CHAPTER : 1

1.1 INTRODUCTION

Fundamental changes are taking place in the work force and the workplace that promise to radically alter the way companies relate to their employees. Hiring and retaining good employees have become the chief concerns of nearly every company in every industry. Companies that understand what their employees want and need in the workplace and make a strategic decision to proactively fulfill those needs can become the dominant players in their respective markets.

The fierce competition for qualified workers results from a number of workplace trends, including:

- A robust economy
- Shift in how people view their careers
- Changes in the unspoken "contract" between employer and employee
- Corporate cocooning
- A new generation of workers
- Changes in social mores
- Life balance

Concurrent with these trends, the emerging work force is developing very different attitudes about their role the workplace. Today's employees place a high priority on the following:

- Family orientation
- Quality of life at work
- Autonomy
- Social status of the job

To hold onto the people, organisations have to work counter to prevailing trends causing the job churning. Smart employers make it a strategic initiative to understand what their people want and need -- then give it to them. The organizations are competing each other to acquire the scarce talent pool.

1.2 OBJECTIVES OF THE STUDY

1. To examine the importance of employee retention in today’s corporate world.
2. The objective of doing this study was to analyse the factors of employee retention (IT imdustry).
3. To identify the problems faced by the companies while practicing employee retention policies.
4. To study the strategies employed by the company to improvise on the rate of employee turnove .

Because attrition is a major problem that needs to be examined and addressed before it harms the organization's bottom line.

CHAPTER : 2

2.1 LITERATURE REVIEW

2.1.1 Human Resource Management

Human Resource Management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets – the people working there, who individually and collectively contribute to the achievement of the objectives of the business. The terms "human resource management" and "human resources" (HR) have largely replaced the term "personnel management" as a description of the processes involved in managing people in organizations. Human Resource Management is evolving rapidly. Human Resource Management is both an academic theory and a business practice that addresses the theoretical and practical techniques of managing a workforce.

The Human Resources Management (HRM) function includes a variety of activities and key among them is deciding what staffing needs exist and whether to use independent contractors or hire employees to fulfill these needs; recruit and train the best employees, ensure they are high performers; dealing with performance issues; and ensuring the personnel and management practices conform to various regulations. Activities also include managing the approach to employee benefits and compensation, employee records and personnel policies. Usually, small businesses (for-profit or nonprofit) have to carry out these activities themselves because they cannot yet afford part or full-time help. However, they should always ensure that employees have – and are aware of – personnel policies which conform to current regulations. These policies are often in the form of employee manuals which all employees must have.

HRM is seen by practitioners in the field as a more innovative view of workplace management than the traditional approach. Its techniques force the managers of an enterprise to express their goals with specificity – so that they can be understood and undertaken by the workforce – and to provide the resources needed for them to successfully accomplish their assignments. As such, HRM techniques, when properly practiced, are expressive of the goals and operating practices of the enterprise overall. HRM is also seen by many to have a key role in risk reduction within organizations.

There is a long-standing argument about where HR-related functions should be organized into large organizations, e.g., "Should HR be in the organization development department or the other way around?"

The HRM function and HRD profession have undergone tremendous change over the past 20 to 30 years. Many years ago, large organizations looked to the "Personnel Department" mostly to manage the paperwork around hiring and paying people. More recently, organizations have begun to consider the "HR Department" as playing a major role in staffing, training, and helping manage people so that the people and the organization are performing at maximum capability in a highly fulfilling manner.

2.1.2 Employee Retention

Effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed, by having policies and practices in place that address their diverse needs. A strong retention strategy, therefore, becomes a powerful recruitment tool.

Retention of key employees is critical to the long-term health and success of any organization. It is a known fact that retaining the best employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning, and deeply embedded organizational knowledge and learning. Employee retention matters as organizational issues such as training time and investment, lost knowledge, insecure employees, and a costly candidate search are involved. Hence, failing to retain a key employee is a costly proposition for an organization. Various estimates suggest that losing a middle manager in most organizations costs up to five times his salary.

Intelligent employers always realize the importance of retaining the best talent. Retaining talent has never been so important in the Indian scenario; however, things have changed in recent years. In prominent Indian metros at least, there is no dearth of opportunities for the best in the business, or even for the second or third best. Retention of key employees and treating attrition troubles has never been so important to companies.

In an intensely competitive environment where HR managers are poaching from each other, organizations can either hold on to their employees tight or lose them to competition. For gone are the days when employees would stick to an employer for years for want of a better choice. Now, opportunities are abound. In fact, some reports suggest that attrition levels in IT companies are as high as 40 percent. Though BPO industry shoots ahead at 40 to 50 percent a year, it is now losing 35 to 40 percent of its 350,000-odd employees as well.

In India, there are few sectors where the attrition level is much larger compared to other sectors, for example, IT sector and BPO; whereas, there are organizations like Air India, HAL, DRDO, BARC where the attrition is much lower – nearly 5% or less than that.

Clearly, the only way out is to develop appropriate effective retention strategies.

2.1.3 The Importance of Retaining Employees

The challenge of keeping employees, its changing face has stumped managers and business owners alike. How do you manage this challenge? How do you build a workplace that employees want to remain with and outsiders want to be hired into? Successful managers and business owners ask themselves these and other questions because, simply put, employee retention *matters*.

High turnover often leaves customers and employees in the lurch; departing employees take a great deal of knowledge with them. This lack of continuity makes it hard for the organizations to meet their goals and serve customers well.

Replacing employee costs money. The cost of replacing an employee is estimated at up to twice the individual's annual salary (higher for positions based on their level within the inter-organizational hierarchy, such as middle management) and this does not even include the cost of lost knowledge.

Recruiting employees consumes a great deal of time and effort, much of it futile. There is not just one organization out there vying for qualified employees, and job searchers make decisions based on more than the sum of salary and benefits.

Bringing employees up to speed takes even more time and when an organization is short-staffed, they often need to put in extra time to get the work done.

It is paramount to retain talent employees. (Taylor, 2002) addresses the importance of employee retention as mentioned below. There are several new job opportunities; however there is shortage of talent employees. There is an increase in getting skilled employees. This makes it critically important to hold on to the talent employees. With the aging workforce, their retirement takes away the experience they carry. New employees can replace them not the knowledge of the leaving employees. Most of the jobs require adequate knowledge along with skill and demands more flexibility, which makes employees less committed and involved

The three recognised factors of employee retention are recognition, reward and respect. KEi (an application service provider) which helps in recruitment and retention of staff came up with a retention wheel as mentioned below (Phil, 1999).

The two prime beliefs of this retention wheel is based upon

1. Retention of employee becomes difficult when right person is not hired for the right job.

2. The process of retention should ensure employees satisfaction to work and stay.

The eight factors which feature in Kei’s retention wheel are mentioned below:

1. Attitude of employing the candidates.

2. Finding right person for the right job.

3. Application sorting.

4. Employee selection.

5. Starting employees.

6. Informing employees.

7. Improvising employees.

8. Employee reward practice.

2.1.4 The 3 R's of Employee Retention

To keep employees and keep their satisfaction levels high, any organization needs to implement each of the three R's of employee retention: **r**espect, **r**ecognition, and **r**ewards.

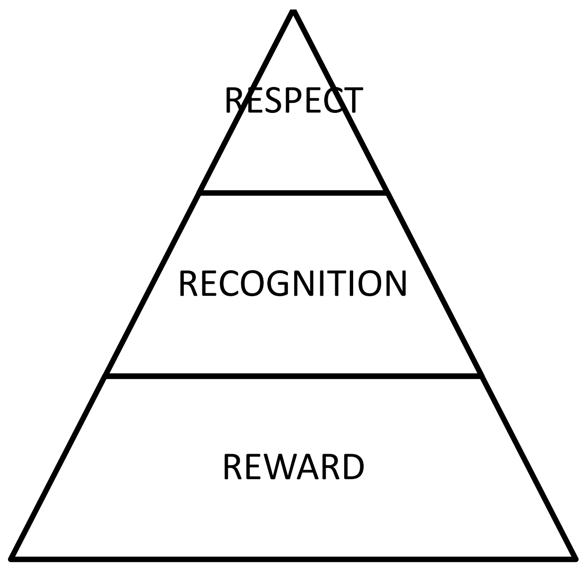


Fig. 1

Respect is esteem, special regard, or particular consideration given to people. As the pyramid shows, respect is the foundation of keeping your employees. Recognition and rewards will have little effect if you do not respect employees.

Recognition is defined as "special notice or attention" and "the act of perceiving clearly." Many problems with retention and morale occur because management is not paying attention to people's needs and reactions.

Rewards are the extra perks you offer beyond the basics of respect and recognition that make it worth people's while to work hard, to care, to go beyond the call of duty. While rewards represent the smallest portion of the retention equation, they are still an important one.

You determine the precise methods you choose to implement the three R's, but in general, respect should be the largest component of your efforts. Without it, recognition and rewards seem hollow and have little effect – or they have negative effects. The magic truly is in the mix of the three.

When implemented, the "3 R's" approach yields reduced turnover and the following benefits:

- Increased productivity,
- Reduced absenteeism,
- A more pleasant work environment (for both employees and management/employer),
- Improved profits.

Furthermore, an employer who implements the three R's will create a hard-to-leave workplace, one known as having more to offer employees than other employers. It becomes a hard-to-leave workplace – one with a waiting list of applicants for any position that becomes available – purposefully, one day at a time.

2.1.5 Cost to the organization

Attrition is costly to any organization and it can be higher than it really seems to be. Once an employee leaves the different costs involved and identifies as a direct cost and indirect cost.

Direct cost involves

1. Administrative costs: It includes the costs for exit interview, no financial dues in the organization form which needs to be signed from various departments, financial cost incurred in preparing the no objection certificate, PF transfer, and gratuity.

2. Hiring cost: Secondly, cost involved with the replacement of employee with a new recruit, the external agency involved in searching for new candidate, interviewing cost, cost of background check, relocation cost of a new employee.

3. Induction and on board cost: costs involved in induction, orientation and training of a new recruit.

Indirect costs involve

1. Loss of productivity: With a new employee the manager will have to once again spend a lot of quality time to bring him to a level of an experienced employee.

2. Learning curve: Considering the employee who leaves the organization is a good performer, it takes a minimum of 2 months to train his replacement to expected levels.

3. Loss of tacit knowledge: The leaving employee carries his knowledge, wisdom, experience, guest relation and many other such attributes which are lost to the organization.

4. Loss of personal network: There is a loss of personal network every time an employee leaves the organization. The new person takes time in building up business, and other relevant networks.

5. Loss of teamwork: A leaving employee breaks the motivation level of existing employees based on the influence and relationship they have with each other.

6. Loss of customers: An employee's popularity at times becomes a reason for guests to shift from one place to another or at times there is a drop in the frequency of guest visits.

7. Opportunity cost: The times spent in looking for a replacement could have been used for the development of the business.

2.1.6 Ten Ways to Retain Your Employee

Retaining key personnel is critical to long-term success of any organization. A sound retention strategy thus becomes essential for any organization to be productive over time and should be treated as an important part of their hiring strategy by attracting the best candidates who know of their track record for caring for employees. In fact, some companies do not have to recruit because they receive so many qualified unsolicited submissions due to their history of excellence in employee retention.

How do you get your employees to "fall in love" with the organization and let them "stay in love" with the organization? This is a great question. Some recently conducted research lists these top ten strategies:

1. **Treat your employees like you treat your most valuable clients.** It is cheaper to keep your good employees than it is to hire and train new ones. Your top 20-25% should be courted as you would court and then service your top customers.

2. **Get your employees to "fall in love" with your organization.** Communicate your vision in a compelling way. Show everyone the role they have to contribute to this vision. Create opportunities for people to connect with each other for support and to improve communication in work teams.

    - Capture the hearts of your workforce with: Compelling vision/balance/celebration-fun.
    - Open Communication: Internal listening is a priority, multiple lines of communication (various channels). This is essential for managing change in a positive way with less sabotage, anger, resistance, and fear.
    - Create partnerships: Squash status barriers/open the books/pay for performance (not titles), share the "bad" times the "good" times.
    - Drive Learning: "Guarantee Employability," Encourage Life Long Learning (Train outside of job description). Loyalty comes from trusting your employees to develop their skills for the good of the company and for their needs for personal growth and satisfaction.
    - Emancipate Action: Freedom to Fail, reduce bureaucracy, challenge the "status quo." Breathe life into your organization. Do not let your employees stagnate.

3. **Strong retention strategies become strong recruiting advantages.**

4. **Retention is much more effective when you put the right person into the right job. Know the job. Know the employee and their motivations.** Half of the Fortune 500 companies are now using assessments to more fully understand each job and the soft skills that are required for top production within their specific company culture. These

benchmarked skills are then compared against qualified applicants to help determine who will be successful in the position and fit well within their company's culture. These assessments are also used as a powerful professional development tool to enhance the training of continuous lifelong learning (which is another powerful retention strategy).

5. **Money is important but it is not the only reason people stay with an organization.** If your compensation plan is in the top 20-30% of your industry, then money will often not be the reason why people leave.

6. **Employee committees to help develop retention strategies is a very effective strategy.** Get their input. Ask, “what do people like about working here? What would you like changed to make your company a better place to work?

7. **Leadership must be deeply invested in retention.** Management must be skillful communicating company policies in a way that creates "buy-in" from their staff and be open to employee input. Help create "ownership" in your employees.

   The companies with the best retention percentages are the same companies that are actively committed to retention. They know that is costs less to keep good people than to continuously have to replace unsatisfied employees and managers.

8. **Recognition, in various forms, is a powerful retention strategy.** It does not have to cost a lot. Research shows 46% of people leave their jobs because they feel unappreciated.

9. **Remember, the "fun factor" is very important to many employees.** Retention is often related to interpersonal connections and amount of “fun” in work teams. The FUN Factor is part of the generation of workers that use activities as stress management in highly charged production environments where long hours are required. Though not everyone can participate in physical activities, this sets the tone in a culture based on competition, health/well-being, and interactions that are inclusive beyond work.

10. **Know the trends in benefit packages. Do your best to offer the ones your employees need.** Consider offering the best of the rest.

2.1.7 Myths about Employee Morale Prevent Companies from Achieving Retention Success

Despite years of research that point to far different solutions, many companies use the wrong tactics when trying to improve employee morale, satisfaction and retention. These myths prevail, in part, because businesses have used these methods, however wrong, for a very long time and have become used to trying the same ideas.

Myth 1: People most often leave a company for more pay.

Exit interviews, conducted to learn why people leave an organization, contain some of America's greatest fiction. People frequently say they're leaving for more money because it's the easiest reason to give. More often the causes leading to departure are related to issues that were unsatisfying in the job or the company.

Typical issues that cause dissatisfaction are company policies and procedures, quality of supervision, working conditions, relationship with the immediate supervisor and salary

Yes, pay does matter. While research shows most people don't actually leave a job for more money, there are two important facts: Very-low-income workers will leave for more money because it's a survival issue. For the rest of workers, the issue of money actually is about fairness. People become dissatisfied with pay when they feel it is unfair within the company, within the industry or when pay doesn't seem to match the amount or type of work required.

To increase employee satisfaction and retention, companies make more gains by working to improve whether people feel a sense of achievement, recognition, competence and growth, whether there are choices about how work gets done and whether employees feel respected by management..

Myth 2: Incentive programs produce long-term profits and improve productivity and morale.

So, who doesn't like free stuff? However, incentives such as gifts and cash bonuses for meeting speed and volume goals don't affect employee commitment. They're really a throwback to outdated management beliefs that workers must be coerced in order to work hard. All the extras don't add up to the real glue that creates employee commitment: the chance to learn and grow, meaningful work, good supervisors and respect and appreciation for a job well done.

Incentives have been over-used particularly in the past decade, as management books touted the importance of improving recognition of excellent work. Yet, studies show that carrot-and-stick motivation actually does not pay off in long-term company profitability or employee satisfaction or retention. To the contrary, incentives can harm quality when employees aim for speed or other goals rather than quality.

Myth 3: People don't want more responsibility.

They don't want more work if they're already overloaded due to lean staffing; but people indeed want the opportunity to grow and develop their skills, advance their careers and have the opportunity for greater variety. Keep in mind what the research confirms: People do want to try new things, to feel skillful and to experience the personal satisfaction of higher levels of achievement.

People don't need a job promotion in order to gain more responsibility. The same job can be broadened to include more variety, more contact with different parts of the organization and greater control over decisions on accomplishing work tasks.

Myth 4: Loyalty is dead.

Not at all, though it is ailing in many organizations. People are seeking greater work-life balance than in the past, and employers have made great strides in providing more flexible hours and dress codes. Still, people seek to make a contribution, and organizations that provide healthy doses of the main satisfiers enjoy significantly lower turnover and higher morale. Profits are higher, too, according to recent research studies.

Things have changed, indeed. Today's workers will, in fact, change careers and jobs much more often. When the economy is good, people have become much more at ease in changing companies, are more likely to acquire new skills and move to companies that offer greater chance to use more of their knowledge and more willing to take the risks of starting anew at another organization.

What has emerged in current management studies are that the same qualities that hold employees are the ones that best serve the customers: Employees who can make quick decisions on behalf of the customer and the company; employees who have a broader scope of responsibility that allows them some freedom and leverage to solve customer problems; learning opportunities that give employees the skillfulness to address customer issues; and supportive management and supervisors who use any mistakes that occur as teaching opportunities.

Myth 5: Improving employee satisfaction is expensive.

Research tells us the true satisfiers can't even be bought: career growth, meaningful work, respect and appreciation and being able to influence how work gets done. In these leaner times employers have the same opportunity to gain true loyalty despite lowered budgets.

The trinkets and prizes given in recognition and rewards programs aren't necessary ingredients for developing an engaged workforce. The "glue" that holds people is made of much different stuff: Management that listens and responds to employees' ideas about improving service, supervisors who support people's growth and initiative, training in how to do the job successfully, good relationships with coworkers and genuine appreciation for a job done well. There are no costs incurred to build or enhance these motivators.

Myth 6: Employee satisfaction is "fluff."

Does having engaged workers make a difference in the bottom-line? Studies now show that lower turnover and greater levels of employee satisfaction have a definite positive impact on customer satisfaction and profitability, which are the key factors in company growth and sustainability. Consider these facts:

- A strong link was found in a study by PricewaterhouseCoopers between employee retention and the quality of service as rated by companies' customers.
- According to the American Society of Training & Development, organizations that invested the most in training had higher gross margins and income per employee.
- The cost of replacing an employee who leaves has been estimated by various studies to be between 70 and 200 percent of that worker's annual salary.

- The Council on Competitiveness found that a 10-percent increase in education has a more positive impact on productivity than a 10-percent increase in work hours.

The bottom line on the bottom-line? Investing in people and using the most effective management practices increases profits

Myth 7: Supervisors are the problem.

Many senior leaders express dismay about the quality and actions of their middle managers and front-line supervisors. The "blame game" is old, yet the solutions are strikingly similar to those required to build an engaged workforce.

In most organizations today, supervisors have more people reporting to them than in the past, more demanding customers than ever and greater amounts of change – all occurring at the same time. Yet, the amount of training provided to managers and supervisors in many organizations is minimal. More importantly, the amount of time that senior managers spend in dialogue with middle and line managers also is minimal.

Middle managers and supervisors can appear resistant to improvement efforts. However, the true failure exists in our understanding of their world, the challenges they face and the support they need in order to be successful.

Successful organizations seek to build teamwork between senior leaders and middle managers and line supervisors (which is a key ingredient in creating teamwork throughout the company).

Myth 8: My company/industry/people are different.

Yes, every company is unique, and every industry has its own set of unusual challenges. However, a very costly mistake is made when we believe information from other sectors doesn't apply to us or our organization.

Retention research studies cross all industries, all types of work settings and in varied economic conditions. Still, the same results come up time and again. We build employee loyalty – and, indirectly, customer loyalty – through providing people with growth and learning opportunities, minimizing red tape, allowing people to think and make good choices, supporting middle managers and front-line supervisors and appreciating the efforts that people give to help our customers.

It’s downright dangerous to ignore these findings – risky to the bottom-line and the organization’s future.

Barriers to Success

- Lack of support from management team.
- Inability to provide hard numbers.
- Company culture does not support change.
- Back lash from single workers.
- Failure of other programs due to low utilization.
- Managers do not view work/life initiatives as business tools that impact employee retention.

2.1.8 Ten Factors that Affect Employee Retention

Most managers understand the importance of employee retention and its impact on the overall health and vitality of an organization. The importance of retaining top organizational talent will only increase over the coming years as the massive cohort of baby boomers begin to reach retirement age making it easy for younger employees to find work.

Earlier, we identified some useful tips to help improve employee retention in an organization. Given the importance of employee retention, here is another list of 10 important factors that can affect employee retention in any organization.

1. **Shorten the feedback loop.**

Do not wait for an annual performance evaluation to come due to give feedback on how an employee is performing. Most team members enjoy frequent feedback about how they are performing. Shortening the feedback loop will help to keep performance levels high and will reinforce positive behavior. Feedback does not necessarily need to be scheduled or highly structured; simply stopping by a team member's desk and letting them know they are doing a good job on a current project can do wonders for morale and help to increase retention.

2. **Offer a competitive compensation package**.

Any team member wants to feel that he or she is being paid appropriately and fairly for the work he or she does. Be sure to research what other companies and organizations are offering in terms of salary and benefits. It is also important to research what the regional and national compensation averages are for that particular position. You can be sure that if your compensation package is not competitive, team members will find this out and look for employers who are willing to offer more competitive compensation packages.

3. **Balance work and personal life**.

Family is incredibly important to team members. When work begins to put a significant strain on one's family no amount of money will keep an employee around. Stress the importance of balancing work and one's personal life. Small gestures such as allowing a team member to take an extended lunch once a week to watch his son's baseball game will likely be repaid with loyalty and extended employment with an organization.

4. **Beware of burnout**.

Staff adequately to reduce the amount of unwanted overtime a team member must work. Some employees enjoy the extra money that accompanies overtime hours, while others would rather spend their time with their families or doing other activities they enjoy. Burnout can be a leading cause of turnover. Recognize the warning signs and give employees a break when they need it.

5. **Provide opportunities for growth and development**.

Offer opportunities for team members to acquire new skills and knowledge useful to the organization. If an employee appears to be bored or burned out in a current position offer to train this individual in another facet of the organization where he or she would be a good fit. Nobody wants to feel stuck in their position will no possibility for advancement or new opportunities.

6. **The ability to provide input and be taken seriously**.

Everybody has opinions and ideas, some are better than others. However every team member wants to feel that their input is welcome and will be taken seriously without ridicule or condescension. Some of the greatest ideas can come from the most unlikely of places and people.

Creating a culture where input is welcome from all level of the organizational chart will help your organization grow and encourage employee retention.

7. **Management must take the time to get to know team members**.

It's not a big surprise that one of the greatest complaints that employees express in exit interviews is a feeling that management didn't know they existed. Nobody wants to feel like just another spoke in a big wheel. Managers are very busy - everybody is busy, but it is crucial that managers and supervisors take the time get to know the team members who work under them. Learn and remember a team member's name, what skills and talents they bring to the table, and what their business interests are. The time spent by management getting to know team members is well invested and can eliminate the headaches caused by having to continually hire and re-train new employees.

8. **Provide the tools and training an employee needs to succeed**.

Nothing can be more frustrating to an employee than a lack of training or the proper tools to successfully complete his or her duties. You wouldn't try to build a house without a hammer, so why should an office job be any different? Providing a team member with the tools and training she needs to be successful shows a commitment and investment in that employee and will encourage the team member to stay with the organization.

9. **Make use of a team member's talents, skills, and abilities.**

All team members have knowledge, skills, and abilities that aren't directly related to their job description, but are still useful to an organization. Utilizing a team member's talents in areas other than their current position will indicate to an employee that management appreciates and recognizes all that an employee has to offer to the organization. This can also provide work variety and helps to break up the everyday grind of work.

10. **Never threaten a team member's job or income**.

While threatening an employee with termination or demotion might seem like a surefire way to get the results needed from him or her, doing so will likely cause the employee to leave the organization. Put yourself in the employee's shoes, what is the first thing you would do if your job was threatened? Odds are you would probably update your resume and start checking for open job postings expecting the worst. If a team member's performance is not what you had hoped it would be, work with that team member on ways to improve his performance, saving termination only as a last resort.

Take some time and seriously evaluate what your organization is doing to encourage a high retention workforce. Having a seasoned and well trained workforce can deliver a competitive advantage that is difficult to replicate. The

best part is most of your efforts to retain your employees come free or with little charge and offer huge returns on a manger's investment in time and resources.

2.1.9 Theories

The two factor theory by Herzberg indicate the factors which are responsible for job satisfaction (motivators) which are different from the factors which cause dis-satisfaction (hygiene factors) among employee making retention difficult and resulting in employee turnover.

Adam’s Equity theory highlights the dissatisfaction among employees of various outlets of the organization due to unclear incentive programme which were introduced as retention strategy. They felt they were not communicated important changes which organization was undergoing.

The expectancy theory highlights the foundation of the new work benefits introduced. It shows how the organization made its employees believe that certain effort would lead to performance which in turn will result in an outcome of better incentive and advancements.

There are many research conducted to analyse the reason for an employees’ choice to stay with or leave the organization by.

The model of turnover theory is often referred to as Price-Mueller model, described historically developed in five phases. The rationale for selecting Price-Mueller models of turnover over other theorists is the range which this model offers in analysing the turnover ratio along with the behavioural aspect of an employee who decides to quit or carry on working with an organization.

CHAPTER : 3

3.1 RESEARCH METHODOLOGY

The data and information for the study of analysis of factors of employee retention (IT industry) is both primary and secondary in nature.

The primary data has been collected through internet, research papers.

For the purpose of further analysis, the data has been collected using secondary research.

Secondary data is information that has been collected for a purpose other than your current research project but has some relevance and utility for your research. The sources of secondary data can be internal sources and external sources. Internal sources include data that exists and is stored inside the organization. External data is data that is collected by other people or organizations from the organization's external environment.

- It is economical. It saves efforts and expenses.
- It is time saving.
- It helps to make primary data collection more specific since with the help of secondary data, we are able to make out what are the gaps and deficiencies and what additional information needs to be collected.
- It helps to improve the understanding of the problem.
- It provides a basis for comparison for the data that is collected by the researcher.

3.2 Sampling

- It is the process of selecting representative subset of a total population for obtaining data for the study of the whole population the subset is known as sample. The sample size is selected for the study is 50 employees. The techniques of sampling unit in this study are convenience sampling.

Convenience sampling:

- In this method the sample units are chosen primarily on the basis of the convenience to the researcher

CHAPTER : 4

4.1 SIGNIFICANCE OF THE STUDY

A significant problem faced by the IT enterprises is retaining employees in the organization. In the wake of globalization, enterprises are losing their 60% of the valuable managerial talent pool to big multinational companies. Often aspiring managers view these firms as tavern or just a stepping stone to climb to prestigious MNCs.

There are several studies conducted in India and abroad to understand the reasons for high employee turnover and retention difficulties. Some studies have identified retention issues and high employee turnover as lack of retention plan; low employee morale; work-life balance; employee engagement and poor leadership.

Deloitte’s Global Human Capital Trends 2015 reported that employee engagement is one of the top concerns for organizations to help retain the employees.

So, the questionnaire was formed by keeping in mind the above issues.

4.2 Data Analysis

1. Are you satisfied with the current job?

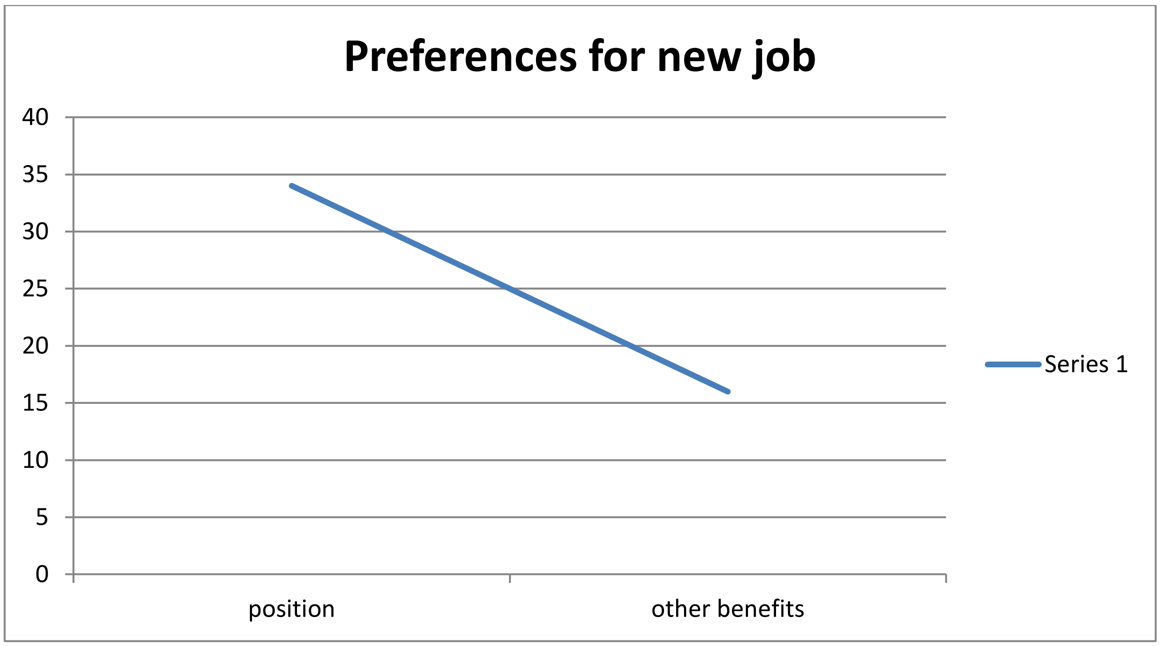
1) Highly
2) Fairly enough
3) Moderate
4) Very less
5) Not at all

Graph 1

Graph 1 represents the satisfaction level from current job.

2. If you look for a new Job, (in a new company) what will be your preference?

1) Improvement in Position
2) Improvement in other benefits

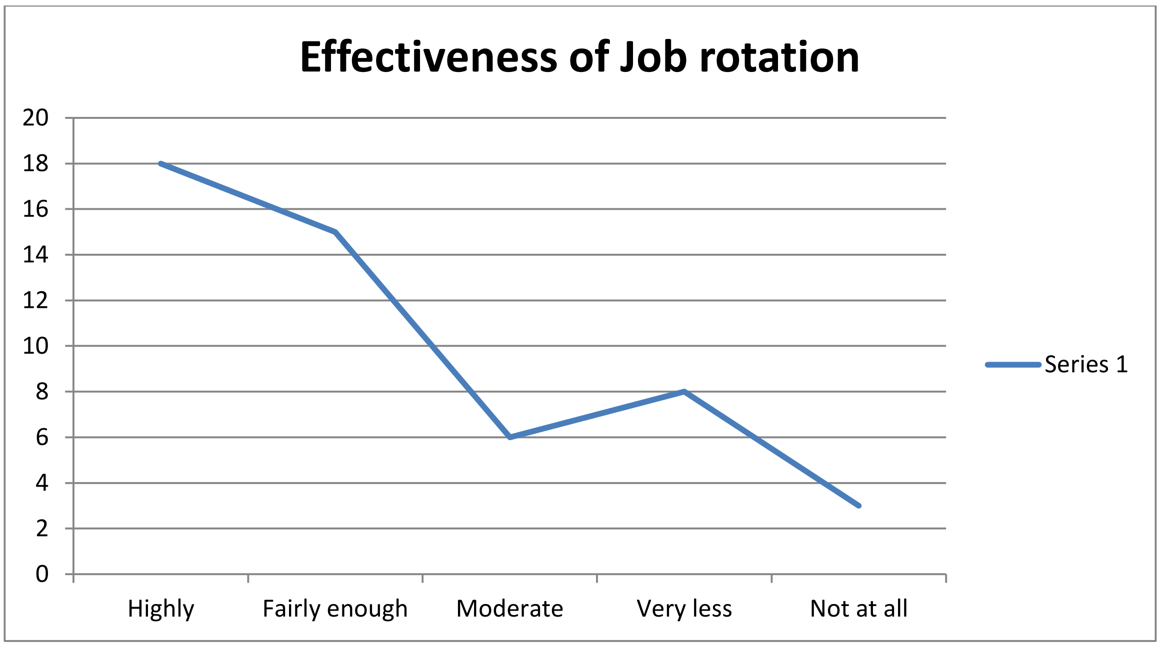


Graph 2

Graph 2 represents the preferences for selecting new job.

3. How effective is the contribution of job rotation and new assignments for job satisfaction?

1) Highly
2) Fairly enough
3) Moderate
4) Very less
5) Not at all

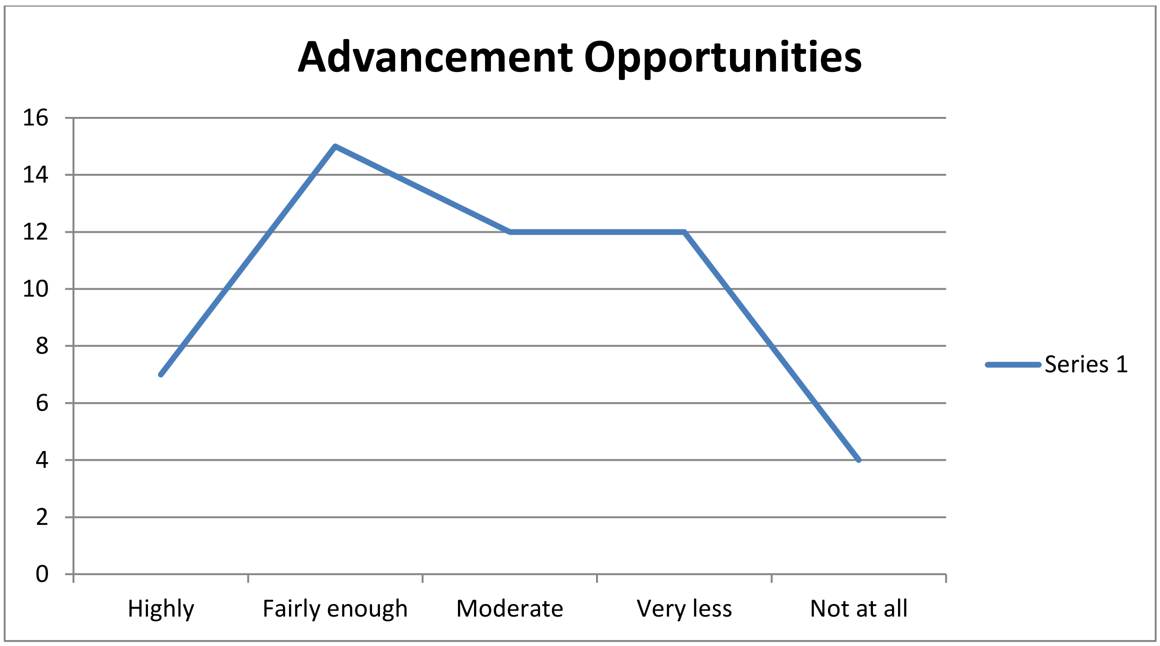


Graph 3

Graph 3 represents the effectiveness of job rotation for the purpose of job satisfaction.

4. To what extent do you feel that the present job has advancement opportunities.

1) Highly
2) Fairly enough
3) Moderate
4) Very less
5) Not at all

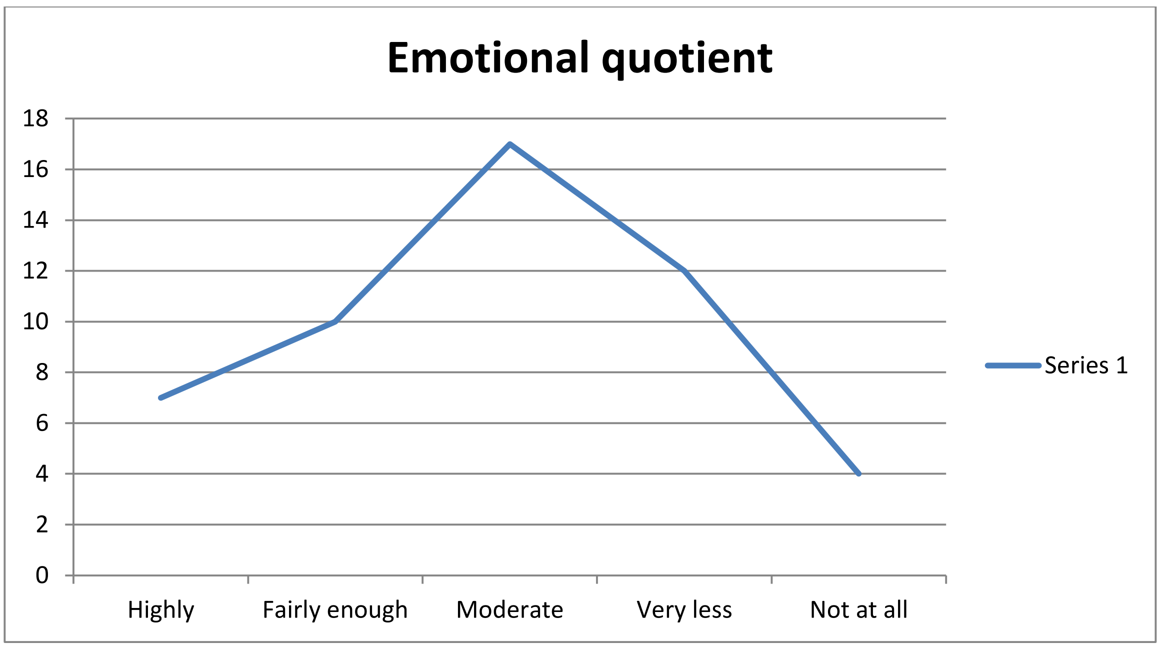


Graph 4

Graph 4 represents the availability of advancement opportunitites with the present job.

5. To what extent you are emotionally attached to your company.

1) Highly
2) Fairly enough
3) Moderate
4) Very less
5) Not at all

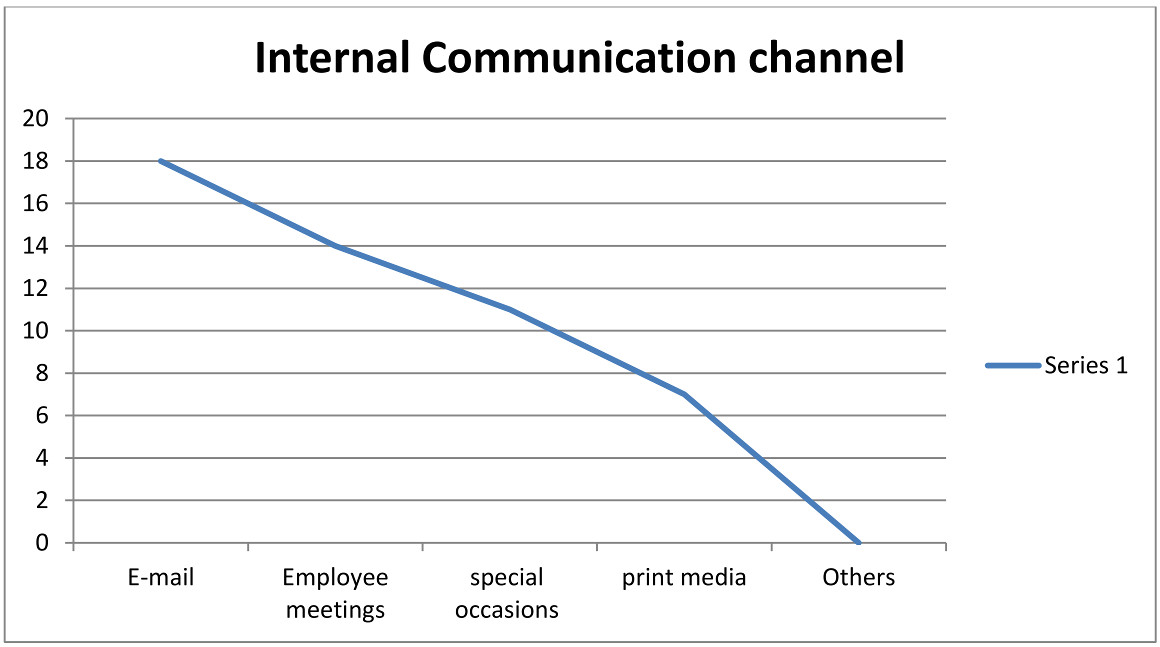


Graph 5

Graph 5 represents how much an employee is attached to the company.

6. Common Internal communication channels in the organizations

1) E-mail
2) Employee meetings
3) celebration of special occasions of the employee
4) print media
5) others

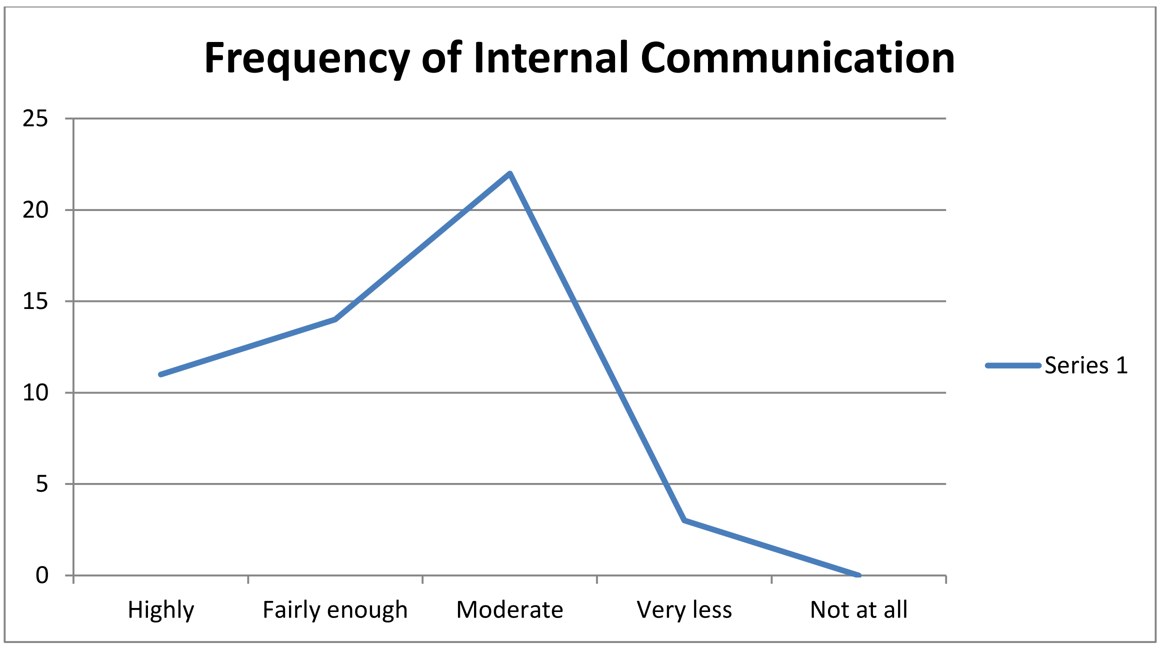


Graph 6

Graph 6 represents the different internal communication channels used by the organizations.

7. What is the frequency of the internal communication in your organization?

1) Highly
2) Fairly enough
3) Moderate
4) Very less
5) Not at all

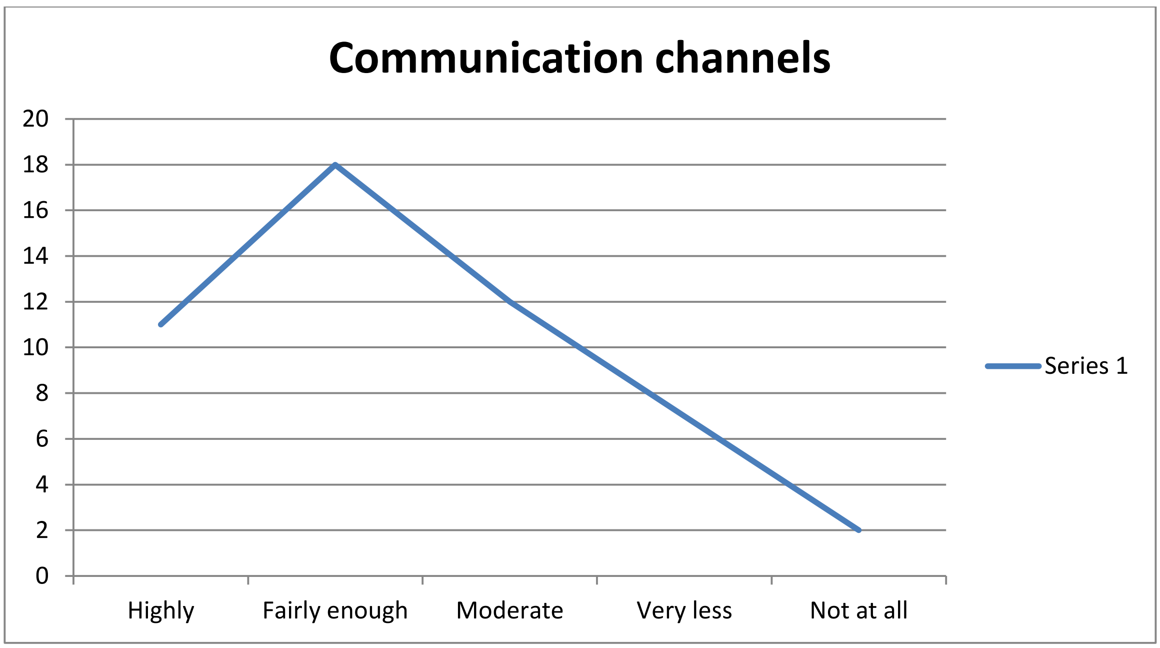


Graph 7

Graph 7 represents the frequency of internal communication channels used by the organizations.

8. How connected you feel with the organisation because of the communication channels present in your organization?

1) Highly
2) Fairly enough
3) Moderate
4) Very less
5) Not at all

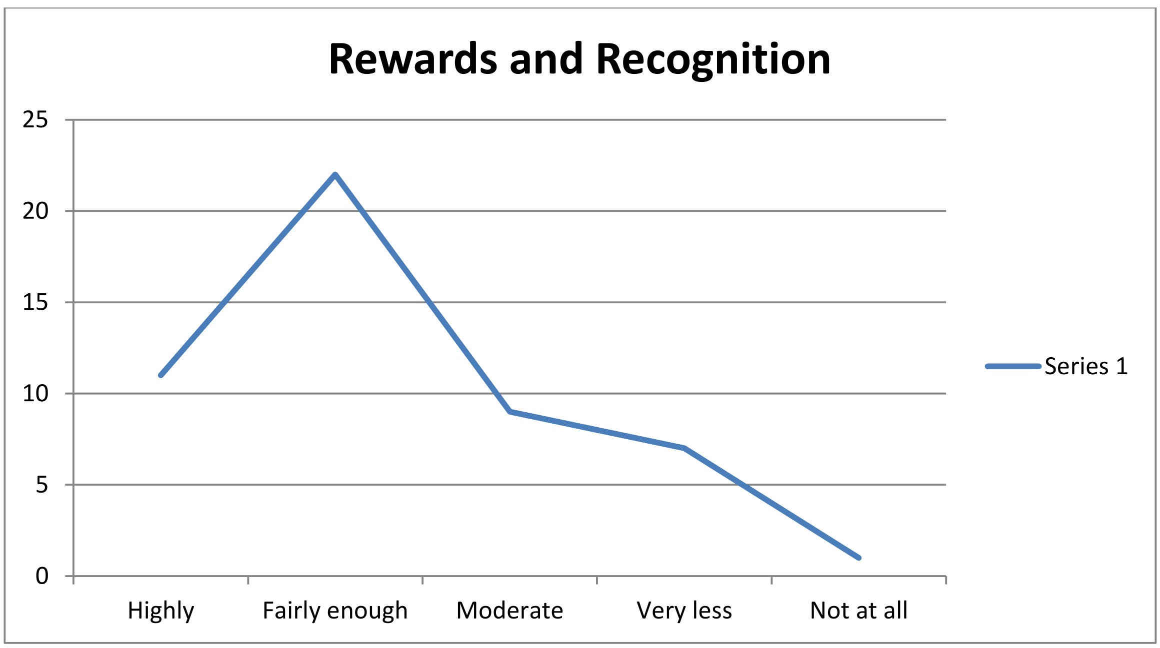


Graph 8

Graph 8 represents how well an employee feel connected with the organization because of the internal communication channels.

9. How well the rewards and recognition have motivated you for continuing the job?

1) Highly
2) Fairly enough
3) Moderate
4) Very less
5) Not at all

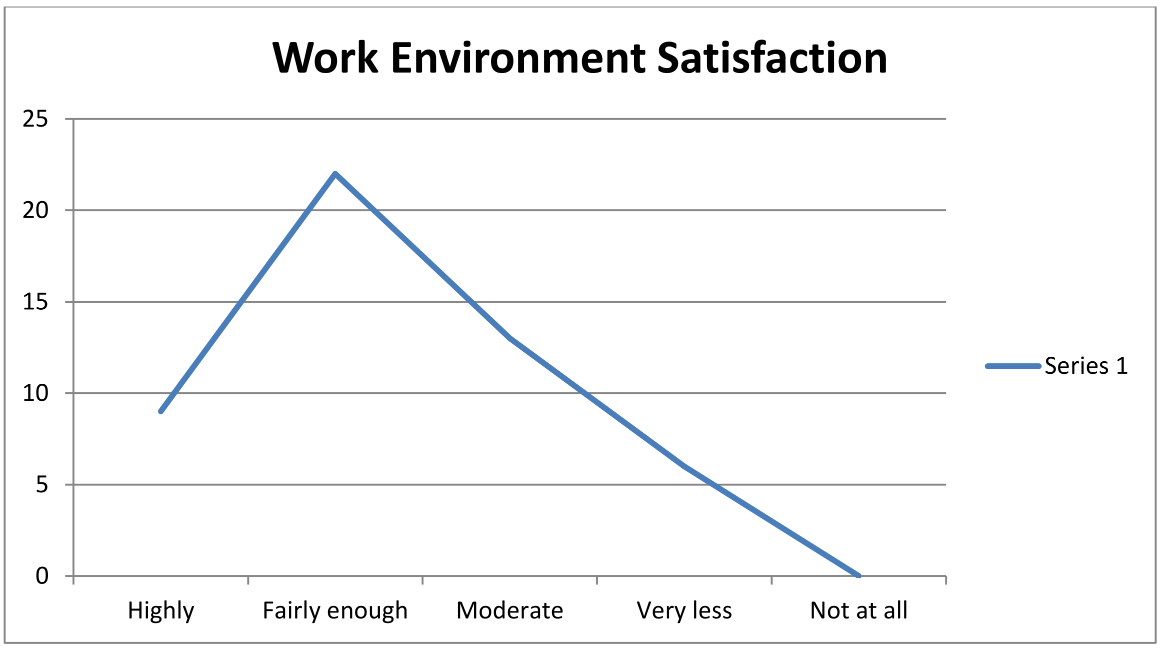


Graph 9

Graph 9 represents the significance of rewards and recognition for employee motivation.

10. Considering your work life balance, Do you recommend your company as a good place to work?

1) Highly
2) Fairly enough
3) Moderate
4) Very less
5) Not at all



Graph 10

Graph 10 represents the satisfaction level of employees in terms of work life balance.

4.2 Findings

- Majority 64 percent of the respondents are satisfied with the current job.
- 68 percent of the respondents, if given a chance, wish to change their job for improvement in position. Rest give importance to other benefits offered as part of the job.
- Majority 80 percent of the respondents feel that the contribution of job rotation and new assignments is effective for job satisfaction.
- More than 60 percent of the respondents are not much emotionally attached to the organization.
- 78 percent of the respondents feel that their present job has moderate advancement opportunities.
- Almost 93 percent of the respondents recognize that there is effective internal communication in the organization.
- Majority 82 percent of the respondents feel connected with the organisation because of the communication channels present in the organization.
- Emails and meetings are the major communication channels.
- Around 80 percent of the respondents consider their company as a good place to work.
- Majority of the respondents replied that rewards and recognition have motivated them for continuing the job

4.3 RECOMMENDATIONS

Retaining key personnel is critical to long term success of an organization. A Retention Strategy has become essential for the organization to be productive over time and can become an important part of hiring strategy by attracting the best candidates. In fact, some companies do not have to recruit because they receive so many qualified unsolicited submissions due to their history of excellence in employee retention. How do you get the employees to "fall in Love" with your organization? This is a great question. Some of the suggestions for this can be summarized as follows:

- The company should provide better motivations to the employees. So that improves the satisfaction of the employees.
- The company should maintain a good relationship with the employees that help to improve their production.
- The company should change their work schedule and policies of their organization.
- The company should also develop their infrastructure facility of their organisation.
- The company should reduce their employee retention problem and provide promotion offers to their employees.
- The company should provide job security and statutory benefits to their employees.
- The company should provide training programs for their employees.
- The company should provide career opportunities to the employees.
- The company should provide proper incentives to the employees.
- The company should maintain proper work timings for the employees and should main a proper attendance of the employees.
- The company should provide other benefits properly to the employees.
- The company should provide Rewards and Recognition to the employees.
- The company should provide promotions opportunities to the employees

“Employees want to feel valued. They want to be compensated well; they want to be challenged; they want to contribute to something meaningful; and they want to have a good work-life balance.”

While drafting new strategies, organizations should analyse the impact it brings along. Consideration of employee development along with the organization’s growth helps employees to align their goals with that of the organization. Recruitment and selection, employee engagement, organizational culture and benefits, training and induction if planned in advance, would save the organizational cost which is incurred with high employee turnover and lack of retention plans.

CHAPTER : 5

5.1 LIMITATIONS AND FUTURE SCOPE OF THE STUDY

- All the analysis is not checked for the reliability as it is only based on research papers knowledge and secondary research.
- limitations with regards to availability & accessibility of various sources of the secondary data.
- Some responses may be not correct or responses may not be filled up with sincerity.
- Samples could be selected more carefully.
- For the future scope the sample size of the primary research could be increased and more number of questions could be framed.
- More reliable techniques like spss could be used for the data analysis.

CHAPTER : 6

6.1 BIBLIOGRAPHY

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