

AN ASSESSMENT OF THE PERCEPTION OF MANAGEMENT AND IT EMPLOYEES ON RETENTION STRATEGIES

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ABSTRACT

The present study project's main goal is to assess the perception of management and IT employees on retention strategies. As a result, the current study was conducted utilizing a questionnaire that was distributed to 10 IT organisations, with 30 respondents from each company being interviewed and their comments in the form of a questionnaire being recorded. Findings of the study are shows that management and workers had similar perspectives on staff retention tactics. And Different tactics viewed by employees and management have a reciprocal and linear connection. It was also discovered that perception differs depending on the degree of management and employee.

Keywords: IT Management, Employees perception, Recruitment, Retention and Retraining

INTRODUCTION

Employees are considered as the asset of the company in software industry. Hence it becomes necessary to take care of this valuable asset. Employees can be retained in the organisation only if they are satisfied and get what they want from the organisation ethically. The main problem faced by the Indian software company is the labour turn over and its retention. As there is a huge requirement for trained software professional both in India and in foreign countries, the employees will leave the organisation, if they get a good opportunity. Organisations cannot afford to frequent replacement expenses as it increases their cost. The only alternative is to retain the efficient employees. For that purpose they should craft some efficient retention strategies.

Retaining the employees is the most difficult problem in current day scenario. If employees leave the organisation, they lose an efficient, loyal and dedicated employee and at the same time, it is a loss to the company. The company has to spend a lot of money on hiring new people; they have

to bear the production loss, market loss and consumer loss. It also affects the reputation of the company. When an employee leaves the organisation, the management will replace the employees by recruitment process. Hiring the employee is not a big issue, retaining the efficient employees is a challenge. In order to know the statement of the problem of why employees leave the organisation and to identify some retention strategies to retain the efficient employees in IT industries, the study is undertaken.

In this study the researcher concentrates on the issues like the retention strategies followed by different IT companies, whether all the companies are following the same type of retention strategies, what are the main factors which influence retention, and the perception on retention strategies from management point of view and employee's point of view.

EMPLOYEE RETENTION & STRATEGY

Employee retention refers to the capability of an institute to maintain its workforce. The Talent management programs are gaining importance these days. This has given more scope to employee retention. Retention of employees is not just keeping the employees in the job but it is all about satisfying labourers and making them to get job satisfaction.

Employee retention means the rules, regulations, policies, strategies and practices followed by the companies to retain the valuable and efficient employees. Earlier companies were following "revolving door policy" to fill the vacant positions. But nowadays they spend lot of money to train and retain the employees. Employees are the asset of the company. If the company wants to be successful it should gain the trust and loyalty of the employees. The employees should be rewarded properly so that they will be retained in the company for a longer duration.

According to Samuel and Chipunza (2009), the main idea of retention is to find different ways and means to avoid the talented employees from leaving the company as this may have negative impact on efficiency and effectiveness. According to Chaminade (cited in Chibowa et al. 2010) "Retention is a intended shift by a company to form an surroundings which engages workers for a extended period"

The term strategy means a large scale future oriented plans of management for interacting with the competitive environment to achieve the company objectives. An employee retention strategy should include a plan for redressing employee grievances and the different ways and means to address the issues of employees. This may include employees problem relating to remuneration, work related like their role, work assigned, or any other problem.

According to Miller & Dess “Strategy is a set of policy or decisions made in an attempt to facilitate companies to attain their goals”. According to Porter (1996) Strategy means executing various actions to those performed by rival competitors or doing the same activities differently.

FACTORS OF EMPLOYEE RETENTION STRATEGIES

Most of the management adopted numerous retention techniques to possess employees from leaving or moving out of the organization by way of various means. They are rewarding employees based on their effective job performance, ensures harmonious working relations between managers and employees; also, they offer a healthy and safe work environment (Cascio, 2003). Similarly, McNee et al., (1998) and Dockel (2003) recognized six important aspects helps in retaining high technology employees in the organization. They are compensation, job characteristics, training as well as career development opportunities, supervisor support, career opportunities and work -life policies. The job characteristics are discussed in the form of skill variety and job autonomy.

Furthermore, Hytter (2007) found that workplace factors namely training and development of skills, leadership style, career opportunities, rewards, physical working conditions, and work-life balance has an indirect influence on employee retention. In the same way, the existing works of literature discovered numerous factors connected with employee retention namely career development opportunities, quality supervision, job stress, compensation, praise/recognition for the work done, provision of challenging work, promotion, work atmosphere, peer relationship, work-life balance, communication and supervision. This study highlighted some of the factors influencing employee retention strategies. They are -

COMPENSATION- Most of the studies highlighted that compensation is one of the essential elements for retaining employees in the organization. Few of the reviews are discussed in the following. They are-

- Davies, et al., (2001) highlighted “Salary and benefits policies are not being used strategically, within the organization to improve morale, reduce turnover, and achieve targets within an establishment.”
- Compensation act as a critical factor for increasing employee commitment and in reducing managerial turnover (Moncarz, et al., 2009).

- In the book of ‘Compensation,’ Milkovich and Newman (2004) clearly stated that “among all types of reward, monetary pay is considered as one of the most important and significant factors in retention.”

TRAINING AND DEVELOPMENT- In most of the cases, the organization always invests on its employees in the form of training and development, from whom they expect to return and give output on its investment. It is one of the vital retention techniques incorporated to keep their employees (Messmer, 2000).

REWARDS/RECOGNITION- The reward provides an opinion that employees are valued within the organization, (Silbert, 2005). Also, recognition is vital for each worker/employee, wherein they experience that they are valued, recognized and appreciated in the workplace. Walker (2001) in his study highlighted that “recognition from bosses, team members, co-workers and customer enhance loyalty.”

WORK-LIFE BALANCE- Work-life balance is one amongst the necessary factor tends to influence employees’ decision to remain within the organization. Furthermore, Karatepe, (2013) determined that imparting emotional support to employees through work-life balance lessen their intention to quit the organization and it is ascertained that there is a direct relationship between employees’ decision to stay and work-life balance (Mehta, et al., 2014). Thus, organizations have to improve “harmonious” stability between work and life to enhance retention (Leners, et al., 2006).

WORK ENVIRONMENT- Ramlall (2003) highlighted the prerequisite for recognizing the individual needs of an employee within the organization. This encourages commitment and provides an acceptable work environment of the organization. Furthermore, they need to implement substantial human resource policies to satisfy and retain employees by providing an adequate level of privacy in the place of work. Organizational sound control on work setting complements the motivation level of employee commitment for a long period of time (Wells and Thelen, 2002). Spence et al., (2009) found strong evidence that a favourable working environment contributes to employee retention.

JOB SATISFACTION- Murray (1999) found job satisfaction encompasses provides a substantial effect on the level of absenteeism, productivity, commitment and performance. Furthermore, job satisfaction not only enhances the retention of personnel’s; however, but it also reduces the cost of hiring new employees.

WELFARE- Welfare facilities can be considered as a technique of improving retention within the organization (Premarathne and Perera, 2015). Welfare benefit consists of insurance or

pensions typically lower turnover. The fringe benefit indicator takes a value equal to one if the individual receives either employer-provided insurance (medical, dental, and life), maternity leave, firm-sponsored training and education, or employer-provided childcare (O'Halloran, 2012).

COMMUNICATION- Employee retention is extremely motivated by effective communication techniques between leaders/managers and employees. The collaboration and communications strategy allow the retention issues which revolves around employees being satisfied in their jobs (Harris, 2004). Mainly, communication strategies regarding career development and management are necessary for keeping current employees and engaging employees to carry out with complete competence. Honore (2009) addressed open communication is extraordinarily important and considered as a top priority by most of the employees. Furthermore, keeping employees informed with personal, relevant, and engaging communication provides a competitive edge in the organization.

CAREER DEVELOPMENT- Personal and professional growth is a determining issue of employee retention, observed by promotion opportunities in the organization increases employee commitment to stay (Hiltrop, 1999). Most of the studies highlighted career development opportunities ought to positively increase an employee's engagement to stay in an organization (Arnold, 2005; Herman, 2005; Cardy and Lengnick-Hall, 2011; Kroon and Freese, 2013). Promotion and opportunities for development play a momentous cause for employees to decide to leave or stay in an organization. It is also identified as an important element for career growth opportunities. They are advancement plans, internal promotion and accurate career previews, Prince (2005).

MANAGEMENT/ORGANIZATIONAL SUPPORT- Management plays a determinant role in employee retention and established that there is a direct correlation between employee retention and manager behaviour. The impact of management on employee retention may be considered from two perspectives, i.e., leadership style and management support. Employees Involvement in decision making motivates them to stay in an organization. Supportive supervision from managers as a contributing element to employees retention (Tymon et al., 2011; Mignonac and Richebé, 2013). Superior and subordinate relationship in the organization is the most important reason for the employees to leave the organization reason why jobs are quit. Satisfaction is connected to management support, i.e., with colleagues or fellow employees was identified as retention factor, Jasper (2007).

RESPECT/FAIRNESS- Respect is a crucial element that helps companies retain their employees. Respectful treatment is the primary form of providing essential equipment for the job, listening to staff suggestions and recognizing good work is considered to be a central variable to remain with their companies. The multigenerational workforce is facing additional road blocks as well, which affects their retention. Managers must understand what shaped each generation and offer an evolving workplace based on mutual respect and emphasize skill development.

ORGANIZATIONAL EFFECTIVENESS- The organizational effectiveness is realised through the employee engagement in the organization (Hunt and Duhan, 2002; Zelbst et al., 2012). It is focused on the capacity to access resources from their surroundings (Amah and Ahiauzu, 2013), it is also connected to the ability to access resources and absorption of resources and thus access to organizational objectives (Federman, 2006).

OBJECTIVES OF THE STUDY

1. To assess the perception of management and IT employees on retention strategies.
2. To find the factors responsible for retention of IT employees.

HYPOTHESIS OF THE STUDY

H₁: Management and employees differ significantly in their perception on employee retention strategies.

RESEARCH METHODOLOGY

In this study, the Diagnostic-Descriptive Research Design was applied. So because problem is tied to human resource department, this study technique is perfect. Primary and secondary data were used in the current investigation. To obtain primary data, a structured questionnaire and a Google form were employed. Secondary information was collected from IT sector publications, news letters, journals, papers, and websites of a firm. This Cronbach alpha examination is employed to assess a guitar's dependability. The sample size of the study were 300 taken from selected 10 IT companies of NCR region. The ANOVA test is used to determine whether or not there is a statistically significant variation in the dependant variable across many groups. The t-test for independent samples compares the means of two unrelated groups on the same continuous, dependent variable.

TABLE 1 DIMENSIONS ABBREVIATION

DIMENSION	ABBREVIATION
D1- (CES)	Communication Effectiveness Strategies
D2- (EBS)	Employee Benefit Strategies
D3- (TDS)	Training and Development Strategies
D4- (MOS)	Management / Organizational Strategies
D5- (RRS)	Reward and Recognition Strategies
D6- (EISS)	Employee Ideas and Suggestions Strategies
D7- (OS)	Orientation Strategies

ANALYSIS

The aforementioned hypothesis is used to analyse the various retention tactics used in IT organisations that varied in terms of the hierarchy they serviced. The hierarchy has been divided into two divisions in this case: management and employees.

TABLE 2: DESCRIPTIVE STATISTICS OF HYPOTHESIS

DIMENSIONS	TYPE OF HIERARCHY	N	MEAN	STD. DEVIATION	STD. ERROR MEAN
CES	Management	39	3.29	.95	.11
	Employees	261	3.26	1.01	.04
EBS	Management	39	4.05	.78	.08
	Employees	261	3.99	.77	.03
TDS	Management	39	3.85	.78	.08
	Employees	261	3.91	.76	.03
MOS	Management	39	3.04	1.19	.13
	Employees	261	3.17	1.20	.05
RRS	Management	39	4.06	.80	.09
	Employees	261	4.26	.83	.04
EISS	Management	39	3.72	.79	.09
	Employees	261	3.83	.87	.037
OS	Management	39	3.57	.86	.098
	Employees	261	3.54	.79	.035

Source: Field Survey

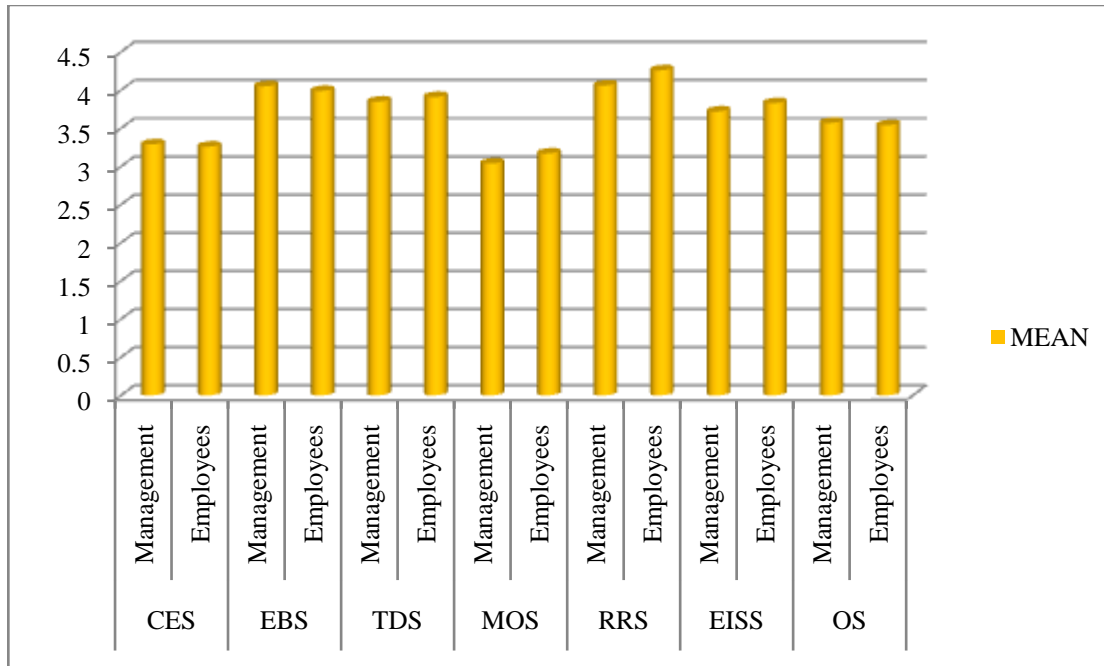


FIG 1: RETENTION STRATEGIES

The current survey includes 39 supervisors and 261 workers. Table 2 and Figure 1 show their perspectives on various retention tactics. Managers had a higher average perception score for CES, EBS, and OS than workers, while employees have a higher average perception score for TDS, MOS, RRS, and EISS than managers. The independent sample t test for average perception score of management and staff for various retention tactics is shown in Table 3. Before doing the t test, the hypothesis of equality of variance is checked.

TABLE 3 INDEPENDENT SAMPLE t TEST

DIMENSIONS	LEVENE'S TEST FOR EQUALITY OF VARIANCES		FORT-TEST FOR EQUALITY OF MEANS		
	F	SIG.	T	DF	SIG. (2-TAILED)
CES	.71	.39	.28	298	.77
EBS	.39	.53	.68	298	.49
TDS	.34	.56	-.57	298	.57
MOS	.95	.33	-.93	298	.35
RRS	2.07	.15	-1.99	298	.05
EISS	.41	.52	-1.04	298	.30
OS	1.61	.20	.26	298	.79

Source: Field Survey

Because the F test of Levene's statistics is negligible for all retention techniques, the hypothesis of equality of variance cannot be rejected. RRS's t test result varies substantially. Because the p value is 0.046, the t test value RRS is -1.99 with 298 degrees of freedom at 5% and is statistically significant. Other retention techniques' perception scores, such as CES, EBS, TDS, MOS, EISS, and OS, do not differ substantially since the t test value of p for all of these strategies is more than 0.05. As a result, management and employee perceptions of RRS differ slightly, although not dramatically, from CES, EBS, TDS, MOS, EISS, and OS. As a result, the notion that management and employees have dramatically different perspectives on staff retention tactics may be rejected.

FINDINGS OF THE STUDY

- After investigation and interpretation, it was discovered that management and workers had similar perspectives on staff retention tactics.
- Different tactics viewed by employees and management have a reciprocal and linear connection.
- It was discovered that perception differs depending on the degree of management and employee.

CONCLUSIONS

In the present environment, one of the most difficult challenges is retaining qualified people. The paucity of highly skilled workers has boosted their demand. For qualified and talented personnel, there is a large scope and strong career opportunities. One of the most difficult challenges for IT firms is keeping pace of both technology and commercial progress. According to the findings of the study, IT organisations should prioritise the management and staff levels of the organisational structure. They should also focus on employee job levels in order to retain staff. A single universal retention plan cannot be applied to all employees. The three R's should be followed by the organisation in order to retain efficient staff. These are as follows: Recruitment, Retention, and Retraining. The organisation must hire the appropriate individual at the right time and in the right place. After hiring the suitable employee, he should be retained for a longer amount of time in the organisation by properly recognising and rewarding his efforts. The employee should be satisfied with his or her employment and feel a sense of belonging to the organisation. Retention, on the other hand, is about building a work environment that fosters feelings of belonging, pride, empowerment, talent management, work-life balance, stock options, control, perks, flexibility, career progression, praise, benefits, excitement, childcare, eldercare, training, and so on. Employees should be taught and retrained to keep their expertise up to date. When workers achieve their objectives, they will remain with the firm.

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