

“Challenges of Employee Retention in IT Industry”

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ABSTRACT

Employee Retention is one of the key challenges faced by any Organization in Indian IT Industry. It has been observed that there is a great demand for skilled professionals. The main aim of the project is to understand the challenges of employee retention in IT Industry. The primary goal of this study is to understand the concept of employee retention. It also focuses on factors affecting the employee retention like the Non-monetary benefits e.g. - (flexibility, work life balance etc.), & Monetary benefits e.g. - (salary, benefits, rewards and recognition) and then considering the challenges of employee retention in IT Industry, there are a lot of issues like no job rotation, salary dissatisfaction and so on, then tries to understand the retention strategies which has been used in these cases. This study is based on the secondary data which has been collected through various sources like research papers, articles, blogs, books and etc. for the better understanding about the topic. In-depth studies focused on the fact that employees have high expectations from organizations; some candidates lie to grab the opportunity; and even though there are many job opportunities in the market, there is a cut-throat competition to attract the best talent. As an outcome, in order to overcome these challenges, the organization can allocate them to new and challenging projects. They can offer them equity compensation benefits, e.g., ESOP, or they can use competency mapping to hire the right candidate. To conclude this topic, in this competitive world employers face many challenges to retain the employees. It is difficult to meet the needs of each and every employee. There should be mutual understanding between employee and employer. Organization can reinvent their retention strategies time to time to sustain in the market.

Keywords: Employee Retention, Challenges of employee Retention, Retention Strategies

1. INTRODUCTION

The project "Challenges of Employee Retention in the IT Industry" focuses on the problems employers have in retaining employees, as well as the various factors that influence retention. This study covers the different challenges faced in maintaining talented employees, their reasons for leaving the organization, the numerous strategies employed, and how HR plays a significant role in employee retention

The information technology sector is booming. There is a large-scale attrition of talented employees, making the retention of important manpower resources a crucial concern for an organization's human resources. Employee retention is a concern, as are organisational challenges such as training time and investment, as well as a time-consuming candidate search. As a result, losing a key employee is a costly proposition for any company. Employee retention is a strategy used by businesses to keep their employees productive while also achieving their objectives.

2. Review of literature

Shavita Deshwal (2015) "Employee Retention - Perspective of Employees." Researcher said that it is very difficult to understand human resources. To satisfy the employees and to retain them forever is a challenging task for a business firm. Employees have so much influence that they can make as well destroys the organization. In this competitive world, it is very much required by employers that they should come up with best employee retention strategies for the growth of business as well the employees.

Ms. Sudha Vijay Nair A Study based on Pune IT Millennials on Attrition and Retention (Feb 2021). Employee attrition is caused by a variety of factors, including inadequate pay, a lack of career advancement, poor working conditions, stress, job dissatisfaction, job description discrepancies, organizational culture, organizational commitment, inadequate training, communication issues, centralization, gender discrimination, location, travel distance, work-life balance, and so on. The findings of this study, which included a sample of about 75 employees, back up the claim that attrition in the IT industry is one of the fastest-growing concerns that has to be managed carefully and tastefully. HR managers are now faced with a difficult task: dealing with attrition. Employees can be retained by giving stress relievers, deserved recognition, fair treatment, and advancement possibilities, as they prefer to work in an environment that appreciates their interest and growth.

Vikram Valmiki April (2016) “A Study on Employee Retention in the Information Technology Sector”. According to the researcher, employee role clarity has no effect on turnover intention. Employees who are clear about their responsibilities are more willing to participate in management decisions. Employees in the information technology sector with defined roles are unsatisfied with their salaries and benefits. When employees obtain higher compensation and benefits, they are more likely to stay with the company. When it comes to turnover intentions, many employees in the information technology industry are apathetic. It means that in the information technology industry, staff retention is an issue. Overall, it was clear from this study that employees in IT can be retained by providing perfect role clarity and competitive pay and rewards.

Harpreet Kaur Rakhra 2018 “Study on factors influencing employee retention in companies”. Researcher said that employee turnover is significantly reduced by organizations effective retention strategies. Talented and motivated employees have high expectations of their employers. However, it is not difficult to gratify such employees. Employees in general want to be pushed to do better, and they want to be motivated by their work environment. Employees are also constantly on the lookout for chances for personal and professional development. Employee satisfaction and productivity are more crucial than ever for businesses. Profits are inevitably higher when employees are fully committed and invested in the organization. Similarly, when employees are unsatisfied, the firm will suffer. Today's businesses must focus on their employees and support them not only through challenging moments at work but also when they are dealing with personal issues. Employees want to feel valued; therefore, managers must acknowledge and value their efforts. Employees who receive useful feedback may feel more valued by the company and become more responsible and confident. Employees who work in an environment of trust are more likely to stay on the job for a longer period of time. As a result, firms must ensure that their best staff are happy and satisfied, which is critical for the company's growth.

M.S. Kamalaveni¹, Ramesh, Vetrivel (May 2019). “A REVIEW OF LITERATURE ON EMPLOYEE RETENTION” Researchers said that managing talent is a difficult task, and in order to keep the finest personnel, policies and processes must be carefully crafted. At this point, it's critical to integrate strategies with HR procedures (such as recruiting and selection, training and development, performance appraisal, and remuneration). Any retention strategy that does not align these behaviors is doomed to fail. Organizations are framing numerous policies and tactics to retain talent, as shown by this research. To avoid employee poaching,

compete with competitors, and survive in a changing economy, firms must focus on characteristics that encourage employees to "remain" in order to improve happiness and commitment and maintain a skilled staff.

Dr. Milind Arun Peshave Vinaya Saraf has done AN ANALYSIS OF EMPLOYEE-ATTRITION IN IT INDUSTRY. Professional growth and organizational problems are the top reasons for attrition in IT firms, according to research findings. Professionals may choose the second-best criteria of their choice, which are career progression and supportive work practices in the organization, despite the fact that economic reasons are the most powerful. Candidates who want a better job than the one they have now are more concerned with getting the next job. Working on cutting-edge technologies and functional domains is something that young talent want to achieve. Early in their careers, IT workers are less impacted by brand name or location. The majority of IT workers look for roles and positions within firms that are difficult. Both candidates and senior executives believe that difficult work keeps them engaged in their employment. Employees and organization must be clear about the job profile's expectations. Employees may fail to execute their jobs if there is a mismatch of any kind. This will eventually lead to attrition. Organizations should be explicit about their expectations and requirements. Candidates might use these to help them decide whether or not to accept a job offer. As a result, future employment conflicts are avoided.

Research Gap:

Researchers have presented various methods to retain employees. In addition, they have also talked about reasons for leaving the jobs. Considering the topic chosen for the research compared to the number of reviews, the research gap is identified. However, the need for the study is to understand the challenges faced by the employer in retaining employees in this competitive environment.

3. OBJECTIVES

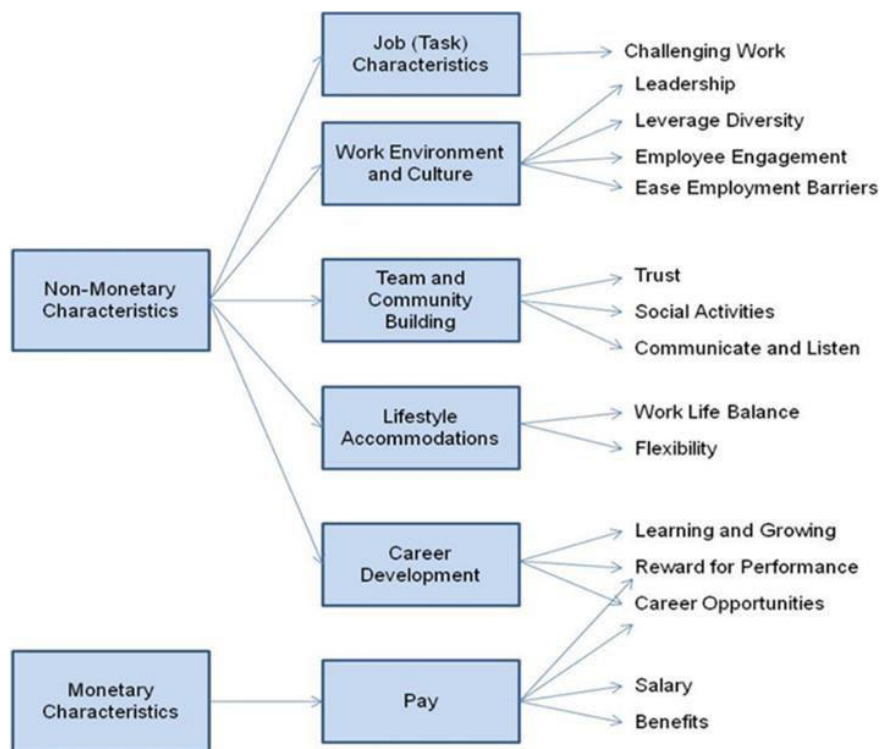
1. To study the concept of employee retention and factors that influence them
2. To understand the challenges of employee retention
3. To study the employee retention strategies

Employee Retention

Employee Retention refers to a company's capacity to keep its staff. It is also known as a process in which resources are motivated and encouraged to stay in an organisation for a longer period of time in order to ensure the organization's long-term sustainability.

The ultimate goal of employee retention is to make both the employees and the employers happy. It facilitates loyal employees sticking to the company for a longer duration, which in turn will benefit both the stakeholders. (Source: Tutorialpoint.com)

Factors influence employee Retention



Source: (ResearchGate. Author – Deepak Khazanchi)

Employee Retention Challenges

The following are some of the challenges of employee retention: (Source: HR Shelf – Author- Merin (2019))

During job interviews, people tell all kinds of lies to get a job. The candidate may lack branding expertise, but they would just say yes to impress the recruiter and get the job. Candidates don't realise there's a problem until later, when they realise there's a mismatch and

start looking for a new job. When the right person is assigned to the wrong profile, problems develop. When a person does something out of obligation, they lose interest in it. When it comes to hiring new staff, the human resource department should use extreme caution.

Job opportunities are high. There is a cut-throat competition to attract the best talent in the market. Companies go a long way to attract talented resources from their competitors. The availability of such lucrative offers makes it difficult to retain good resources for long.

Some people have a tendency to become bored in a short period of time. If an employee does the same job for years, he or she will become bored. The job might be good and interesting in the beginning, but soon it could become monotonous.

Unrealistic Expectations of Employees. It is not possible for an organisation to meet the expectations of all its employees. An employee must be mature enough to understand that one can't get all the comforts at work. When the unrealistic expectations of the employees are not met, they look for a job change.

After giving training, they might dislike the work culture and work ethics, so employees might think about leaving after probation.

4. RESEARCH METHODOLOGY

This study is based on secondary data which has been collected from various online sites, research papers, articles, etc., for a better understanding of the topic.

Secondary data research, often known as desk research, is a type of research that makes use of previously collected data. Existing data is summarised and collected to improve the overall effectiveness of research.

Secondary data is information obtained from primary sources and made available to academics for use in their own research. It is a type of data that has already been collected. A researcher may have gathered data for a particular project and then made it available for use by other researchers. The data may have been collected for broad use rather than for specialist research reasons, as in the case of the national census. In one study, data that is classified as secondary may be considered primary in another.

5. ANALYSIS & FINDINGS

Employees who are talented and motivated keep the high expectation from the companies. It is, however, not difficult to keep such staff. After a certain period of time, employees get bored of doing the same work and start searching for a new job. In this competitive environment, employees are given better and more demanding options for career development. It is employees' desire to improve their skills and learn new things as the world becomes more technologically advanced and they want to deal with new challenges. There are candidates that tell lies in order to get the job, but when they realize there is a mismatch, they begin looking for a new employment role. As a result, when interviewing candidates, the human resource department should be more cautious. Organizations retain talented employees by focusing on factors such as career development, leadership style, work environment, rewards and recognition, organizational justice, compensation and performance appraisal, and different retention strategies used by organizations to keep their talented employees.

6. CONCLUSION

The purpose of this study was to understand the issues that employers face in retaining employees. The study found that because there is a cut-throat competition to attract the best talent in the market, companies go a long way to attract talented resources from their competitors. During the interview, some candidates tell lies to grab a job. HR plays an important role in this because it is their responsibility to hire the best individual for the job. After a certain period of time, some employees get bored of doing same work and others have unrealistic expectations from the organization. Although it is not difficult to keep such staff, some organisations are unable to do it.

Non-monetary benefits, for example, have influenced employee retention (Flexibility, work-life balance, etc.), & monetary benefits (salary, benefits, rewards, and recognition) and their reasons for leaving the job included: career advancement, no job rotation, promotion, job stress, dissatisfaction with the job, and many more.

It is obvious that organization cannot retain all of its employees forever. Sooner or later, some of them are going to leave organization. This is the bitter truth. There should be mutual understanding between employer and employee. Organization can reinvent their retention strategies from time to time.

7. RECOMMENDATIONS

- Employee Stock Option Plans (ESOP)
- Scope for career growth and opportunities for skill development should be provided.
- When hiring the candidate, competency mapping can be applied. This will help in the selection of the most qualified candidate for the job.

8. REFERENCES

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