

Major Research Project

STUDY ON RETENTION OF EMPLOYEES IN THE IT SECTOR

Submitted By

Anantika Kushwaha

2K21/DMBA/27

Under the Guidance of

Dr. Saurabh Agrawal

Associate Professor



DELHI SCHOOL OF MANAGEMENT

Delhi Technological University

Bawana Road Delhi 110042

May 2023

CERTIFICATE

This is to certify that Ms. Anantika Kushwaha, has completed the project titled “Study on Retention of Employees in the IT Sector under the guidance of Dr. Saurabh Agrawal, Associate Professor, as a part of Master of Business Administration (MBA) curriculum of Delhi School of Management, New Delhi. To the best of my knowledge, this is an original piece of work and has not been submitted elsewhere.

Dr. Archana Singh

Head of Department

Delhi School of Management

Delhi Technological University

Dr. Saurabh Agrawal

Associate Professor

Delhi School of Management

Delhi Technological University

DECLARATION

I, Anantika Kushwaha, hereby declare that the MBA research project titled “Study on Retention of Employees in the IT Sector” is my original work, and has not been submitted in part or in full for any other degree or qualification.

The research work included in this project is the result of my own efforts, and I have duly acknowledged all sources of information used in the preparation of this work. All the data, figures, and quotations used in this project have been appropriately referenced.

I confirm that I have followed all ethical standards and guidelines while conducting research and collecting data for this dissertation. All participants involved in this research have given their informed consent, and their privacy has been duly protected.

Finally, I acknowledge the guidance and support provided by my supervisor’s, faculty members, and peers throughout the course of my MBA program, which has enabled me to complete this project successfully.

Anantika Kushwaha

2K21/DMBA/027

ACKNOWLEDGEMENT

I offer my sincere thanks and humble regards to the **DELHI SCHOOL OF MANAGEMENT, DELHI TECHNOLOGICAL UNIVERSITY** for imparting us valuable professional training in MBA.

I pay my gratitude and sincere regards to Dr. Saurabh Agrawal, as he has been a constant source of motivation and inspiration. I am also thankful to him for providing me with suggestions and encouragement throughout my summer internship and summer internship report.

I am also thankful to my friends and family for constantly motivating me and providing me with an environment that enhanced my knowledge and skills.

Anantika Kushwaha

2K21/DMBA/027

EXECUTIVE SUMMARY

The IT sector is the most booming industry in today's world. The demand for IT products and services was already high, but in the COVID and post-COVID period, they have skyrocketed. IT organizations serve as a backbone to many product or service-based organizations. Their demand is never ending. Still these organizations faces several problems of their own. One of them includes retention of employees. Employee turnover is quite high in the tech sector. Companies are fighting quite hard to fight this issue. Still it's a long way to victory. There can be many reasons for employees leaving an organization such as unsatisfactory compensation packages, stress, unhealthy work culture, poor work-life balance, etc. When the turnover rate is in the range of 0-10%, it is considered an acceptable range. However, a turnover rate of more than 10% brings in huge losses to the company that is not just financial.

The current scenario in which IT companies laid off many of their workforces creates trauma in the minds of the workers that might not be today but later on will eventually turn into a turnover. The first major layoff happened in 2008-09 during the Recession period, the second happened during the COVID period and the third happened to start from November 2022. In the recent layoffs that happened in the month of January and February 2023, major companies cut off their workforces by huge percentages. It can create a sense of fear in the minds of the remaining employees and the loyalty factor, which binds an employee to the organization decreases. Layoffs might cause the workers who are left behind to quit. A study by Visier, a human resources analytics company found out that when employees were laid off, the likelihood that their direct colleagues would quit was 7.7% higher than if those employees had remained. A principal researcher at Visier said that if a company layoffs its employees, then it might add 7% to 8% to the count which is very likely to leave as well.

Table of Contents

CERTIFICATE	i
DECLARATION	ii
ACKNOWLEDGEMENT	iii
EXECUTIVE SUMMARY	iv
LIST OF FIGURES	vi
LIST OF CHARTS	vi
CHAPTER – 1 Introduction	1
1.1 Background	1
1.2 Problem Statement	16
1.3 Objectives of the Study	16
1.4 Scope of the Study	17
CHAPTER – 2 Literature Review	18
CHAPTER – 3 Research Methodology	24
3.1 Introduction	24
3.2 Hypothesis Development	24
3.3 Data Collection	26
3.4 Instrumentation and Questionnaire design	26
3.5 Demographic Profile of the Respondents	27
CHAPTER – 4 Analysis, Discussion and Recommendations	32
4.1 Data Analysis	32
4.2 Findings & Suggestions	42
4.2.1 Findings:	42
4.2.2 Suggestions:	43
4.3 Limitations of the study	43
CONCLUSION	45
REFERENCES	48
APPENDIX	49
PLAGIARIASM REPORT	53

LIST OF FIGURES

Figure 1.1: History of Information Technology	2
Figure 1.2: A History of Disruption.....	3
Figure 1.3: Employee Turnover	7
Figure 1.4: Drivers of Employee Turnover.....	8
Figure 1.5: Engaged Workforce.....	10
Figure 1.6: Employee Retention Metrics	12
Figure 1.7: Employee Retention Strategy	16

LIST OF CHARTS

Chart 3.1: Demographics- Age	27
Chart 3.2: Demographics- Gender	28
Chart 3.3: Demographics- Marital Status	29
Chart 3.4: Demographics- Educational Qualification	29
Chart 3.5: Demographics- Years of Service	30
Chart 3.6: Demographics- Income	31
Chart 3.7: What attracts you the most in an employment vs Gender	40
Chart 3.8: What attracts you the most in an employment vs Age	40
Chart 3.9: Layoffs vs Retention	41

CHAPTER – 1 Introduction

1.1 Background

The generation, storage, processing, and interchange of digital information are all activities that fall under the umbrella of the IT industry, often known as the information technology industry. The industry was created in the middle of the 20th century as a result of the development of electronic computers that made automated data processing conceivable.

Computers, software, and other digital technologies are required for the processing, storing, retrieving, and transferring of information. The IT (Information Technology) sector is a sizable and rapidly growing one. The first computers were created in the early 20th century, which was also the beginning of the IT industry. However, the industry really took off in the late 20th century with the introduction of personal computers and the development of access to the web.

The rapid pace of technological advancement, which has led to the creation of new hardware and software technologies, which have enabled faster processing speeds, increased storage capacity, and more efficient data handling, has been one of the major factors driving the growth of the IT industry. These advancements have made it possible to automate many routine tasks, increasing efficiency and productivity in a variety of sectors.

The early information technology industry focused on the development of software, such as operating systems and productivity programs, as well as hardware, such as mainframe and personal computers. The 1980s and 1990s saw the development of the internet, which led to a huge expansion of the IT industry and the birth of new businesses and sectors including e-commerce, online marketing, and social media platforms.

The IT sector is now evolving quickly, with new technologies like artificial intelligence (AI), the cloud, and the IoT (Internet of Things) constantly developing. A wide number of industries, including healthcare, banking, transportation, and entertainment, are all heavily dependent on the industry for innovation and digital transformation. One of the biggest and most significant sectors in the world is the information technology sector. It comprises a wide range of organizations, from those that provide hardware and software to those who offer consulting, installation, and support services for IT. As new technologies are produced and new candidates

for old technologies are found, the sector has generated innumerable employment and is continually changing.

Early in the nineteenth century, when the first mechanical calculators were created, the Information Technology (IT) industry was born. The contemporary IT industry, however, started to take shape with the development of the first electronic computers in the mid of the 20th century.

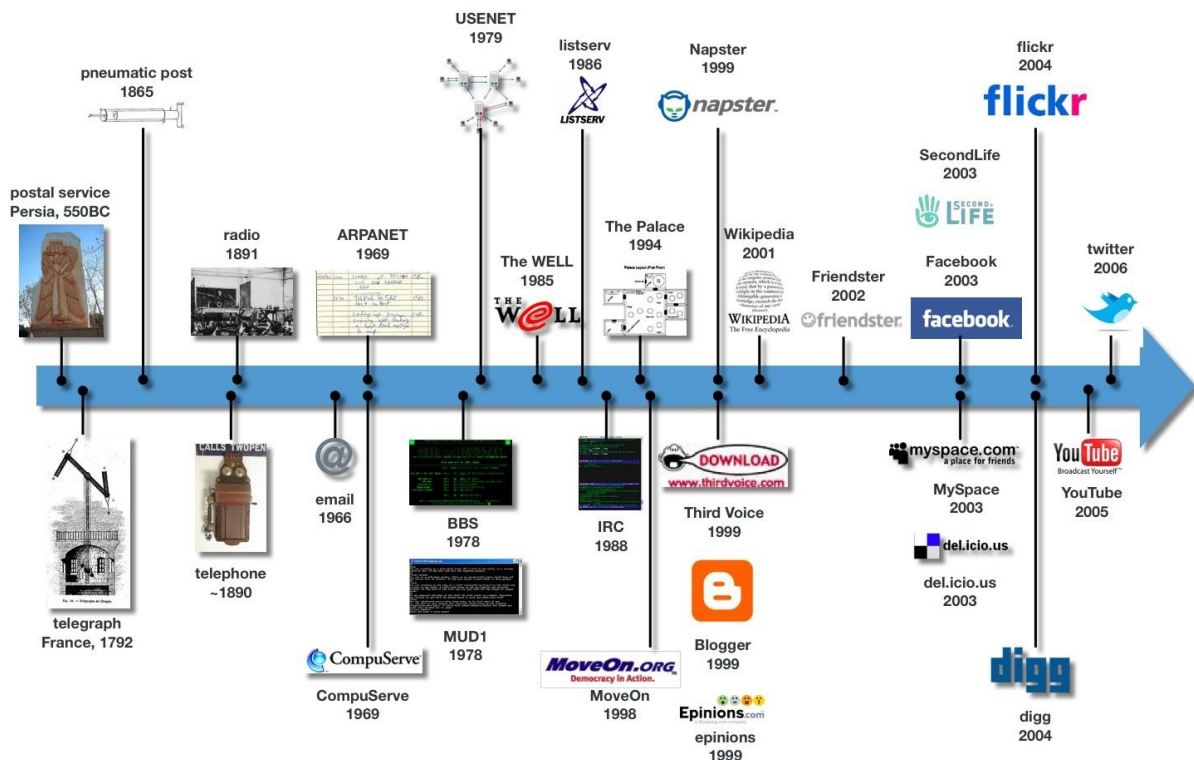


Figure 1.1: History of Information Technology

Source: <https://www.complete-it.co.uk/the-history-of-information-technology/>

Here are some key milestones in the history of the IT industry:

- Among the earliest electrical computers developed in the late 1930s were the Atanasoff-Berry computer in the US and the Colossus computer in the UK.
- Among the first commercial computers to be made available in the 1950s was the UNIVAC I, the first computer to be mass-produced and marketed to customers.

- The creation of computer networking and the internet in the 1960s and 1970s laid the groundwork for the current IT industry. In 1971, the first email was sent, and in 1977, the Apple II, the first commercially successful personal computer, was unveiled.
- The IT industry had enormous growth during the 1980s and 1990s as a result of the rise in personal computer use and the creation of the World Wide Web. Prominent companies like Microsoft and Apple joined the market after Mosaic, the first web browser, was released in 1993.
- In the 2000s, the use of mobile devices increased along with the significance of data analytics and cloud computing, which sparked further advancement and innovation in the IT industry. Large technological companies like Google, Amazon, and Facebook emerged, and the industry went on to create new jobs while also changing how we live and work.

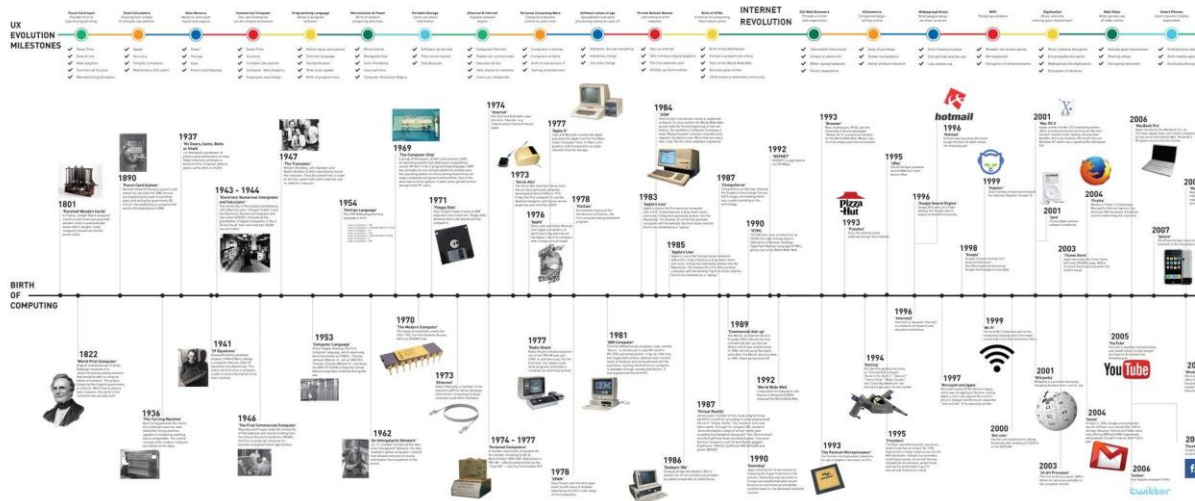


Figure 1.2: A History of Disruption

Source: Medium

Today, the information technology sector is one of the most influential and dynamic sectors of the global economy, encouraging innovation and influencing the direction of technology.

Analysis of a sector's SWOT—Strengths, Weaknesses, Opportunities, and Threats—is a useful technique. The IT industry's SWOT analysis is as follows:

Strengths:

- Technical development: The information technology industry is renowned for its constant technological innovations that have revolutionised the world. Cybersecurity, blockchain technology, cloud computing, big data analytics, and machine learning are all examples of ongoing technical developments that have changed the globe.
- High profit margins: Low manufacturing costs, high demand, and high-value goods and services all contribute to the IT industry's high profit margins.
- Talent pool: The IT industry has access to a sizable pool of gifted and skilled individuals who are able to create and put into practise cutting-edge technological solutions.
- Global reach: There are many opportunities for growth and expansion in the IT industry since it can provide services to individuals, businesses, and organisations all over the world.

Weaknesses:

- Cybersecurity hazards: The information technology sector is vulnerable to cybersecurity risks such as hacking, data theft, and cyber attacks, which can lead to data loss, damage to one's reputation, and monetary loss.
- Dependence on skilled labour: As a corporation grows and expands, it may become challenging to find highly qualified and knowledgeable employees.
- Short product lifecycle: Because of the quick obsolescence of goods and services in the IT sector, continual investment in research and development is required.
- Dependence on a limited number of dominant players: Smaller firms find it difficult to compete in the IT industry since it is controlled by a limited number of large enterprises.

Opportunities:

- Digital transformation: The IT industry can help businesses in different sectors to achieve digital transformation, which can lead to increased efficiency, productivity, and revenue.
- Cloud computing: Cloud computing is a significant opportunity for the IT industry, as it can enable businesses to store data and applications in the cloud, leading to cost savings and increased flexibility.

- Internet of Things (IoT): The Internet of Things (IoT) is a big and expanding sector that offers potential for the IT industry to build novel products and services that connect gadgets and equipment.
- Artificial intelligence (AI): AI is a growing market that can help businesses automate processes, increase efficiency, and improve decision-making.

Threats:

- Threats to cybersecurity are on the rise and pose a serious risk to the information technology sector.
- Economic uncertainty: Economic volatility can affect the demand for IT services and products, which can have an impact on revenue and industry growth.
- Political unrest: Political unrest may lead to changes in laws and regulations, which might pose problems for the IT sector.
- Competition: There are many companies striving for market share and innovation in the information technology industry, which can have an influence on profitability and growth.

Employee turnover is the frequency with which workers must be replaced by new ones after leaving an organisation. A company may incur significant costs and disruptions as a result of employee turnover, which can also impair productivity, lower morale, and increase recruiting and training costs.

In the IT industry, employee turnover is highly high, and businesses work hard to reduce it. According to Forbes-

“Employee turnover is the percentage of employees that leave your organization during a given time period.”

Employee turnover can result from a number of factors, such as:

- Job dissatisfaction: People who are not satisfied with their jobs, salaries, or working circumstances are more likely to leave their jobs.

- Lack of opportunity for professional progression: Professionals who feel there are few options for promotion inside the organization may consider looking elsewhere.
- Ineffective management: Workers who believe they are not being supported by management or who have a bad working relationship with their bosses are more likely to quit.
- Personal factors: Employees may quit for personal factors like a move or a change in their family's situation.

To reduce employee turnover, companies can take several steps, such as:

- Increasing job happiness: Businesses may increase job satisfaction by providing favorable working conditions, competitive compensation, and perks.
- Providing possibilities for professional growth: Businesses may help workers advance within the organization by offering mentorship, training, and career advancement programs.
- Improving management procedures: Businesses may instruct managers on how to do their duties more efficiently and successfully.
- Conducting stay interviews: Organizations can regularly conduct stay interviews with workers to learn more about their wants and requirements and to look into retention-boosting measures.

In general, lowering staff turnover is crucial for businesses to maintain a stable workforce, decrease expenses, and boost morale and productivity.

Employee retention refers to a company's capacity to keep its personnel for a long length of time. Employee retention is crucial for businesses because it may assist minimise the costs of hiring and training new employees, enhance productivity, and foster a healthy workplace culture.

Businesses might use the following strategies to retain employees:

- Offer competitive compensation and perks: Companies may offer competitive salaries, incentives, and benefits like health insurance, retirement plans, and paid time off in order to draw in and keep top talent.

- Offer possibilities for professional advancement: Businesses may offer chances for people to learn new skills and advance in their fields within the company.
- Foster a pleasant work environment: Organisations may foster a great work culture by promoting cooperation, praising and thanking employees for their contributions, and promoting work-life balance.

Offer opportunities for employee engagement: Businesses may offer chances for projects that involve frequent communication, feedback, and gratitude.

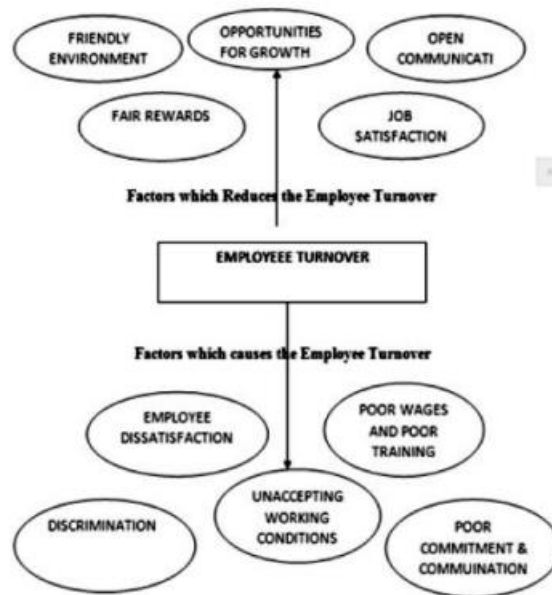


Figure 1.3: Employee Turnover

Source: Academy to Innovate HR

Overall, improving staff retention necessitates a complete approach that addresses issues with remuneration, career advancement, workplace culture, employee engagement, and development. Businesses may establish a productive workplace that increases employee loyalty and minimises turnover by concentrating on these areas.

Retaining employees is crucial for a number of reasons, including:

- Lower recruitment and training expenses: Businesses may incur expenditures as a result of high staff turnover since it necessitates finding, employing, and training new personnel to fill open positions. Retaining current workers can aid in cutting expenses and enhancing overall effectiveness.

- Greater productivity and performance: Employees who have been associated with the corporation for a longer time are more likely to be familiar with its operations and procedures. This may lead to increased output, higher performance, and delighted clients all around. Promoting a positive work culture: High employee retention can assist to promote a healthy work culture by fostering trust, loyalty, and a feeling of belongingness among employees. This can result in better teamwork, morale, and overall workplace satisfaction.
- Better customer relationships: Employees who have worked with a firm for a long time are likely to have formed deep ties with consumers. Improved client loyalty and satisfaction may result from this.
- Knowledge retention: Keeping employees around helps them retain the knowledge, abilities, and experience they acquired while working for the company. This can help to ensure that business operations are steady and consistent.

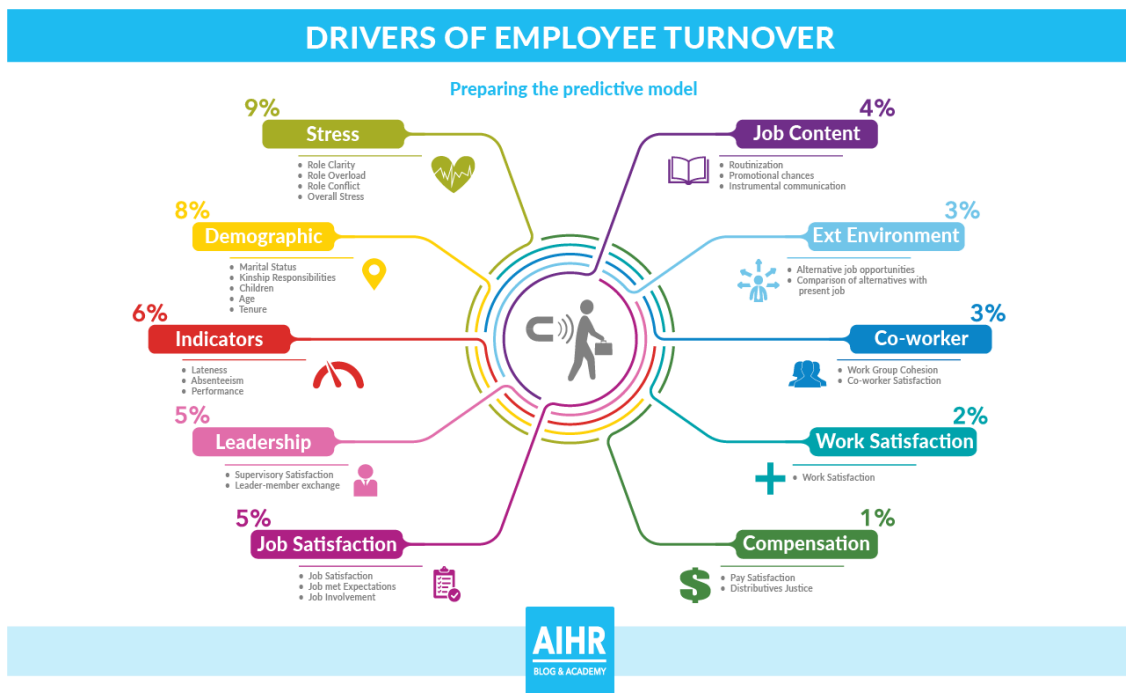


Figure 1.4: Drivers of Employee Turnover

Source: Academy to Innovate HR

Overall, keeping employees on board is crucial for preserving a steady and effective staff, cutting expenses, and fostering a healthy workplace culture. By investing in employee retention strategies, businesses may create a work environment that fosters employee commitment, engagement, and long-term loyalty to the company.

Churn in the IT sector may be higher than that in other industries for a number of reasons, including the following:

- An urgent need for skilled experts: As the IT industry develops continuously, there is a high need for talented professionals who can keep up with the latest trends and technologies. As a result, IT professionals could be more likely to hunt for new positions that provide better income or the chance to work on exciting new projects.
- Highly competitive employment market: Many businesses are vying for the same pool of competent people in the fiercely competitive information technology industry. As a result, personnel may be more prone to leave the organisation in search of better opportunities.
- Limited prospects for career advancement: Employees in the IT industry may believe that their present employer offers little chances to improve their careers, especially if the business is tiny or specialised in a small number of technologies.
- Rapid technical advancements: The information technology industry is always growing, and novel methods and devices are evolving quickly. IT workers may feel under pressure to continually advance their knowledge and abilities as a result, and they may be more inclined to look for new job possibilities that provide more intriguing or difficult work.

To reduce turnover in the IT sector, companies can take several steps, such as:

- Competitive pay and benefit packages: Businesses may provide competitive compensation, incentives, and benefit packages to attract and keep top talent.
- Giving employees the chance to grow in their careers: If companies provide their staff members the chance to do so, they may gain new skills, take on challenging responsibilities, and elevate their status within the company.
- Encouraging a healthy work-life balance: Businesses may support a healthy work-life balance by offering workplace flexibility, remote work options, and paid time off.
- Investing in staff development and training initiatives: Businesses may take this step to make sure that their workforce is knowledgeable on the most recent trends and technologies.



Figure 1.5: Engaged Workforce

Source: Association for Talent Development

Overall, lowering turnover in the IT industry necessitates a holistic strategy that addresses issues with pay, career advancement, work-life balance, and employee engagement. Businesses may establish a productive workplace that increases employee loyalty and minimises turnover by concentrating on these areas.

The innovative and employee-focused culture of Google is well-known and has contributed to its success in attracting and keeping bright workers throughout the years. Google has prioritised staff retention in a number of ways, some of which are listed below:

- Competitive pay and benefits: Google offers its employees a competitive salary, incentives, and amenities including health insurance, retirement plans, and a sizable amount of paid time off. Additionally, it offers a number of benefits including

complimentary meals, on-site gyms, and shuttle services to create a relaxing and convenient working environment.

- A focus on career development: Google offers a range of chances for professional development, including learning and growth programmes, coaching opportunities, and distinct professional development routes. Professionals are encouraged to take on challenging initiatives and pursue their interests, and they have the chance to work on a range of teams and projects.
- Work-life balance is important to Google, which provides its employees with a range of remote work options and customizable schedules as alternatives to traditional employment. It also provides a variety of wellness programmes and onsite healthcare services to help employees maintain their physical and emotional health.
- Emphasis on employee engagement: Google prioritises employee participation through consistent communication, feedback, and recognition initiatives. Employees are given chances to participate in decision-making processes and are encouraged to voice their opinions on corporate policies and procedures.
- Emphasis on corporate culture: Google places a high priority on its company culture and values, with a focus on creating a collaborative and supportive work environment. In order to accomplish corporate objectives, employees are urged to be themselves at work and to cooperate together with those around them.

Employee Retention Metrics



Figure 1.6: Employee Retention Metrics

Source: Academy to Innovate HR

In general, Google's emphasis on employee retention has assisted it in cultivating a positive and innovative workplace culture that draws in and retains exceptional employees. Google has been able to develop a committed and loyal workforce by placing a high priority on employee salary, career progression, work-life balance, employee engagement, and its business environment.

Like other software behemoths, Microsoft has prioritized staff retention as a crucial tactic to keep its competitive advantage. Microsoft has prioritized staff retention in a number of ways, some of which are listed below:

- **Competitive pay and benefits:** Microsoft offers its workers competitive pay packages that include a base salary, bonuses, and stock options, as well as benefits including healthcare, retirement plans, and discounts. This enables organizations to recruit and retain top industry workers.
- **Chances for professional advancement:** Microsoft provides its employees with a number of options for career growth, including training and development initiatives, mentorship opportunities, and obvious career progression pathways. Additionally, it offers possibilities for work on various projects and teams, encouraging staff members to explore their passions and take on new challenges.

- Work-life balance: Microsoft understands the significance of maintaining a healthy work-life balance and offers employees a variety of flexible work alternatives, such as remote work and programmable scheduling. It also provides onsite healthcare services and wellness initiatives to help employees maintain their physical and emotional health.
- Staff involvement: Microsoft places a strong emphasis on employee engagement through consistent communication, feedback, and recognition initiatives. Employees are given chances to participate in decision-making processes and are encouraged to voice their opinions on corporate procedures and policies.
- Prioritisation of diversity and inclusion: Microsoft places a strong focus on fostering a warm and inviting work environment. It has implemented a number of initiatives and programmes to promote inclusion and diversity, such as employee resource groups and training sessions.
- Emphasis on corporate culture: Microsoft places a high value on its values and corporate culture, with a particular focus on creating a welcoming and cooperative workplace. Employees are encouraged to be themselves at work and to work together with their coworkers to accomplish corporate objectives.

Overall, by putting an emphasis on competitive pay, career advancement, work-life balance, employee engagement, diversity and inclusion, and company culture, Microsoft has been able to develop a loyal and dedicated workforce. In a field that is very competitive, Microsoft has been successful in attracting and keeping excellent employees by giving priority to these areas.

A renowned global provider of IT services, Tata Consultancy Services (TCS) is known for its focus on its employees. The following are some of the ways that TCS has prioritised staff retention:

- Opportunities for career growth: TCS provides its workers with a range of alternatives for career development, including coaching opportunities, training and development opportunities, and clear professional progression tracks. Employees are given the freedom to work on a range of projects and teams, and they are encouraged to pursue their interests and take on new quests.
- Employee appreciation: TCS places a high priority on thanking and appreciating staff members for their accomplishments. To encourage and keep its workers, it provides a range of incentives and recognition programs, such as bonuses, prizes, and promotions.

- Work-life balance: TCS understands the value of work-life balance and offers its workers a variety of alternatives to traditional employment, including as the option of working remotely and flexible scheduling. It also provides onsite healthcare services and wellness programmes to help employees maintain their physical and emotional health.
- Employee involvement: Through consistent communication, feedback, and recognition initiatives, TCS places a strong emphasis on employee engagement. Employees are given chances to participate in decision-making processes and are encouraged to voice their opinions on corporate procedures and policies.
- Prioritisation of diversity and inclusion: TCS prioritizes these issues, with a particular focus on creating a warm and inclusive environment. It has launched a number of initiatives and projects to promote diversity and inclusion, such as employee resource groups and educational programs.
- Corporate social responsibility: TCS has a strong commitment to CSR, with an emphasis on supporting sustainable practices and giving back to communities. Its efforts and programs for employee engagement demonstrate level of commitment.

With an emphasis on career development, recognition and rewards, work-life balance, employee engagement, diversity and inclusion, and corporate social responsibility, TCS's focus on employee retention has generally assisted it in developing a loyal and dedicated staff. In a highly competitive industry, TCS has demonstrated that it can attract and retain excellent people by giving priority to these aspects.

Unfortunately, layoffs are prevalent in the IT industry, particularly during recessions or when a business undergoes a big reorganisation. These are some of the factors that might lead to layoffs in the IT industry:

- Economic downturns: When the economy is unstable, many businesses may face a drop in sales, which lowers the need for IT services. As businesses aim to cut expenses and stay competitive, this might lead to cutbacks.
- Mergers and acquisitions: As businesses attempt to combine their operations and cut costs, mergers and acquisitions may result in layoffs.
- Restructuring: Businesses may go through restructuring in order to increase productivity or adapt to shifting market conditions. This might entail merging departments or eliminating unnecessary positions, which would result in cutbacks.

- Automation: The IT sector is evolving due to automation and digital transformation, which is shifting the demand for particular skills. As businesses attempt to match their personnel with the new skills needed, this may lead to redundancy.
- Outsourcing: As businesses look for ways to save money, outsourcing IT services to nations with cheaper labour costs may lead to redundancies.

Layoffs may be challenging for the firm as well as the impacted personnel. However, in other situations, layoffs could be necessary to ensure the company's continued survival. By offering impacted employees services and assistance, such as employment help and severance benefits, businesses may lessen the negative effects of layoffs. Furthermore, businesses can speak freely and openly with employees regarding the reasons for the redundancies and any actions made to mitigate their impact.

Employee retention may be significantly impacted by layoffs, both for those who are let go and for those who stay with the business. Among the possible implications of layoffs on employee retention are these:

- Lower morale: Layoffs may cause employees to feel insecure and dreadful, which lowers morale and decreases work satisfaction. As staff members look for more secure employment prospects, this might result in a rise in churn.
- Talent loss: Employees with talent may quit on their own will rather than take the chance of being laid off again as a result of layoffs. This can make it more difficult for the business to find and retain competent staff members.
- Decreased trust: Layoffs may damage a worker's faith in their employer, especially if they believe the process was unjust or badly managed. Reduced dedication and loyalty to the firm may result from this matter.
- .Increased workload: Layoffs may put more work on the shoulders of the remaining staff, which might result in fatigue and decreased job satisfaction. As a result, employees could look for less demanding work opportunities, increasing turnovers.
- Reputational harm: Layoffs can harm the company's reputation, especially if they are thought to be unjust or badly handled. The organization may find it more difficult in the future to recruit and retain top talent as a consequence.

In general, layoffs may be harmful to employee retention, particularly if they are improperly handled. Companies that must implement layoffs should do so with tact and transparency, providing support and resources to affected workers and being upfront and honest with those

still employed about the reasons behind the layoffs and any steps being done to lessen the harm they cause.



Figure 1.7: Employee Retention Strategy

Source: Academy to Innovate HR

1.2 Problem Statement

To study about retention of employees in the IT sector and

1. Determine whether compensation is related to turnover.
2. Determine whether work culture is related to turnover.
3. Determine whether the current trend of layoffs will impact the retention of employees.

1.3 Objectives of the Study

The study aims at understanding the importance of retention. The key factors that drives turnover and retention of employees. To analyse how layoffs affect retention.

1.4 Scope of the Study

- Factors that influence employee retention in the IT sector includes:
 - Compensation
 - Organizational culture
 - Work life balance
 - Career growth opportunities
 - Job satisfaction
- Employee turnover affects any organization both financially as well as non-financially. High employee turnover leads to wastage of recruitment costs, training and development costs, new employee takeover costs etc.
- High turnover also portrays a bad image of the organization.
- Best practice to retain employees is to provide them satisfactory monetary and non-monetary benefits as well as a good workplace culture where they can work happily.
- Layoffs will impact turnover as well as retention in the IT sector. Layoffs results in unhappy employees, both who were laid off and those who remained.
- Layoffs creates a distrust factor in the minds of the employees.

CHAPTER – 2 Literature Review

M.S. Kamalaveni, S. Ramesh and T. Vetrivel in their paper- 'A Review of Literature on Employee Retention' expressed that engaging and keeping employees of the twenty-first century economy in this competitive environment is the most difficult task for HR professionals. They explained the importance of retention of employees. They stated that employee retention aids in the management of human resources in a firm. Human resource planning estimates the gap between the workforce requirement and supply in the future based on the organization's objectives. It also helps with succession planning by identifying the qualified key roles in a firm. It is important to have skilled and dedicated employees since it saves recruiting and training and development costs.

According to Hom and Griffeth's (1995) research, retention is the process of persuading people to stay with a company for an extended length of time, even until the project is completed. According to Wysocki (1997), staff retention is a prominent concern in today's corporate landscape, as emphasised by The Society of Human Resource Management. According to Drucker (1999), voluntary staff turnover can be a substantial retention concern. Trip (unknown year) remarked in a turnover discussion that voluntary turnover is a major challenge for many firms, which can be categorised as either voluntary or involuntary, functional or dysfunctional. Employees leave voluntarily, whereas involuntary turnover occurs when the employer fires the employee. When low-performing individuals leave a company, functional turnover occurs, but dysfunctional turnover occurs when high-performing people depart, incurring a cost to the organisation. According to Terence et al. (2001), employees leave organisations voluntarily for a variety of reasons, some of which are personal in nature, while others are influenced by organisational factors such as a lack of promotional opportunities, unfair treatment, and a misalignment of personal and organisational values. Employee turnover is a major issue for both organisations and individuals. Furthermore, whether good, negative, or neutral, shocks might induce employees to seriously consider quitting the organisation. In a study of the telecommunications sector, Maqsood Haider et al. (2005) discovered that efficient human resource practises had a positive and direct association with employee retention. They also observed that while culture and remuneration have an impact on employee retention, training and development have a negative impact.

Employees leave for a variety of reasons, according to a 2015 Chartered Institute of Personnel and Development (CIPD) research. Gary Dessler et. al. advocated for a holistic strategy to employee retention that addressed the identified retention difficulties, such as offering pay increases, hiring strategically, discussing career growth, providing direction, offering flexible work arrangements, implementing attractive employee welfare measures, and utilizing high-performance HR practices and binding contracts. In their exploratory factor analysis using the principal component technique, Priyanka and Dubey S K (2016) identified eight variables that influence the intention of staff turnover, including poor management practises, low pay, a lack of career advancement opportunities, a lack of support from colleagues, superiors, and family members, limited opportunities for learning, a poor working environment, and a lack of support from peers, supervisors, and family members, commu In a research on the numerous determinants for retention, Kossivi et al. (2016) identified opportunities for growth, work-life balance, salary, leadership style, work environment, autonomy, training and development, and social support as crucial aspects. Their research concentrated on supervision and leadership, with little attention paid to corporate culture, autonomy, and coaching and growth. The study's result proposes that more research based on employee classifications be conducted.

Jhatial et al. (14) conducted a study on employees in the banking as well as information technology industries. The association between several elements that contribute to workforce turnover, such as company culture and manager attitudes toward employees, was investigated. According to the survey, 80% of respondents stated that factors like as nepotism and flattery influenced HR decisions. To lower employee turnover intentions, the authors proposed that both government and commercial firms build a work climate that encourages mutual respect, increases employee morale and empowerment, and boosts commitment and job satisfaction levels.

Fitz-enz (1990) recognized that numerous variables contribute to workforce retention and that they need to be controlled in tandem. Compensation and gratification, job stability, training and development, assistance from managers, the culture of the organization, working conditions, and organizational justice are examples of these elements. As a result, firms adopt a variety of HR administration tactics in order to affect staff commitment and retention.

These strategies have been discussed in various studies, such as Stein (2000), Beck (2001), Clarke (2001), and Parker and Wright (2001).

Frankeiss (2008) suggested in his study that good talent management strategies, as well as recruiting and retention practises, may dramatically lower staff turnover rates. The most effective method for retaining employees, according to the Oracle white paper (2012), is to hire the right people from the outset. Furthermore, Beardwell and Wright (2012) emphasised the necessity of organisations using a systematic approach to recruiting and selection in order to reduce employee turnover in their study.

Several studies have looked at the link between pay and retention, with some finding that money has a beneficial influence on retention while others are demonstrating the opposite. In a study conducted by Tremblay et al. (2006), performance-related pay was found to be an important factor in determining retention. Milkovich and Newman (2004) emphasized that monetary pay is essential for retaining employees. Hytter (2007) concluded in their research that there is a correlation between rewards and retention. However, other research have found that salary has a detrimental influence on retention. For instance, Hausknecht et al. (2009) discovered that compensation and benefits contribute to retention. According to Daniel Esemé Gberevbie's (2010) research conducted among civil servants in Nigeria, suitable incentives must be provided to retain talented employees for performance. Pitts et al. (2011) identified that compensation predicts employee turnover. Additionally, Onyango (2014) found a positive correlation between direct and indirect financial rewards and employee retention.

A enjoyable work atmosphere is a crucial determinant in employee retention, according to Horwitz's (2003) study. Flexibility, according to Ellet et al. (2007), is crucial in retaining workers. Abrams et al. (2008) emphasised the importance of encouraging learning and growth in the workplace. Tiwari (2012) advocated for firms to use systematic HR practices connected to numerous initiatives to enhance the work environment, especially in an increasingly competitive marketplace.

Davy et al. (1991) discovered a substantial link between job security, job satisfaction, and retention, suggesting that job insecurity leads to employee unhappiness. Abraham (1994) evaluated the efficacy of teaching and discovered that faculty members who were more satisfied with their jobs were more effective than those who were less satisfied. Koh and Goh (1995) identified job satisfaction connected to career growth, company identity, and financial incentives as significant variables influencing turnover intentions, and the results demonstrated that higher satisfaction with these features leads to lower turnover intentions. Vijaya Mani (2010) used a scorecard to measure employee work satisfaction and motivation and discovered

that if employees are dissatisfied, organisations find it challenging to retain skilled personnel. Noltemeyer and Patrick (2014) demonstrated in their study that certain responsibilities, such as having a sense of responsibility, working in a positive environment, having a supportive supervisor, and being recognized for one's work, contribute to job satisfaction.

According to research, finding the correct balance between personal and professional life is crucial to employee retention. Work that interferes with an employee's personal life, according to Hyman and Summers (2004), can lead to emotional tiredness and high levels of stress. According to Noor and Maad (2008), employees who are satisfied with their work-life balance are less likely to leave their positions. Deery (2008) advised flexible working hours, arrangements, giving resources, training opportunities, suitable workload, breaks, leave alternatives, worker rewards, family activities, wellness opportunities, and good management practises to assist balance personal and professional life. According to Shrotriya (2009), a strong work-life balance can boost employee productivity, competence, dedication, and satisfaction. While Branch (2011) noted that other variables such as competitive salary, career prospects, and growth also play a role in employee retention. According to Khairunnezam Mohd Noor (2011), observed work-life contentment is inversely associated to intention to resign, but job satisfaction and organisational commitment mitigate the relationship between work-life balance and desire to depart among academics.

In his 2008 study, John Mason highlighted the importance of retention strategies in various industries. He compiled a list of the top ten effective employee retention strategies, which are listed as follows:

1. Treat employees with the same level of respect and importance as valued clients.
2. Encourage commitment and devotion to the organization.
3. Create strong retention techniques that offer recruitment advantages.
4. Find the appropriate individual for the right position.
5. While pay is crucial, it does not constitute the sole reason employees stick with an enterprise.
6. Form employee groups to better understand why workers remain or depart.
7. Management's leadership style is critical to staff retention.
8. Provide recognition for employee contributions.
9. Encourage fun and camaraderie within work teams.
10. Provide competitive benefit packages in order to recruit and retain excellent workers.

Ananthan B.R et al. (2011) explored the changing patterns of retention tactics in both international and Indian organisations, discovering no significant differences in retention strategies between the two types of firms. However, it was found that employees perceived retention strategies more positively than management did. Employees outperformed management in organizational tactics, employee benefits strategies, recognition and incentive techniques, and idea and suggestion tactics. According to the findings, combining human resource techniques to meet both corporate and individual goals might be a successful method for increasing employee motivation and engagement.

Kate Hutchings and colleagues (2011) identified numerous tactics for recruiting and maintaining personnel in the Australian Resources Sector in their study, which they grouped into three groups based on organizational environment, employment practices, and societal and social issues. They covered techniques such as developing a strong corporate reputation, providing an ideal atmosphere for work, having excellent-quality leadership, attracting quality staff, guaranteeing effective communication, and preserving high professional and ethical standards in the organizational setting. They advocated for competitive pay and bonuses, training and development opportunities, benefit packages and workplace benefits, challenging work, opportunities for career advancement (including internationally), implementing flexible rostering, providing permanent work, and offering secure employment contracts.

Tripathi et al. (2011) stated in their study that retention tactics are required for faculty members regardless of compensation level. The authors also provided a timeline for creating successful retention measures. The first step is to assess the current scenario and the organization's rates of turnover. The second stage is to create organisational positions, such as a Hiring and Retention Officer. The following stage is to create a complete retention management strategy that can offer reliable statistics on how many workers leave and why. It is hard to comprehend the causes of employee turnover without this knowledge. Finally, firms seeking to retain workers should conduct exit interviews and interviews with departing employees to acquire insight into their experiences and viewpoints.

Faldetta and colleagues (2013) discovered a variety of negative consequences on companies in their turnover research. They focused on two factors: job satisfaction and dedication to organization, and discovered that in the hotel business, when both are present, turnover rates are lower. The authors also investigated how reciprocity might improve employee connections, resulting in higher work satisfaction and, ultimately, greater dedication to the firm.

The complicated idea of employee retention has grown in relevance and notoriety among scholars and businesses. It has been characterised in a variety of ways (Mita et al., 2014, Bidisha and Mukulesh, 2013, Hausknecht, Rodda, and Howard, 2009), and it is a multidimensional concept. Employee retention is the practice of keeping workers on board with the same company for as long as possible (Bidisha and Mukulesh, 2013; Hausknecht, Rodda, and Howard, 2009). Employee retention, according to Hausknecht, Rodda, and Howard (2009), is the action done by businesses to encourage and influence workers to perform at their best for a longer length of time. From a different angle, retention was described by Chiboiwa, Samuel, and Chipunza (2010) as an action made to reduce competent employees' likelihood of departing. This term placed a strong emphasis on skilled or competent employees. According to Singh and Dixit (2011), retention refers to a company's plans and tactics used to encourage workers to stay with the company for a longer amount of time. Johnson (2000) defined retention as an organization's capacity to hang onto people who they want to keep. Therefore it suggests that brilliant people in firms are subject to rigorous retention policies. Most definitions, from the viewpoint of the organization, emphasize the creation of rules and procedures that encourage or influence workers to stay with the company. According to Huang et al. (2006), from the standpoint of employee loyalty, retention is connected to an employee's intention to remain with their present business. In order to maintain or keep a productive staff to satisfy their operational needs, businesses adopt employee retention strategies (Mita et al., 2014), among others.

CHAPTER – 3 Research Methodology

3.1 Introduction

Typically, retention research in the IT sector would include investigating the variables that drive employee turnover or retention in the business. Some of the factors that may be examined include job satisfaction, compensation and benefits, work-life balance, opportunities for career advancement, company culture, and management practices.

A researcher doing retention studies in the IT sector would normally start by characterizing the demographic of interest. This might include all IT personnel or a specified subset of people, such as those working in a given geographic region, industry sector, or job type.

Once the population has been defined, the researcher would then need to choose a sample of employees to participate in the study. Depending on the aims of the research and the characteristics of the population, the sample might be selected using a variety of approaches, such as random sampling or stratified sampling.

Data from the sample might then be obtained using a number of approaches, such as surveys, inquiries, or focus groups. To acquire a more thorough knowledge of the elements that impact retention in the IT industry, data collected might be both quantitative, such as rating scales, and qualitative, such as open-ended replies.

The obtained data would then be evaluated to detect patterns and trends, as well as form conclusions regarding the factors that drive IT retention. This information could be used by organizations in the industry to develop strategies and policies to improve retention rates and reduce turnover among employees.

3.2 Hypothesis Development

Hypothesis 1

H₀: There is no relation between age and the reasons behind what attracts people the most to a job.

H₁: There is a significant relation between age and the reasons behind what attracts people the most to a job.

Hypothesis 2

H₀: There is no significant relationship between compensation and turnover.

H₁: There is a significant relationship between compensation and turnover.

Hypothesis 3

H₀: There is no significant relationship between workplace culture and turnover.

H₁: There is a significant relationship between workplace culture and turnover.

Hypothesis 4

H₀: There is no significant relationship between marital status and inclination towards work culture.

H₁: There is a significant relationship between marital status and inclination towards work culture.

Hypothesis 5

H₀: There is no significant relationship between high income and people's intention to continue working in the IT industry.

H₁: There is a significant relationship between high income and people's intention to continue working in the IT industry.

Hypothesis 6

H₀: There is no significant relationship between gender and inclination toward work culture.

H₁: There is a significant relationship between gender and inclination toward work culture.

Hypothesis 7

H₀: There is no significant relationship between an employee's co-worker been laid off and turnover.

H₁: There is a significant relationship between an employee's co-worker been laid off and turnover.

Hypothesis 8

H₀: There is no relationship between job security and people's intention to continue working in the IT industry.

H₁: There is a relationship between job security and people's intention to continue working in the IT industry.

3.3 Data Collection

The term population refers to the total group of individuals, objects, or occurrences that the scholar is interested in researching. The complete collection of individuals or items that have some common characteristic(s) and are the subject of a research study. In contrast, a sample is a subset of the population selected in order to represent the population in a research study. The goal of picking a sample is to draw conclusions about the total population. The sample is selected in a manner in which it correctly reflects the population, allowing the study's findings to be extrapolated to the population. Total 80 google forms were floated out of which 64 responses were recorded. The forms were floated to the employees of Infosys, Birlasoft, and some IT startups.

Sampling Method- Convenience Sampling

Sample Size- 64

Data Collection Method- Questionnaire

3.4 Instrumentation and Questionnaire design

Questionnaires were used as a method of collecting the data or responses from the samples. Closed-ended questions were included in the questionnaire. There were no free-form questions. The first section of the questionnaire comprised questions designed to assess the respondents' demographic profile. The second section included questions concerning the study's goal, which was employee retention. Multiple-choice questions as well as five-point Likert scale-type questions were included in this study.

3.5 Demographic Profile of the Respondents

The information was gathered from 64 respondents. Respondent demographics were assessed based on age, gender, marital status, educational qualification, years of service, and income.

The respondents' demographic profile is as follows:

3.5.1 Age

First demographic difference among the employees is their age bracket. Age is a crucial factor in any survey as the mentality of people differs so the things they prefer or not prefer also differs.

Age
64 responses

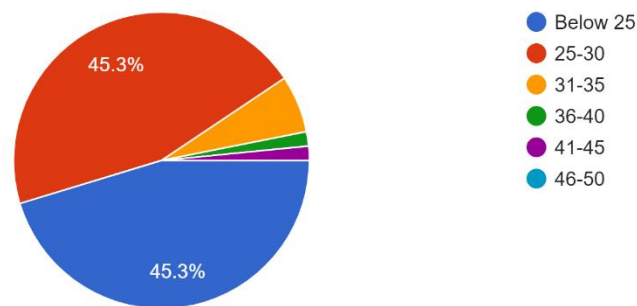


Chart 3.1: Demographics- Age

Out of 64 those who responded, 45.3% were under the age of 25, 45.3% were between the ages of 25 and 30, 6.3% were between the ages of 31 and 35, 1.6% were between the ages of 36 and 40, and 1.6% were between the ages of 41 and 45. The majority of responses were under the threshold of 30, indicating a younger workforce.

3.5.2 Gender

Gender is another demographic which might make the responses to questions differ. In a country like India where patriarchy is still dominant, it will not be a surprise to see different view from men and women.

Gender
64 responses

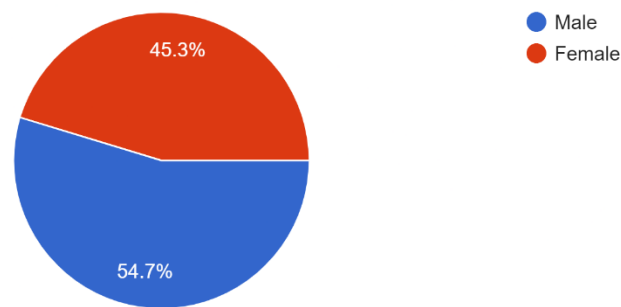


Chart 3.2: Demographics- Gender

The respondents were majorly male population. 54.7% out of 64 respondents were Male while 45.3% of respondents were female. This data might not necessarily be a true indicator of the gender ratio on the industry.

3.5.3 Marital Status

Marital status of employee puts them on different standings. A single person has less responsibilities when compared to a married person. So their responses might differ as they face situations differently in life. A single person is highly likely not looking for stability in life rather they want to explore, whereas a married person might be looking for stability. When combined with gender, this demographic can give astonishing results, something one might not expect.

Marital Status
64 responses

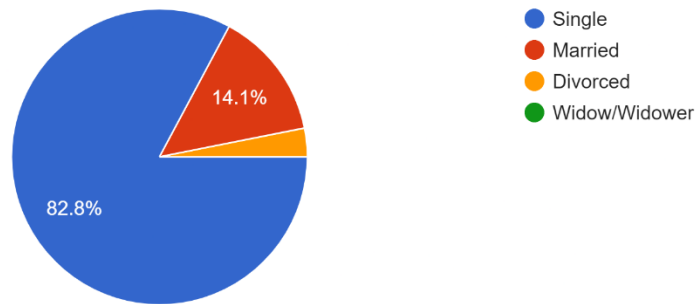


Chart 3.3: Demographics- Marital Status

Out of the 64, who responded, a huge majority of them accounting to 82.8% of them were Single. 14.1% of them were married while 3.1% of the respondent were divorced.

3.5.4 Educational Qualification

Educational qualification of an employee makes the responses differ as their way of thinking varies comparatively.

Educational Qualification
64 responses

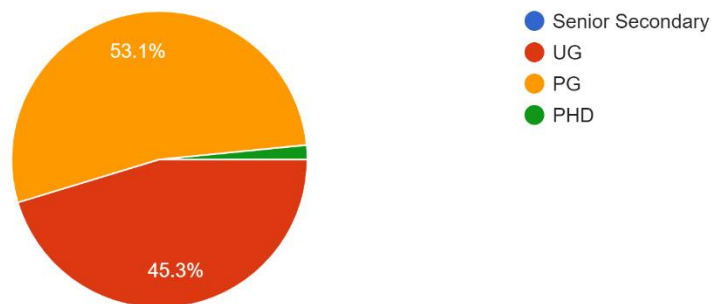


Chart 3.4: Demographics- Educational Qualification

Out of the 64 respondents, all of them were graduates. 53.1% of the respondents were Postgraduates while 45.3% of them were undergraduates, while 1.6% were Ph.D. qualified.

3.5.5 Years of Service

Number of years a person has been working employs a person to make different approaches and choices in life. A person with more years of service might look for promotions while a person with less years of service might look forward to increments. Their approaches in life changes as per time.

Years of Service
64 responses

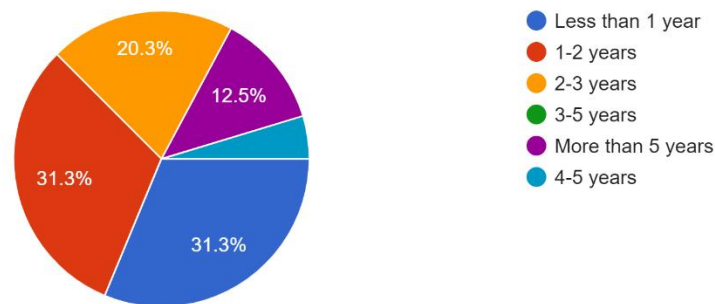


Chart 3.5: Demographics- Years of Service

The years the respondents have stayed in the profession were quite evenly distributed when compared to the previous responses. 31.3% of those polled had been employed for no longer than a year. 31.3% of those polled were employed for 1-2 years. 20.3% of those polled have been employed for 2-3 years. 12.5% of the participants have been employed for more than 5 years, while 4.7% have worked for 3-5 years.

3.5.6 Income

Different income levels help evolve a person differently. Their habits, standard of living, all differs according to their income. And so their ways or approaches towards the company also changes. A person with high level of income might not be tempted to leave the organization while a person with lower income might be.

Income
64 responses

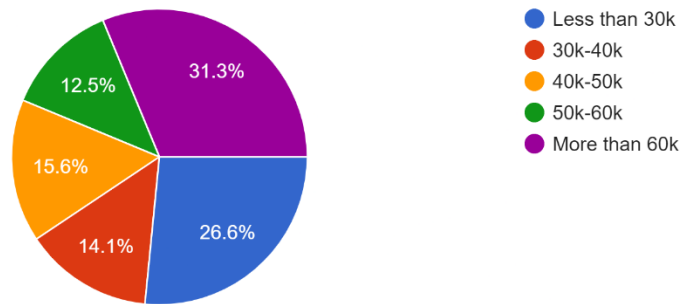


Chart 3.6: Demographics- Income

The income level of the 64 respondents is quite evenly distributed. 31.3% of them earned more than 60K per month. 26.6% of them earned less than 30K per month. 15.6% of the respondents earned 40K-50K per month. 14.1% of the respondents earned between 30K-40K per month. 12.5% of the respondents earned between 50K-60K per month.

CHAPTER – 4 Analysis, Discussion and Recommendations

4.1 Data Analysis

The data was collected from the employees and Chi-square test was performed on the given data and following inferences were observed.

4.1.1 Hypothesis 1

H₀: There is no relation between age and the reasons behind what attracts people the most to a job.

H₁: There is a significant relation between age and the reasons behind what attracts people the most to a job.

Age * What attracts you the most in an employment? Crosstabulation

Count

		What attracts you the most in an employment?				Total
		Benefits	Compensation	Position	Work Culture	
Age	25-30	0	14	1	14	29
	31-35	1	0	0	3	4
	36-40	0	0	1	0	1
	41-45	0	0	0	1	1
	Below 25	2	14	4	9	29
Total		3	28	6	27	64

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	22.437 ^a	12	.033
Likelihood Ratio	19.654	12	.074
N of Valid Cases	64		

a. 16 cells (80.0%) have expected count less than 5. The minimum expected count is .05.

Result: Because the value is less than five. The null hypothesis is rejected. As a result, it is possible to conclude that there is a substantial relationship between age and the factors that attract individuals the most to a profession.

4.1.2 Hypothesis 2

H₀: There is no significant relationship between compensation and turnover.

H₁: There is a significant relationship between compensation and turnover.

Are you satisfied with your compensation? * Do you feel like quitting your current job? Crosstabulation

Count

		Do you feel like quitting your current job?			Total
		Maybe	No	Yes	
Are you satisfied with your <u>compensation</u> ?	Maybe	6	5	2	13
	No	7	4	8	19
	Yes	5	22	5	32
Total		18	31	15	64

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	13.746 ^a	4	.008
Likelihood Ratio	13.917	4	.008
N of Valid Cases	64		

a. 3 cells (33.3%) have expected count less than 5. The minimum expected count is 3.05.

Result: Because the value is less than five. The null hypothesis is rejected. As a result, it is possible to conclude that there is a considerable link between compensation and turnover.

4.1.3 Hypothesis 3

H₀: There is no significant relationship between workplace culture and turnover.

H₁: There is a significant relationship between workplace culture and turnover.

Are you satisfied with your work environment? * Do you feel like quitting your current job? Crosstabulation

Count

		Do you feel like quitting your current job?			Total
		Maybe	No	Yes	
Are you satisfied with your work environment?	Maybe	7	3	3	13
	No	5	1	6	12
	Yes	6	27	6	39
Total		18	31	15	64

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	19.975 ^a	4	<.001
Likelihood Ratio	21.050	4	<.001
N of Valid Cases	64		

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is 2.81.

Result: Because the value is less than five. The null hypothesis is rejected. As a result, there is a strong link between workplace culture & turnover.

4.1.4 Hypothesis 4

H₀: There is no significant relationship between marital status and inclination towards work culture.

H₁: There is a significant relationship between marital status and inclination towards work culture.

Marital Status * What attracts you the most in an employment?

Crosstabulation

Count

		What attracts you the most in an employment?				Total
		Benefits	Compensation	Position	Work Culture	
Marital Status	Divorced	0	1	0	1	2
	Married	1	0	1	7	9
	Single	2	27	5	19	53
Total		3	28	6	27	64

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.015 ^a	6	.173
Likelihood Ratio	12.466	6	.052
N of Valid Cases	64		

a. 10 cells (83.3%) have expected count less than 5. The minimum expected count is .09.

Result: Because the value is greater than five. The null hypothesis is accepted. As a result, there is no substantial association between marital status and work culture preference.

4.1.5 Hypothesis 5

H₀: There is no significant relationship between high income and people’s intention to continue working in the IT industry.

H₁: There is a significant relationship between high income and people’s intention to continue working in the IT industry.

Income * How likely are you to continue working in the IT industry?

Crosstabulation

Count

		How likely are you to continue working in the IT industry?					Total
		1	2	3	4	5	
Income	30k-40k	1	2	5	1	0	9
	40k-50k	2	0	1	4	3	10
	50k-60k	0	0	3	3	2	8
	Less than 30k	6	2	2	3	4	17
	More than 60k	3	1	3	2	11	20
Total		12	5	14	13	20	64

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	27.597 ^a	16	.035
Likelihood Ratio	29.877	16	.019
N of Valid Cases	64		

a. 23 cells (92.0%) have expected count less than 5. The minimum expected count is .63.

Result: Because the value is less than five. The null hypothesis is rejected. As a result, there is a considerable association between high salary and people's intention to stay in the IT business.

4.1.6 Hypothesis 6

H₀: There is no significant relationship between gender and inclination toward work culture.

H₁: There is a significant relationship between gender and inclination toward work culture.

Gender * What attracts you the most in an employment? Crosstabulation

Count		What attracts you the most in an employment?				Total
		Benefits	Compensation	Position	Work Culture	
Gender	Female	1	9	1	18	29
	Male	2	19	5	9	35
Total		3	28	6	27	64

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.089 ^a	3	.028
Likelihood Ratio	9.397	3	.024
N of Valid Cases	64		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is 1.36.

Result: Because the value is less than five. The null hypothesis is rejected. As a result, there is a considerable link between gender and work culture preference.

4.1.7 Hypothesis 7

H₀: There is no significant relationship between an employee's co-worker been laid off and turnover.

H₁: There is a significant relationship between an employee's co-worker been laid off and turnover.

Has any of your colleague been laid off? * Do you feel like quitting your current job? Crosstabulation

Count

		Do you feel like quitting your current job?			Total
		Maybe	No	Yes	
Has any of your colleague been laid off?	Maybe	6	0	1	7
	No	7	27	2	36
	Yes	5	4	12	21
Total		18	31	15	64

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	37.078 ^a	4	<.001
Likelihood Ratio	37.323	4	<.001
N of Valid Cases	64		

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is 1.64.

Result: Because the value is less than five. The null hypothesis is rejected. As a result, there is a strong link between an employee's co-worker being laid off and turnover.

4.1.8 Hypothesis 8

H₀: There is no relationship between job security and people’s intention to continue working in the IT industry.

H₁: There is a relationship between job security and people’s intention to continue working in the IT industry.

Do you feel job security? * How likely are you to continue working in the IT industry? Crosstabulation

Count

		How likely are you to continue working in the IT industry?					Total
		1	2	3	4	5	
Do you feel job security?	Maybe	1	1	6	2	10	20
	No	8	4	4	2	0	18
	Yes	3	0	4	9	10	26
Total		12	5	14	13	20	64

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	29.922 ^a	8	<.001
Likelihood Ratio	34.723	8	<.001
N of Valid Cases	64		

a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is 1.41.

Result: As the value is less than five. The null hypothesis is rejected. As a result, there is a relationship between job security and people's desire to continue working in the IT business.

After analysing the data some references can be observed-

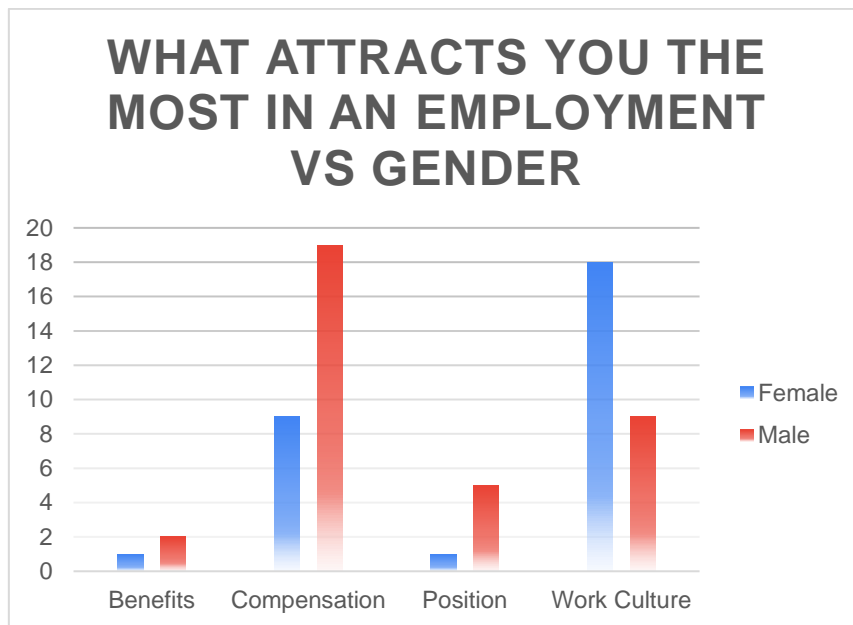


Chart 3.7: What attracts you the most in an employment vs Gender

Analyzing the above chart, it can be inferred that Females are more concerned about the work culture of the organization when compared to Compensation. While males are more concerned about compensation and position when compared with the workplace culture.

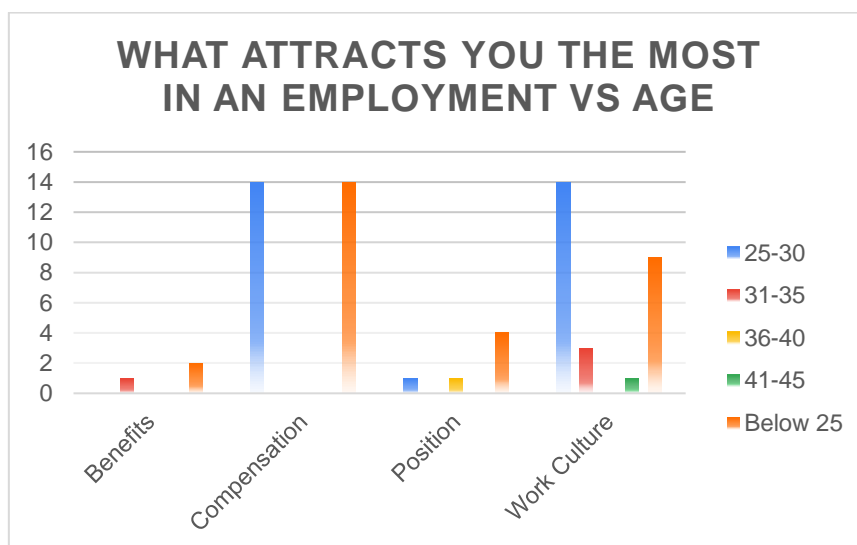


Chart 3.8: What attracts you the most in an employment vs Age

Concluding the above data, employees below the age of 25 whom are more likely freshers places emphasis on Compensation factor more when compared to others. As they age and reach the age bracket of 25-30, they start giving importance to both, compensation and the work culture.

Do you think that because of the current trend of layoffs in the IT sector, it will be hard to retain employees in the future?

64 responses

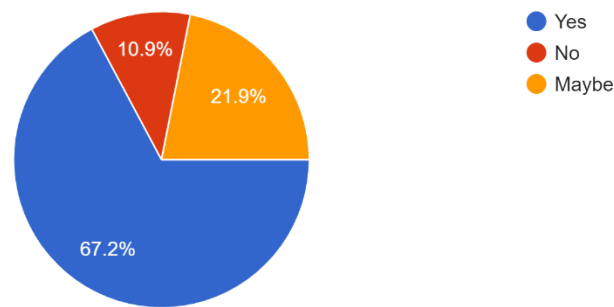


Chart 3.9: Layoffs vs Retention

Given the above data, 67.2% of the respondents felt that because of the current scenario of Layoffs in the IT sector, it will be quite difficult to retain employees in the near future. It can be attributed to the fact employees might start feeling insecure and have less job security. Which might lead to turnovers. It might instill dread in the minds of surviving employees and reduce loyalty, which binds an employee to the organization decreases. Layoffs might cause the workers who are left behind to quit. A study by Visier, a human resources analytics company found out that when employees were laid off, the likelihood that their direct colleagues would quit was 7.7% higher than if those employees had remained. A principal researcher at Visier said that if a company layoffs its employees, then it might add 7% to 8% to the count which is very likely to leave as well.

4.2 Findings & Suggestions

4.2.1 Findings:

- There exists a relationship between compensation and turnover. Unsatisfactory levels of compensation might trigger turnover. As a result, in order to retain personnel, adequate remuneration must be provided.
- There is a relationship between corporate culture and turnover. Poor or toxic workplace culture may result in turnover. In order to retain personnel, a positive and healthy workplace culture is required.
- The current trend of layoffs pertaining to the IT sector might result in difficulty in retaining in the near future. Since the trust or loyalty factor is lost from the employees and is replaced by a sense of fear.
- Employees below the age of 25 are more inclined towards compensation as a dominating factor in employment. As they age and reach the age bracket of 25-30 work culture and compensation play an equal and important role in determining job likeness.
- Marital status doesn't have any relation so as to what attracts an employee to a job.
- IT industry offers very attractive packages. High compensation is directly proportional to people's wanting to continue working in the IT industry. Its lucrative packages help in retaining employees in the sector when compared to other sectors.
- After the study, it is concluded that females are more inclined towards work culture while males are more inclined towards compensation.
- If an employee's co-worker has been laid off, then it directly influences the turnover and retention in the organization. An employee whose co-worker has been laid off is highly likely to leave the organization when compared with one whose co-worker has not been laid off.
- Job security has a direct impact on people's intention to continue working in the IT industry. If an employee feels job security then he/she is highly likely to continue working in the industry.

4.2.2 Suggestions:

- IT industry boasts a high turnover. Such high turnover is unhealthy for an organization as well as the entire industry. It needs to be taken care of in a continuous process.
- Satisfactory compensation with enough benefits and rewards can trigger a healthy retention rate.
- A good work culture needs to be established in the organization to retain employees.
- Layoffs might look like a good temporary solution to the problem. However, it creates troubles in the longer run.
- Alternate solutions should be looked to instead of layoff.

4.3 Limitations of the study

There are several potential limitations that could impact a study on employee retention in the IT sector. Here are a few examples:

- Small sample size: The study may have a small sample size, which could limit the generalizability of the findings. If the sample is not representative of the larger population of employees in the IT sector, the results may not be applicable to other organizations.
- Self-selection bias: Employees who choose to participate in the study may not be representative of the broader population of employees. For example, those who are particularly satisfied or dissatisfied with their jobs may be more likely to participate, which could skew the results.
- Social desirability bias: Participants may be reluctant to provide honest responses to questions about their job satisfaction or reasons for leaving their previous positions. They may feel pressure to present themselves in a positive light, which could impact the accuracy of the data.

- Limited scope of study: The study may only examine a specific aspect of employee retention, such as compensation or job satisfaction. Other factors that could influence retention, such as work-life balance or career development opportunities, may not be included in the study.
- Time constraints: The study may only collect data over a limited period of time, which could limit the ability to draw conclusions about long-term employee retention. Additionally, the study may not capture changes in retention rates over time.
- External factors: Factors outside of the workplace, such as changes in the economy or industry trends, could impact employee retention rates. These factors may not be controlled for in the study, which could limit the ability to draw causal conclusions about retention.

CONCLUSION

The report's goal was to examine retention in the IT sector. One of today's most prosperous and successful businesses is the information technology sector. It continues to expand exponentially. It has issues of its own, though. One of them is a high rate of turnover. Every company is significantly impacted by turnover, and not just financially. IT organisations have taken certain efforts to cater to it and minimise damages. and have made an effort to keep their workers. They still have a long way to go before they succeed. In the midst of all, covid appeared, which increased demand for IT sectors, leading to a large increase in hiring. The globe is currently bouncing back from the COVID. Amidst this post covid era where the headcount in the companies has already grown and the threat of recession lurks, organizations are forced to lay off their employees.

Any company's success in the IT industry depends on its ability to retain employees. Because of the technology's rapid development and innovation, the IT industry has grown more competitive and dynamic. In this scenario, businesses are facing a significant issue with employee retention. In this post, we'll talk about the value of employee retention in the IT industry as well as several methods that businesses may use to keep their employees satisfied.

It's Important to Keep Employees in the IT Sector:

The abilities and knowledge of its workers are vital to the IT sector. Any IT organization's success depends on its capacity to draw in and keep top talent. For the following reasons, it's crucial to keep employees on panel:

- **Cost-effective:** Turnover among employees may cost businesses a lot of money. It may take a long time and be expensive to hire new employees and train them. Employers can avoid these expenditures by keeping on the employees they already have.
- **Knowledge Retention:** IT staff members have specialized skills and knowledge that are essential to the success of the company. The company ensures the safety of this information by keeping these staff members.
- **Upholding Productivity:** Employee churn may have a disastrous impact on an organization's productivity and postpone projects. Retaining employees helps the

company maintain productivity and meet project deadlines. The success of the organization depends on the specialized knowledge and skills that IT staff members possess. The company ensures the safety of this information by keeping such staff members.

- **Brand Reputation:** An organization's brand reputation may suffer from a high staff turnover rate. It can make the company less desirable to potential consumers and staff members.

IT Sector Employee Retention Techniques:

Organizations can employ a range of strategies to maintain its IT staff. These tactics consist of:

- **Competitive Compensation:** The IT industry needs competitive compensation packages to draw in and keep top talent. Organisations must make sure that employees are paid fairly and in line with company norms.
- **Career Development Opportunities:** Opportunities for career advancement are necessary for employee retention. IT specialists are constantly looking for new methods to learn and grow. Organisations should provide their employees the chance to expand their skills and expertise through training, mentoring, and leadership development programs.
- **Flexible Work Schedules:** IT professionals value work-life balance. Employers should provide their employees with flexible work options, such as remote work options, flexible scheduling, and freelancing.
- **Staff Recognition Programmes:** These programmes are crucial for increasing staff motivation and morale. Employers should acknowledge the accomplishments of their staff members and give them incentives and awards.
- **Positive Work Environment:** Retaining employees requires a nice work environment. To create a positive work environment, organisations should encourage open communication, offer opportunities for collaboration, and foster a culture of respect and diversity.
- **Employee Engagement:** People who are engaged at work are far more likely to stick around. Employee engagement should take the form of including employees in

decision-making, seeking feedback, and providing opportunities for participation in social and community-based activities.

In conclusion, each company's success in the IT sector depends on its ability to retain its workforce. Organisations must develop tactics that guarantee their staff are happy, engaged, and motivated given the growing competition for top talent. Competitive compensation, professional development opportunities, flexible work schedules, employee appreciation initiatives, a pleasant work environment, and employee engagement are some of the strategies that businesses may take to keep their workers. By using these strategies, organisations may ensure that they keep top talent while still keeping a competitive edge in the marketplace.

REFERENCES

- Academy to Innovate HR*. (n.d.). Retrieved from Academy to Innovate HR:
<https://www.aihr.com/blog/new-hire-turnover/>
- Agarwal, R. a. (September 2002). Enduring Practices for Managing IT Professionals. *Communications of the ACM*, 73-79.
- Asma Ahmed Houssein, J. S. (2020). Retention of Employees through Career Development, Employee Engagement and Work-life Balance: An Empirical Study among Employees in the Financial Sector in Djibouti, East Africa. *Global Business and Management Research*, 17-23.
- Balakrishnan, C. M. (2013). Employee retention through employee engagement-A study at an Indian international airport. *International Journal of Business and Management Invention*, 9-16.
- Bankai. (2017, April 26). *Medium*. Retrieved from Medium:
https://medium.com/@bankai_ux/history-of-ux-timeline-infographic-4a2035b5014a
- Bidisha, L. D. (2013). Employee Retention: A Review of Literature. *Journal of Business and Management*, 8-16.
- Deery, A. a. (1999). An investigation of relationship between employee turnover and organisational culture. *Journal of Hospitality and Tourism research*.
- Gurumani, V. (April, 2010). Invaluable Tools for Talent Retention. *Human Capital*, 54-55.
- M.S.Kamalaveni, S. T. (2019). A REVIEW OF LITERATURE ON EMPLOYEE RETENTION. *International Journal of Innovative Research in Management Studies (IJIRMS)*.
- Mathew, L. J. (July- September, 2012). Employee Retention Strategies: IT Industry. *SCMS Journal of Indian Management*, 79-86.
- Moore, J. a. (February 2002). How to turn around 'Turnover Culture in IT'. *Communication of the ACM*, 73-78.
- Nawab, K. K. (October- December, 2018). Employee Participation and Employee Retention in View of Compensation. *SAGE Open*.

APPENDIX

Study on Retention of Employees in the IT Sector

1. Age

- Below 25
- 25-30
- 31-35
- 36-40
- 41-45
- 46-50

2. Gender

- Male
- Female

3. Marital Status

- Single
- Married
- Divorced
- Widow/Widower

4. Educational Qualification

- Senior Secondary
- UG
- PG
- PHD

5. Years of Service
- Less than 1 year
 - 1-2 years
 - 2-3 years
 - 3-5 years
 - More than 5 years

6. Income
- Less than 30K
 - 30K-40K
 - 40K-50K
 - 50K-60K
 - More than 60K

7. How much satisfied are you with your current job

	1	2	3	4	5	
Highly Dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Highly Satisfied

8. How much satisfied are you with working the IT industry?

	1	2	3	4	5	
Highly Dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Highly Satisfied

9. Do you feel like quitting your current job?

- Yes
- No
- Maybe

10. What attracts you the most in an employment?

- Compensation
- Benefits
- Work Culture
- Position

11. Are you satisfied with your compenstion?

- Yes
- No
- Maybe

12. Are you satisfied with your work environment?

- Yes
- No
- Maybe

13. Do you feel job security?

- Yes
- No
- Maybe

14. Do you think that because of the current trend of layoffs in the IT sector, it will be hard to retain employees in the future?

- Yes
- No
- Maybe

15. Has any of your colleague been laid off?

- Yes
- No
- Maybe

16. How likely are you to continue working in the IT industry?

	1	2	3	4	5	
Highly Dissatisfied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Highly Satisfied

PLAGIARIASM REPORT



Similarity Report ID: oid:27535:34621573

PAPER NAME

**Anantika_Kushwaha_2K21DMBA27-3.do
cx**

WORD COUNT

8134 Words

CHARACTER COUNT

46989 Characters

PAGE COUNT

45 Pages

FILE SIZE

2.0MB

SUBMISSION DATE

Apr 29, 2023 7:56 AM GMT+5:30

REPORT DATE

Apr 29, 2023 7:57 AM GMT+5:30

● 4% Overall Similarity

The combined total of all matches, including overlapping sources, for each database.

- 0% Internet database
- 0% Publications database
- Crossref database
- Crossref Posted Content database
- 4% Submitted Works database

● Excluded from Similarity Report

- Bibliographic material
- Quoted material
- Cited material
- Small Matches (Less than 8 words)

Summary