             |
| 3     | 40,000+ to 60,000  | 56                 | 46.6           |
Table 7: Factors that influence Employee retention

| S. No | Organizational Commitment inducing factors | Yes | No  | Total |
|-------|------------------------------------------|-----|-----|-------|
| 1     | Work Schedule flexibility                | 90  | 30  | 120   |
| 2     | Health and Wellness benefits             | 84  | 36  | 120   |
| 3     | Recognition & Rewards                    | 101 | 19  | 120   |
| 4     | Personal Development                     | 88  | 32  | 120   |
| 5     | Compensation                             | 71  | 49  | 120   |
| 6     | Work- Life Balance                       | 97  | 23  | 120   |
| 7     | Management and Leadership Team           | 65  | 55  | 120   |
| 8     | Training and development                 | 91  | 29  | 120   |
| 9     | Organizational culture                   | 80  | 40  | 120   |
| 10    | Onsite                                   | 72  | 48  | 120   |

6. Major Findings

Some of the major findings of the study conducted to find the factors that influences employees to retain back with the organizations they are working are presented below.

- It is been observed that most of the respondent chosen for the study were male.
- Around 70 per cent of the respondents fell between the age group of 30 to 40 years and many were married.
- Five years of working experience with the same organization was one of the criteria in selecting respondents for the study. A handsome of 65 per cent of respondents had 5 to 10 years of working experience.
- A majority of respondents (66%) have completed their under graduation course and just around 10 per cent of respondents have completed post-graduation.
- The demographic details also included the pay scale of the respondents, and it is been noted that a little less than half of the population are earning between 40,000 to 60,000 rupees per month.
According to the study, many respondents have felt that an employee would retain him/herself in the organization they are working, if the organization takes appropriate step in recognizing and rewarding their hard work periodically.

Around 85 per cent of the respondents feel that more the organization enables its employees to have a positive balance between work and life, the more its employees are satisfied and wish to stay back.

When an organization invests more money and time on training and developing its valuable human resource, the more they are motivated to hold themselves back with the organization.

More than 80 per cent of the employees are more comfortable working with an organization when it is very flexible with its work schedule.

Organizational culture, personal development, health and wellness benefits are some of the secondary influencers of employee retention according to the study.

As far as the study is concerned, one of the least influencing factor for an employee to hold him/herself back with the organization is the leadership and management team.

7. Suggestions

After analysing the study, a few suggestions/recommendations are presented below:

- Organizations should ensure right person gets rightly paid.
- Invest more time on team building activities to make employees comfortable working as a team with no quarrels/hesitation.
- Periodic training and development depending on the need and requirement
- Focus more on internal movement and promotions.
- Offer the right welfare benefits to its employees,

8. Conclusion

When an organization takes care of its employees as a valuable asset and give them their due respect, no employee will ever think about leaving or quitting the organization. It’s the duty of every organization to strive hard to make its employees stay loyal with them. Once the employee positively inculcate that value “being loyal” within themselves, they will only work towards the effective accomplishment of goals and objectives of the organization. During his/her (employees) journey with the organization, the employees will also seek attainment of their personal quest also. When the organization is good enough is making its employees have a sense of accomplishment in personal and professional front, no distractions will affect the good relationship an employee has with his/her organization.

9. References

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