

# **EMPLOYEE RETENTION STRATEGIES IN INFORMATION TECHNOLOGY COMPANIES: A CASE STUDY IN HYDERABAD.**

**Author: Dr. Rajasekhar Devarapalli**

**Associate Professor**

**DRK COLLEGE OF ENGINEERING & TECHNOLOGY, HYDERABAD,  
TELANGANA, INDIA**

**Abstract :** Given the volatility and uncertainty of today's economic climate, it is crucial that IT companies develop and implement effective personnel management strategies aimed at retaining their most valuable employees. The high rate of employee turnover that had become such a problem for successful IT organizations has begun to level out as the resignation wave subsides. Most of India's top IT firms, including Infosys, TCS, HCL, and Tech Mahindra, reported lower attrition rates in the fiscal year's second quarter of 2022 (17-18% vs. 22-25%). However, even this reduction represents a significant increase in employee departures from the company when compared to rates seen before the global financial crisis: "the fear of layoffs really isn't affecting the talented as the one who knows their worth, once decided to move to It is clear that even in economic moments, companies regard talent Exodus and round robin as tactics to keep their talents for a longer amount of time in order to have a Competitive advantage, as Mohit Joshi, president of Infosys, will take over as CEO and MD of Tech Mahindra from December 20-23. In January 2022, Ravi Kumar, president of Infosys, will succeed Brain Hempries as CEO and MD of Cognizant. Mohit Joshi, Infosys president, takes charge as CEO and MD of Tech Mahindra from December 20–23, so it is evident that even in a recession period, the Talent Exodus is seen in the IT sector, which mean attrition is still a persistent issue of IT companies, which can be driven by the best employee retention strategies. In this paper, an Empirical reviews of various reviews of literature and research work done on employee retention strategies in IT sector can be seen, the paper studies about the perception of employees on retention strategies.

## **Introduction**

Strategies for retaining employees are deliberate actions taken to meet the varied demands of workers and create an atmosphere that encourages them to remain with the same company. In the present scenario, where recession is prevailing a macroenvironmental effect, the attrition rate in the IT sector attrition rates are lowered to 17% Which is still high rate ,so the organisations has to realise that in spite of recession, the attrition rate is high in IT sector, which means attrition is still a burning Prime issue for the organisation. There are many losses associated with Employee attrition, such as money and time loss in recruitment, orientation training and development,as such attrition creates huge unnecessary stress on the remaining working staff to complete the pending work within the deadline given to them, which means Chaos can be seen in the team work, which in turn creates low morale, among the employees, and there is also a great loss to the image of the company and the growth of the organisation. Even the top most IT companies, such as Infosys, which had the highest attrition rate in the previous year's quarters, could not lower their attrition rate. The attrition rate of Infosys dropped to 20.9 %<sup>1</sup>,in Q4(FY23) from 24.3% in Q3 (FY22) whereas Wipro's attrition rate dropped to 19.2%<sup>2</sup>. from 23.8 in Q3( FY 22)Even though TCS did not fire out its employees in recession period, we observe that TCS's attrition rate dropped to 20.1% in FY 23 from 21.3%<sup>3</sup> in Q3( FY 22 )We can observe that the attrition rates of top IT companies are continuing high in spite of recession, when compared with pre pandemic attrition levels of 12% .So every organisation has to strive hard to retain their best talents as they are the important Assets of the organisation, and an organisation's employer is the one who understands the importance of retaining their best talents we all aware of the fact that retaining the best skills ensures organisational growth,. Generally, for many reasons, employees leave the organisation We still observe employees still switching jobs i.e., employees are moving around, Infosys, TCS, Tech Mahindra and Wipro and the prime reason behind this movement is a better pay package , tackling full work , career growth, and a lack of emotional contact between employer and employee, which got developed due to the pandemic, which created work from home scenario there by any emotional contact between the workplace and employee is missing and emotional contact between peer group and employees also missing. so every IT company has to understand the reasons of attrition through exit interviews conducted on the leaving employees to analyse the reasons of attrition, not only that organisation has to conduct stay interviews to understand the job satisfaction levels of the employees of the organisation, should also conduct regular surveys to analyse the perception of employees on company employee retention strategies and should also understand their expectations from the company and should try to fulfil their desires and

needs to manage employee morale and Organisation performance problems which are connected with employee attrition. This article enlightens about the survey conducted on employees of IT industries on employee retention strategy and also IT Industries efforts to retain their best talents in the organisation by providing them with the best retention strategies, such as the best promotion policy fringe benefits, physical working conditions, open communication system at workplace, freedom in problem solving and decision making, job enlargement and enrichment, teamwork dynamics, Esop policy Wellness program, and hybrid work culture etc. Therefore, in the dynamic business era, the IT industry has to put huge efforts to arrange the shield for this specialised, exclusive talents and rethink on the employee retention strategies to retain their skills

#### **Review of literature:**

1. The purpose of Hundekar, Sheela Narendra's research on staff retention strategies in the IT sector was to look at how different factors affect employee loyalty and causes of attrition, he adopted Standard Binary Logistic Regression to find the relationship between employee retention and retention parameters (Independent variable), he used MANOVA to find out whether giant, medium and small organisations differ over retention strategies. He concluded that Large firms gave more importance to communication as the most important strategy compared to medium and small firms. He also used independent sample T- test to study the relation between the organisation of IT industry and its retention strategies (dependent variable) and concluded that foreign firms give more importance to work environment, nature of work, employee involvement as retention strategies.
2. Research by K.R. Ramya supervised by A. Raghu rama (2019) examines the methods used by commercial banks in Dakshina Kannada and Udupi to retain their employees. The University of Mangalore, her objectives were to identify employee retention management practices in private sector and public sector banks, to study the satisfaction level of employees regarding the retention management and Karnataka Bank Limited. Chi-square tests and Mann-Whitney U tests are used to compare bank workers' opinions at Corporation Bank and Karnataka Bank Limited, while the z-value and P-value are used to learn more about workers' opinions before they even start working there. He used different other techniques, like factor analysis, Anova, in his analysis. After analysis, he found that the majority of the employees joined banks as they considered job security as an important element, i.e. Job security is the important retention strategy. Findings from a survey of two

different Bank employees reveal vast gaps in satisfaction with the bank's retention management strategies.

3. Policies and practices of employee retention management in telecom sector by Pradeep Bhandari under the guidance of Yadapadithaya.P.S(2022) Mangalore University, his objectives were to analyse the demand and supply trend prevailing in job market and the causes for it, & to study about the factors which influence the satisfaction level of employees, He adopted Pearson Chi square technique to study the impact of demographic factors on satisfaction level of employees. The mean standard deviation and bar graphs were used to study satisfaction level with regard to present job and the organisation. It was concluded that salary is the key point for satisfaction level of employees, leading to retention repetition, and brand name of the company also plays an influencing role in retention of employees.

4. Employee retention strategies A critical study in private professional institute in Punjab by Talwar Ashu under the guidance of Bhatia, Ambika (2019) in School of Management Studies Punjab University, objectives employer in retaining the employees and analyse the retention strategies adopted by various private Professional Studies fact analysis The EFA method is adopted to group the retention strategies based on characteristics, and Means Core is used to study the perception of employees on the retention policies. He concluded that employees do not get their pay according to Government norms and there is no sufficient training through workshops and seminars to employees.

4. employee retention strategies and factor that can be effective for employee retention and also find out the variation in retention strategy to tackle the urban and rural background personnel, in his research he used statistical tools like percentile test of variability through range analysis, correlation analysis Measure of Central tendency to analysis data, he concluded that 80% of employees think that financial rewards play an important role to attract an employee and retain him and 63% employees think that well designed retention strategy always work to achieve the organisational goals.

5. Megha Jain under the guidance of Dr Neelam Tandon and Doctor Kapil Khattar (2018), Major reasons for leaving an organisation and to identify the best policies and strategies that help in retaining an employee, He used different statistical Techniques like regression analysis to study the job satisfaction levels of employees, and other techniques like mean

standard deviation factor analysis have been used to understand if we can group the different statements related to employee retention strategies to improve employee job satisfaction.

6. Analysis of employee perceptions on retention strategies and empirical study with reference to beverage industries by the receptor, yes Ramakrishnan, under the guidance of K Maran, the object The objectives of the study were to analyse and investigate the perception of employees working in beverage industries on retention strategies and also study the Expectations and satisfaction levels of employees on those retention strategies an over technique was used to study the significant difference between demographic factors and expectations of employees The same technique is employed to study the satisfaction level of employees with respect to demographic factors After investigation, the researcher and controller concluded that employee engagement work environment culture leadership and supervision compensation benefits Are the Expectations of the employees and that there was a significant relationship Difference between perceptions of employees on retention strategies based on demographic factors.

7. To analyse the factors responsible for leaving the last working management Institution And also to a the data, variables representing the various dimensions of practices Are grouped into few factors Finally, the researcher that lack of career Planning and development of a cities at the institution were the important reasons to leave the organisation, so an organisation has to plan competitive salary and career planning of the employees of the school, which contributes to the growth and development of the faculty members and their retention

**Objectives:**

1. To study and analyse various employee retention strategies of IT organisations.
2. To study and analyse the perception of employees towards retention strategies through demographic factors such as gender, age, income level, and experience.
3. To study and analyse the effect of demographic factors on attrition.
4. In the direction of investigate and analyze the factors that contribute to or cause employee turnover.

**Hypothesis:**

H01 Employee retention techniques have no discernible effect on whether or not an employee is male or female.

Ha1 Employees of different sexes use different attention methods, and the gap is wide.

HO2: Employee retention tactics do not significantly vary in effectiveness based on employee age.

Ha2: When it comes to employee retention techniques, the age of the worker makes a big impact.

HO3: When it comes to methods of employee retention, a person's job title makes no impact at all.

Ha4: When it comes to keeping good employees, there is no discernible difference between the methods of those earning more and those earning less money.

Ha5: Strategies for keeping good workers are effective across the board regardless of salary range.

Ha6: Employees' experiences with different methods of retaining staff are not noticeably different from one another.

Ha7: When it comes to employee retention initiatives, the employee experience might vary widely.

Ha8: When it comes to employee turnover, men and women do equally as well.

Ha8: A large disparity exists between the sexes in terms of turnover.

Ho9: With regards to employee turnover, there is no discernible correlation between age and age of the workforce.

Ho9: The rate of employee turnover varies considerably depending on the age of the workforce.

Ho9: In terms of turnover, there is little to no variation in job titles.

H10: Now standings of business, there is a notable difference between employees with different job titles.

H10: Attrition has not had a major impact on the median or average salaries of its workers.

H11: With regard to turnover, there is little distinction between employee and experience levels.

H12: In terms of attrition, the employee experience varies greatly.

H13: Strategies for keeping employees on board have zero effect on turnover.

H13: Strategies for keeping employees on board have an impact on turnover rates.

**Research methodology:**

It's a survey that asks participants about their thoughts on the company's various retention techniques based on their own personal characteristics, such as gender, age, salary, and length of service. Data collection is a true, self administrative questionnaire that was offered to employees of various software companies using a likert's 5 point scale .

sample design sampling procedure convenience sampling sample size  
 the data is collected to self by 80 software employees **sampling techniques :**

Descriptive one way technique regression analysis **Limitations of the study:**

1. The curiosity analysis and conclusions are drawn depending upon the reliability of the data collected from the employees.

**Data analysis and interpretation; T-TEST (GENDER VS RETENTION STRATEGIES)**

**Group Statistics**

GENDER	N	Mean	Std. Deviation	Std. Error Mean
AMALE	58	2.4124	.38210	.05017
V FEMALE G	42	2.7265	.14551	.02245

**Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means							
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
										Lower	Upper
AVG	Equal variances assumed	47.340	.000	-5.063	98	.000	-.31412	.06205	-.43725	-.19099	
	Equal variances not assumed			-5.715	77.779	.000	-.31412	.05497	-.42355	-.20468	

--	--	--	--	--	--	--	--	--	--

There is significant difference in gender towards retention strategies

**ANNOVA (AGE VS R.S)**

**ANOVA**

AVG

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.915	2	1.457	16.287	.000
Within Groups	8.679	97	.089		
Total	11.594	99			

There is significant difference in age with respect to retention strategies

**AVG**

AGE	N	Subset for alpha = 0.05	
		1	2
21 - 30 YEARS	67	2.4268	
31-40 YEARS	20		2.7365
41-50 YEARS	13		2.8545
Sig.		1.000	.408

Group means for similar subgroups are shown. uses a sample size of 21.149 based on the harmonic mean a.

c. There is a disparity in group size. Harmonic mean is calculated from total group sizes. The absence of Type I errors is not assured.

**ANNOVA (EXPERIENCE VS R.S)**



**ANOVA**

AVG

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.161	4	2.540	168.440	.000
Within Groups	1.433	95	.015		
Total	11.594	99			

There is significant difference in Experience with respect to retention strategies

**ANNOVA (INCOME PER MONTH VS R.S)**

**ANOVA**

AVG

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.834	2	4.917	270.984	.000
Within Groups	1.760	97	.018		
Total	11.594	99			

There is significant difference in Income per month with respect to retention strategies

**ANNOVA (JOB DESIGNATION VS R.S)**

**ANOVA**

AVG

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.565	2	4.782	228.633	.000
Within Groups	2.029	97	.021		
Total	11.594	99			

There is significant difference in Job designation with respect to retention strategies

**AVG**

JOB DESIGNATION		N	Subset for alpha = 0.05		
			1	2	3
Tukey HSD <sup>a,b</sup>	JUNIOR PROGRAMMER	40	2.1757		
	SENIOR PROGRAMER	27		2.6887	

TEAM LEADER	33			2.8731
Sig.		1.000	1.000	1.000

Group means for similar subgroups are shown. a Sample Size Determined by the Harmonic Mean = 32,489.

c. There is a disparity in group size. Harmonic mean is calculated from total group sizes. The absence of Type I errors is not assured.

**T-TEST (GENDER VS ATTRITION)**

**Group Statistics**

		N	Mean	Std. Deviation	Std. Error Mean
Intention to leave	MALE	58	2.86	1.395	.183
	FEMALE	42	2.95	1.011	.156

There is significant difference in Gender with respect to Attrition

**Independent Samples Test**

	Levene's Test for Equality of Variances		t-test for Equality of Means							
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
								Lower	Upper	
Intention to leave	Equal variances assumed	34.822	.000	-.357	98	.722	-.090	.253	-.592	.412
	Equal variances not assumed			-.375	97.998	.708	-.090	.241	-.568	.387

**ANNOVA (AGE VS ATTRITION)**

**ANOVA**

Intention to leave

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	36.313	2	18.157	15.093	.000
Within Groups	116.687	97	1.203		
Total	153.000	99			

There is significant difference in Age with respect to Attrition

**ANNOVA (EXPERIENCE VS ATTRITION)**

**ANOVA**

Intention to leave

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	89.057	4	22.264	33.078	.000
Within Groups	63.943	95	.673		
Total	153.000	99			

There is significant difference in Experience with respect to Attrition

**ANNOVA (INCOME PER MONTH VS ATTRITION)**

**ANOVA**

Intention to leave

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	86.778	2	43.389	63.555	.000
Within Groups	66.222	97	.683		
Total	153.000	99			”

There is significant difference in Income per month with respect to Attrition **ANNOVA (JOB DESIGNATION VS ATTRITION)**

**ANOVA**

Intention to leave

“	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	81.778	2	40.889	55.689	.000

Within Groups	71.222	97	.734	
Total	153.000	99		

There is significant difference in Job designation with respect to Attrition Intention to leave

JOB DESIGNATION	N	Subset for alpha = 0.05	
		1	2
TEAM LEADER	33	1.64	
SENIOR	27		
Tukey HSD <sup>a,b</sup> PROGRAMER			3.26
JUNIOR	40		3.70
PROGRAMMER		1.000	.101
Sig.			”

Group means for similar subgroups are shown. a Sample Size Determined by the Harmonic Mean = 32,489.

c. There is a disparity in group size. Harmonic mean is calculated from total group sizes. The absence of Type I errors is not assured.

REGRESSION (R.S. VS ATTRITION)

**Model Summary**

“Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.968 <sup>a</sup>	.937	.912	.370

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	143.304	28	5.118	37.479	.000 <sup>b</sup>
	Residual	9.696	71	.137		
	Total	153.000	99			”

a. Preference for departure as the dependent variable

b. Indicators: (Static) Employee Suggestion and Assistance Cell Job Stability Employee Protection Policies and Procedures, LTA at least once in four years,

Opportunity for job enlargement, Freedom in problem solving and decision making, Promotion policy, Ideal physical working condition, fringe benefits, Open communication system at workplace, recreational activities , exit Interviews to those employees who leave the organisation, corporate credit card, Teamwork dynamics, crutches onsite for daycare for babies, best induction program, ESOP Policy, monitoring and Wellness programs, Everest programs like MBA and managerial development talents, U Learn V Pay policy (ULVP), Participative management, best Leadership style, moonlighting policy, hybrid work culture, Opportunity for job enrichment, Performance appraisal mechanism of organisation, training and skill development program, issues annual performance awards

Regression model has been fitted as adjusted as R- square value  $0.912 > 0.7$ .

For every one change independent variable there would be 91.2% change in Attrition.

**Findings:**

Analysis of the data shows that there is a large gap in how different demographic groups (defined by gender, age, and income) view retention techniques. There is a correlation between employee turnover and retention efforts, and workers' perspectives on attrition vary widely depending on demographic variables.

**Suggestion;**

A pwc (Predictive workforce planning Global study) reveals that 77% of the employees are interested in upskilling themselves at the workplace which means that developing a learning culture creates a long term relationship between employees and employers. Organisations should implement talent rotation strategies by offering employees training in soft skills like critical thinking communication, and leadership techniques, not only that upgrading the skills of the existing employee make him capable to do his work more efficiently and effectively than onboarding a new employee and taking him through orientation training sessions. Organisation Should focus on the health and safety of employees and provide them many insurance schemes for health and safety as pandemic became an eye opener for the employees and for people work from home became convenient for many employees especially women employees so every organisation must adopt work from home as a best

retention mantra. An employee can enjoy all monetary benefits staying remote, not only that after pandemic employees became more and more conscious and deliberate towards work life balance and also ready to take Pay cuts for their and their families happiness. Organisation should understand the satisfaction levels of employees on the organisation employee retention strategies as their satisfaction levels leads to employee retention which in turn enhances organisation productivity. Today employees' expectations have changed. Since the pandemic a huge attrition is seen in the IT Sector from the recent past. So employees should be viewed as a capital investment by the companies and companies should follow employees first approach by following a holistic approach to maintain mental, physical and emotional health of the employees and by maintaining trust collaboration and employee visibility across the organisation.

### **Conclusion;**

The HR department must study and analyse the entire employee job life cycle of talented employees to understand their diversifying needs and to give them job satisfaction and stop them from leaving the organisation. The Great resignation period is continuing from pandemic time to recession time i.e there are a huge number of resignations. The Pandemic time, Post pandemic time created remote work and hybrid work culture for many organisations Which affected emotional and physical contact between workplace and employee and managers. So every organisation should design best employee retention strategies such as offering employee best and competitive pay structure, upskilling programs, work life balance programs and the most important is employee engagement programs for both online and offline employees. Employee engagement programs include home tours, funny online office games etc which Should be intentionally designed to engage both online and offline employees so as to establish personal and emotional contact between the organ and employee. Every organisation should synchronise with their talents and work on strengthening and empowering their relationship with their employees for the better performance and growth of the organisation not only that PWC study revealed that Union Budget 2022 supported the strengthening and digitalisation of India by training the youth in the fields of Robotics coding, ,artificial intelligence etc so keeping in the mind organisation should design employee retention strategies accordingly to retain certified ,talented ,efficient

professionals who add value to the organisation and bring growth and vital success to the organisation.

**Suggestion:**

A pwc (Predictive workforce planning Global study) reveals that 77% of the employees are interested in upskilling themselves at the workplace which means that developing a learning culture creates a long term relationship between employees and employers. Organisations should implement talent rotation strategies by offering employees training in soft skills like critical thinking communication, and leadership techniques, not only that upgrading the skills of the existing employee make him capable to do his work more efficiently and effectively than onboarding a new employee and taking him through orientation training sessions. Organisation Should focus on the health and safety of employees and provide them many insurance schemes for health and safety as pandemic became an eye opener for the employees and for people work from home became convenient for many employees especially women employees so every organisation must adopt work from home as a best retention mantra. An employee can enjoy all monetary benefits staying remote, not only that after pandemic employees became more and more conscious and deliberate towards work life balance and also ready to take Pay cuts for their and their families happiness. Organisation should understand the satisfaction levels of employees on the organisation employee retention strategies as their satisfaction levels leads to employee retention which in turn enhances organisation productivity. Today employees' expectations have changed. Since the pandemic a huge attrition is seen in the IT Sector from the recent past. So employees should be viewed as a capital investment by the companies and companies should follow employees first approach by following a holistic approach to maintain mental, physical and emotional health of the employees and by maintaining trust collaboration and employee visibility across the organisation.

**Conclusion:**

Human resources has to analyze the whole employment cycle of skilled workers in order to meet their changing demands, keep them happy at work, and keep them from jumping ship. From the time of the epidemic through the time of the recession, the Great Resignation Period has continued. Many businesses have adopted a remote or hybrid work culture since the pandemic's aftermath, which has had a negative impact on employees' emotional and physical connections to their workplace and their superiors. As a result, businesses need to devise effective methods of retaining their staff, including remuneration that is both competitive and

attractive, opportunities to improve skills and experience, and initiatives to promote a healthy work-life balance. In order to create a more personal and emotional connection between the business and the employee, employee engagement programs should be purposefully developed to engage both online and offline workers, such as via house visits, hilarious online office games, etc. While a recent PWC study revealed that the Union Budget 2022 supported the strengthening and digitalization of India by training the youth in the fields of Robotics, coding, artificial intelligence, etc., it is important for businesses to keep in mind that doing so will help them retain and motivate their best employees, which will in turn help them achieve greater success.

References:

13th April 2022 [Www.zeebies.com](http://www.zeebies.com). companies

27 April 23 [Www.livemint.com.news](http://www.livemint.com/news)

[Www.business standard.com](http://www.businessstandard.com)

K.sreenivas Mahesh, (2017), Employee Attrition Models- A Conceptual Framework, International Journal of Engineering, Management & Sciences (IJEMS) ISSN-2348 – 3733, Volume-4, Issue-4, April 2017.

Limbores

Dr. Supriya Choudhary , (2016), A Study on Retention Management: How To Keep Your Top Talent, International Journal of Advanced Research in ISSN:

2278-6236 Management and Social Sciences Vol. 5 | No. 3 | March 2016

Allen, D. G. (2008). Retaining talent: A guide to analyzing and managing employee turnover. SHRM Foundation Effective Practice Guidelines Series, 1-43.

Arnold, E. (2005). Managing human resources to improve employee retention. The Health Care Manager, 24(2), 132-140.

Azeez, S. A. (2017). Human resource management practices and employee retention: A review of literature. Journal of Economics, Management and Trade, 18(2), 1-10.