

THE ROLE OF MODELS AND FACTORS IN EMPLOYEE RETENTION IN INFORMATION TECHNOLOGY FIRMS

#1Mrs. P. NIVEDITA, Assistant Professor, Department of MBA, J.B. INSTITUTE OF ENGINEERING & TECHNOLOGY, HYDERABAD.

#2KEERTHI HARSHA VARDHAN SIVASAIRAM (PG Student) Department of MBA,(JBIET).

ABSTRACT: Employee retention is the process of inspiring people to stay with the organization for an extended period of time or until a project is completed. Retention strategies assist businesses in cultivating effective employee communication, which leads to increased workforce support and commitment to critical company activities. Organizing and communicating these standards in an easily accessible manner helps to avoid numerous misunderstandings about the rights and responsibilities of employers and employees in the workplace. As a new small business owner, it may be tempting to put off drafting a human resource policy in order to focus on critical business needs. This study will look into the many difficulties surrounding workforce retention in Indian IT firms.

Keywords: Total Rewards Model, Job Embeddedness Model, Organizational Support Model

I. INTRODUCTION

According to Sultana Nazia and Bushra Begum (2013), employee retention is the organization's endeavor to maintain a positive work environment that encourages current employees to stay with the company. Various policies are carefully devised to address employee difficulties, with the goal of enhancing job satisfaction while lowering the major costs associated with onboarding and hiring new employees. This method encourages employees to stay with the business for an extended period of time, possibly until the project is completed. Retention strategies boost employee communication in businesses, resulting in higher labor commitment and support for critical company tasks. Employer retention is the purposeful effort done by employers to develop and maintain a work environment that encourages current employees to stay by establishing rules and processes that address their various demands. Attrition costs include client loss, lower morale, and financial loss. Other fixed costs that must be recovered before operations can resume include time

spent on recruitment, training, interviews, reference checks, screening, and credential verification. Furthermore, expenses associated with employee turnover, such as labor costs and decreased productivity, are concerning. Replacement costs are typically equal to 2.5 times an employee's pay. Employee retention refers to an organization's attempts to foster a favorable work environment that encourages current employees to remain with the company.

Objectives And Research Methodology

Objectives of Study

- Examine employee retention in Indian IT organizations.
- Identify significant models of employee retention.
- Identify key factors affecting employee retention in IT firms..

Research Methodology

The primary classification of research methodology distinguishes between quantitative and qualitative approaches (Myers, 2007). Numerical methods, survey techniques, and laboratory testing were originally used in natural science research.

Qualitative research is used to acquire a deeper understanding of a specific subject or situation. According to Myers (2007), the qualitative technique was developed in the social sciences to assist researchers in investigating social and cultural phenomena. The qualitative technique employs sources such as interviews, questionnaires, observations, records, and the researcher's impressions and reactions. The selected method is qualitative.

Qualitative research frequently entails conducting extensive interviews with a small number of people. These interviews can be conducted both individually and in groups. One advantage of solo interviews is that they can generate a large amount of information without being affected by others. Individual interviews are expensive and time-consuming, therefore any academic program is unlikely to undertake a huge number of them.

II. MODELS OF EMPLOYEES ' RETENTION

Three fundamental models have an impact on staff retention. 1) E. R. C.'s Retention Model; 2) The Zinger Model; and 3) Model. The Comprehensive Employee Retention System is the third component. Following that, a brief description of each model will be provided.

Keeping employees is a wise business decision that entails integrating individuals in a meaningful way with the organization's goals, duties, successes, community, clients, growth, vitality, and overall wellness, allowing businesses to use, retain, and transform their personnel into genuine outcomes.

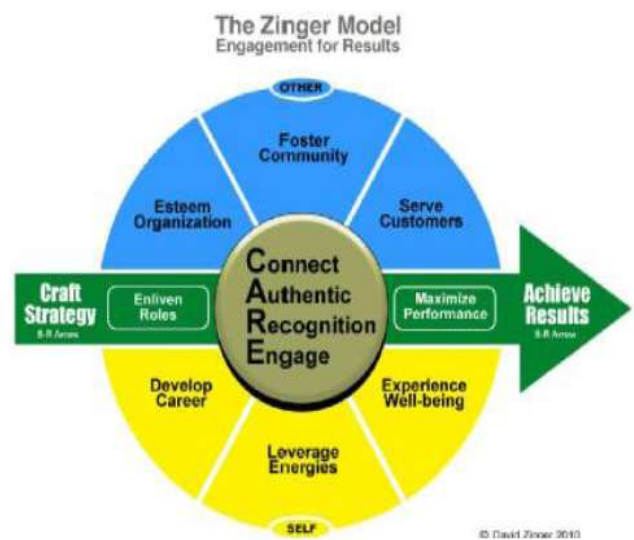


Figure 1: Ginger Model

According to the Zinger Model, employee retention is determined by how successfully they contribute to the company's departmental, team, or individual goals. Businesses must have a strategy in place to achieve their aims. Connection is an important aspect in retaining people. Sometimes engagement and connection mean the same thing. Engaged people do not simply answer to one poll question or remain engaged at all times. Engaged suggests that a person is actively involved in the changing aspects of their employment.

It is critical to maintain honest staff by implementing robust feedback mechanisms. When companies take on too many responsibilities, they must be cautious not to become role saturated. They should also seek roles that promote connection, rapport, and results. A person's position include their tasks, rights, and expected behavior at work. This example demonstrates the relationship between effective performance management and employee retention. Performance is one aspect of engaged employees, but both engagement and retention are critical to business growth. High levels of staff retention should be a reward for exceptional employees. For the organization's image to improve, it is critical that the employee and the organization get along and do not disagree. Employers place a high value on employee retention and customer satisfaction. There is a correlation between retaining employees and keeping them motivated. Effective employee retention

improves customer service significantly. Workers are encouraged to take classes that will help them become more valuable, visible, strong, and engaged. If you want to keep your employees, you must be able to control their mental, emotional, spiritual, and physical abilities. People who work there should be able to lead better lifestyles. Employees must lead healthy and happy lives. The happiness and productivity of a company's employees are critical to its success.

ERC' s Retent ion Model

According to the Employee Retention Connectivity model, three major elements influence employee retention: concentration rates, the emphasis on practical organizational experience, and the extent to which practical organizational experience is prioritized. To increase employee involvement, provide them a range of jobs, allow them to make their own decisions, provide them with resources and assistance, encourage them to learn, provide constructive feedback, and recognize their individual accomplishments.



Figure 2: ERC Retention Model

Not relevant. Leadership that is open to new ideas and embraces change makes it simpler to retain personnel. They should not only help others comprehend the organization's aims, but also help them improve their skills and act in accordance with the organization's ideals. It is critical to give praise, encourage individuals to accomplish what you want them to do, and acknowledge good work. It is critical to celebrate achievements in order to foster teamwork, friendship, self-esteem, and a desire to succeed.

Integrated System for Retaining Employees

Maintenance of personnel Connectivity has a five-step plan to increase its competitiveness and transform the way it operates. ERC begins by examining the organization's culture through focus groups and surveys to determine what motivates and demotivates employees. ERC's primary purpose is to train supervisors and managers effective motivational leadership strategies so that they may create tasks and roles that motivate and drive their staff to work.



Figure 3: Integrated Retention System

In their study, Sinha and Sinha (2012) identified the most important factors influencing employee retention. It's been made public. According to Agrela et al. (2008), in order for a firm to expand and succeed, it is critical to consider the elements that influence employee retention. A scholarly study found that an organization's retention tactics can help it adapt to continuing workplace changes if they suit the specific demands of each employee (Gale Group, 2006). According to research, new methods of retaining employees go beyond standard compensation and benefit packages (Gale Group, 2006; Feldman, 2000). Employee motivation is seen as a key aspect in a company's workforce diversity and long-term retention. According to Boomer Authority (2009), considering the needs and desires of employees of all ages can make them happier, more loyal, and more engaged to their jobs.

Walker (2001) and other experts believe that the greatest method to retain people is to make the workplace a pleasant environment to learn

and work. Cunningham (2002), on the other hand, discovered that workers value training, recognition, and flexibility as significant strategies to maintain their employment. Other factors associated with long-term employee retention include communication, professional advancement, organizational dedication, and connections between bosses and employees.

III. FACTORS AFFECTING EMPLOYEES RETENTION

It should be emphasized that the literature analysis and compilation of retention features do not attempt to include every hypothesis or characteristic associated with employee attrition and retention (Griffeth et al., 2000). The major goal of the study is to determine the frequency with which various retention variables are stated in the context of employees' reasons for staying. This section gives a brief summary and evaluation of the twelve retention factors investigated in the study with the goal of supporting firms in retaining their most precious resource: their personnel (Yazinski, 2009)..

Skill recognition

According to Yazinski (2009), recognizing employees for job-related skills is an effective way to retain them at any age. According to research, praising an individual's job successes might boost their sense of belonging, potentially enhancing their chances of staying employed (Redington, 2007). Yazinski (2009) revealed in a poll that an increasing percentage of job hopefuls are looking for employers who value employee engagement, education, collaboration, and cooperation in addition to pay and perks.

Learning & Working Climate

A good learning and working environment is critical to keeping competent employees (Arnold, 2005; Hytter, 2007; Walker, 2001). This is due to the importance of opportunities for growth and learning. The term "learning and working climate" is derived from studies by Abrams et al. (2008) and other experts. Typically, it refers to the site where employees do their responsibilities and learn new information.

Job Flexibility

To maintain a diversified workforce,

workplace flexibility is required (Boomer Authority, 2009). Numerous scholars have underlined the importance of flexible work hours in allowing individuals to better manage their professional, familial, and other commitments (Cunningham, 2002; Pfeffer, 2007). According to studies, employees of all ages value "flexibility" since it allows them to help others achieve a healthier work-life balance (Eyster et al., 2008; Scheef & Thielefodt, 2004).

Cost Effectiveness

Research backs up the claim that firms that offer affordable job flexibility alternatives gain from responding to the needs of all employees, regardless of age. This is due to their capacity to shift expenses related to commuting, sick leave, absences, hiring new employees, and reconfiguring work areas (Agrela et al., 2008; Boomer Authority, 2009; Cunningham 2002).

Training

Training is vital for keeping employees of all ages. According to US Department of Labor statistics from 2009, work training is crucial for both professional and personal development. Employees must have access to training and development programs that improve their abilities and allow them to keep current with technology improvements in order for a firm to grow (Boomer Authority, 2009).

Benefits

Scholars routinely explore the relationship between employee perks and retention, which is an additional factor influencing employee retention. Maccoby spent five years researching the job satisfaction of Bell System employees and supervisors, beginning in 1984. He discovered that both groups were motivated to succeed and satisfied with their pay and benefits.

Career Development

Career planning inside an employee development program is intended to help individuals organize their life and adjust to the lack of a clear path to advancement. Furthermore, it demonstrates to employees that their employers are investing financially in their professional development. Employers can no longer guarantee stable employment,

but they may help employees keep the skills required to compete in the job market (Moses, 1999).

Superior-Subordinate Relationship

Supportive environments are required for staff development programs to succeed. Effective programs require continuous support from senior management, who should also serve as good role models for their employees (Zenger, Ulrich, & Smallwood, 2000). When a company's supervisors and administrators help its staff develop, they take on new obligations.

Compensation

Organizations face a unique difficulty when seeking to build compensation systems that correspond with their employees' professional development goals. Although many businesses say that salary increases are related to performance, this is not true. While many firms attempt to encourage employee collaboration, they nonetheless award individual rewards for outstanding performance (Feldman, 2000). Personnel may feel agitated and distrustful as a result of these unusual events.

Organizational Commitment

According to study, employees who are more committed to their jobs are more likely to stay with the firm for a longer amount of time. Steers determined in 1977 that an employee's level of loyalty to the organization falls as they seek to leave. According to the study, extremely dedicated employees were more likely to stay with the company for a long time, were more motivated to fulfill their jobs, and had a higher level of job satisfaction.

Communication

According to research, good communication boosts employee engagement and helps to foster an organizational culture of transparency and confidence. Organizations are progressively releasing information about their goals, values, objectives, competitive standing, and any changes that may affect employee morale (Gopinath and Becker 2000; Levine 1995). Companies make every effort to provide their employees with quick access to the information they need, especially from credible sources such as the CEO and high management.

Employee Motivation

Historically, management philosophy and practice have mostly focused on extrinsic motivations. While extrinsic motivators can be useful, they are insufficient in the modern workplace because employees want intrinsic benefits (Thomas, 2000). Modern worries about motivation are exacerbated by the fact that so many employees have access to possibilities and cash.

IV.CONCLUSION

A business's primary goal is to earn revenue. To optimize revenues, the firm must prioritize its people and develop long-term retention strategy. The study's findings show that individuals are regularly forced to resign from their jobs owing to low pay and stagnating career opportunities. According to the survey, firms may retain employees by providing cutting-edge technology and extensive training efforts that promote professional advancement. To prevent employee turnover due to family duties, consider hiring individuals who live close to the sector.

By evaluating and discussing staff retention methods in the IT industry, this study shows that these companies understand the need of successful employee management. They understand that adopting more effective ways to staff management will benefit them. In addition to competitive remuneration and benefits, they prioritize their employees' professional development. The organization would benefit from addressing the professional development needs of its staff. Symphony Services works with international consultants and professionals to establish career management strategies and plans. Communication has been a key tactic for these businesses. Communication is similar to a full experience, and it is enabled by information technology.

While these are some general techniques, several businesses use their own. Some of these features are incentives and awards, family involvement, employee engagement initiatives, regular employee-president-led company meetings, and the president's recognition of employees' achievements. Many organizations rely significantly on their

brand and reputation to retain staff.

REFERENCE

1. CareerBuilder.co.uk, —Harris Interactive Survey, June 2008.
2. ChandranshuSinha and RuchiSinha (2012), —Factors Affecting Employee Retention: A Comparative Analysis of Organizations, European Journal of Business and Management, Vol 4, No.3, pp. 145-160.
3. Maertz, C.P., Jr., & Campion, M.A. (1998). 25 years of voluntary turnover research: A review and critique, Management, 26, 463-488.
4. Myers, M. D. (2007), —Qualitative Research in Information Systems, MIS Quarterly, vol. 21 No. 2, pp.241-242.
5. Naresh k. Malhotra, Satyabhusan Dash (2010), —Marketing Research: An Applied Orientation, Chapter 5, pp. 158, 5th Ed., Pearson Education, New Delhi. No. 1, pp. 59-79.
6. Pranita S. Jumade & Dr. Shubhada Kulkarni (2015), —A Study of Talent Management Strategies in I.T. Sector in India, International Journal Of Multifaceted And Multilingual Studies, Vol2 No1, pp. 1-8.
7. Prenda, K. & Stahl, S. (2001, May 01). Peak job performance at any age: The truth about older workers Publishing. Quality Management, Vol. 11 No.4 and 5. Quarterly, 22(1): 46-56.
8. Rappaport, A., Bancroft, E., & Okum, L. (2003). The aging workforce raises new talent management issues
9. Sultana Nazia & Bushra Begum (2013), “EMPLOYEE RETENTION PRACTICES IN INDIAN CORPORATE – A STUDY OF SELECT MNCs”, International Journal of Engineering and Management Sciences, Vol 4 NO 3, pp. 361-368.
10. Walton, R. E. 1985. From control to commitment in the workplace. Harvard Business Review