



Double down in organizations: A study on the employee retention strategies with special reference to the IT industry

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Abstract

Aim and Background: Turnover of employees is one of the major challenges that companies worldwide face. An organization's employees are its most valuable assets, so losing them would be devastating. Employers are implementing effective retention strategies to retain their talent. As a result of high employee turnover, the sustainability and productivity of the organization will be compromised. The study examines the ways in which IT companies resources during a double-down situation in order to find out how effective the strategies are at retaining resources.

Methods: The IT sector has been examined in this study. Retention Strategies in the Indian IT sector are examined to determine how they influence employee turnover. It was decided to conduct the study in retain Bangalore. Descriptive research was the research design used in this study. With the use of a questionnaire, the necessary data were collected from the employees of the IT companies in Bangalore from a sampling of 120 chosen on the basis of convenience sampling. Statistical tools were used to calculate the findings from the collected data.

Results: In the study Sixty-eight percent of members are males whereas women are represented at a minimum level of 32%. The study found that rewards & recognition are positively correlated with retention.

Conclusion: Retention is receiving more and more attention. Motivated workers find new methods of doing their jobs. They adhere to high standards. Productivity is higher with them. The successful adoption of new technologies requires motivated employees. It is possible to retain employees in several ways.

Keywords: Organization, employee retention, retention strategies.

Introduction

Organizations are going to double down on their efforts to win the fight for IT talent. With technological solutions being mission-critical for firms across the economy, Executives across the spectrum are realising that company ability to compete is dependent solely on a single thing: having the right talents. As a nutshell, since demand for critical tasks climbs, the struggle for tech talent is becoming fiercer and more spread to new sides in the war.

Many companies are faced with the issue of employee turnover today. Companies are investing a lot of time and money in hiring and training employees. Turnover is another possibility that can cost a business money. HR managers can prevent employee turnover by implementing effective retention techniques. Despite the recession, employee turnover has decreased for the time being in the Indian IT sector. This problem is likely to persist until the economy stabilizes. People leave the organization for a variety of reasons. Lack of organizational involvement, lack of job satisfaction, and job-related stress (job stress) contribute to workers' leaving their jobs. The company may irritate workers for several reasons (Mulvaney, M. A. (2014)). Frustration is one of the biggest reasons for employees to leave. The reasons for this discontent may be due to a variety of factors including pay, job security, job autonomy, and relationships with the boss and colleagues. Organizational variables may also influence turnover intentions. Workplace culture can inspire or demotivate workers, depending on their perspective. Inductive environments can be provided by some organizational cultures to their employees. Communications processes reduce turnover among organizations. Organizations lose out on human resource investments if employees voluntarily leave. Substitution of employees incurs several costs for the organization (Ghosh et. al. 2013). Employee replacements require training and induction, which incurs costs. In the meantime, output would suffer and the company would incur additional costs to replace one employee. Different strategies are being adopted by companies to cut down on turnover costs. Given that there is an increase in direct and indirect labor turnover costs, management should also pay attention to the reasons why people leave companies in order to take measures to set things right. Employers have adopted a number of strategies to keep their employees, such as fair wages, other benefits, empowerment programs, equity options, and flexible working hours (James et. al. 2012). However, how critical is this information to employees?

Literature Review

The creation of effective IT strategies is a challenge for business organizations. The number of IT professionals who leave their organizations has increased despite integration of flextime and hiring of higher salaries (Coombs, 2009). Companies intend to boost their tech talent recruiting efforts in 2021, which will make it harder for employers to hire programmers. This is according

to the latest CodinGame developer survey, in which 61% of HR professionals say that attracting qualified developers is the biggest challenge for them in 2021. Despite a more competitive tech talent market this year, businesses will still feel the squeeze as they scramble to hire new tech talent according to a survey of 15,000 developers and HR managers. Recruiting within tight timeframes posed a challenge for 24% of HR professionals, as they believe they need to fill these positions quickly (Bacchelli et. al. 2013). IEEE. According to 25% of respondents, the main difficulty they face when trying to attract developers is standing out from other companies.

(Jonathan Frick, 2021)“Companies are winning by finding creative ways to widen their funnel of candidates. The takeaway? Companies that fail to recruit and retain great tech talent are bound to lose their edge, cede ground to competitors, and, in many cases, fade away. Meanwhile, companies that adopt a winning talent strategy will have a powerful advantage that’s just as critical to their success as the competitive moat created by their technology products.”

Double down in an organization

Even the smallest bushes and trees in a forest recover faster after a wildfire than everything else when it comes to midsize companies during times of crisis(Flannery, T. (2012)). The same can be said of times of great stress, when the landscape is cleared of impurities, allowing more sunlight to shine, more water to expand, and more space (land) to grow.

According to McKinsey, 90% of survey respondents believe the recent global crisis presents the same opportunity, impacting how their business will be conducted over the next five years (Gurbuz et. al (2020)). For them to thrive in this constantly changing environment, they must be committed to transforming their business models on a continuous basis.

Midsized organizations find this emphasis on "transformation" to be highly disruptive and resource-intensive, thus causing them to be wary. Ultimately, it comes down to doubling down on what made them great in the first place (or their core value) and using the latest technologies to improve upon it (Bianco, M. (2021)).

Reasons behind double down in organization

The organization faces double down due to following reasons:

Engage – It is a time when we can bring people together, virtually or otherwise, and ensure their full potential is reached. You will achieve better outcomes if you invite diverse perspectives when you have many decisions to make but no road map to follow. Embrace the contributions of others.

Innovate – Given the constant changes that occur in the external environment on a daily basis, trying times require accelerated change. During times of crisis, leaders must drive new thinking fast in order to stay competitive and emerge stronger (Dotlich et. al. (2009)).

Achieve – By creating clarity, structure, and processes, successful leaders achieve successful outcomes. A different structure may be needed to allow rapid execution in a crisis because controls may need to be loosened.

Become – It is important for leaders to remain emotionally present in uncertain times. A leader's duty is to put the group's interest before their own.

Employee Retention

According to Kim (2012), effective methods of retaining IT professionals in state government can be achieved by using a retention strategy as an alternative to traditional personnel management practices. Organizations in the private sector may also benefit by implementing this concept. According to a different viewpoint, environments in IT firms are employees and stressful work very long hours to achieve goals. Zhao & Rashid (2010) predict high turnover in some businesses. It is common for IT workers to deal with frequent changes in technology and organizations, which can lead to excessive voluntary turnover. “In order to retain IT professionals, companies need retention strategies in place”.

Strategies for Retention

Business success depends on employee retention, and retention strategies help companies create competitive advantages. A company's retention strategy requires resources and time and all employees are equally valuable. In order to be successful at the company, it may be essential to retain those employees who are of critical importance (Bender et. al. 2000). Even the most effective retention strategies may not succeed without an understanding of the reasons for turnover. Researchers Coetzer and Gialuiss discovered that employees leave their companies due to a variety of factors, including their relationship with management and co-workers, a lack of advancement opportunities, and stresses associated with the job.

Today's labor markets make retention strategies a critical challenge. In addition to proper recruitment and selection of employees, proper training and development, compensation and rewards, engaged employees, and strong managerial relationships, according to Allen several methods were described for retention of professionals. Fun at work can also be a retention strategy used by managers (Milman & Dickson, 2014). In order to retain important staff, management should use best practices (Allen et al., 2010). The most effective retention strategies for businesses are not always one-size-fits-all. Allen hypothesized that retention strategies are delineated into 2 types: systemic and targeted. To reduce turnover, managers can employ general retention strategies. An organizational strategy that targets a specific group of employees is a targeted retention strategy.

J. Mathew recommends that leaders in the organization implement strategies of retention for preventing turnover of professionals in IT. IT firms need retention strategies because of the high turnover rate among their professionals. By Kim, leaders in IT should consider and implement strategies for retaining IT professionals (Arnold, L. (2016)). In higher education, Holmes found nonmonetary and intangible benefits drive retention. "Several companies have implemented strategies to retain IT professionals as Holmes pointed out. Among the reasons Holmes found that IT professionals in higher education stay in the 27 organizations include flexibility, a positive working relationship with colleagues, and the limited opportunities they have elsewhere". The findings of Holmes' study correspond to those of other research (Riemenschneider Et al. 2009) on the corporate environment.

Gupta et. al. (2016). says that senior IT leaders and businesses face retention challenges that are hard to overcome. In his study of strategies related to retention in the government sector, DeMers found that recognition, training, and education, along with flexibility, are all effective methods of retaining employees. According to Ezulike (2012), while organizations are recognizing and compensating key professionals as part of their staff development policies as a best practice, retaining these experts is a need rather than a desire for business owners. Performance management, rewards, lifestyle accommodations, job security, training opportunities, and quality of leaders are some of the strategies Agarwal and Ferrata identified as business organization retention strategies for IT professionals.

Studies have identified employee recognition and rewards, compensation, work-life balance, training and development, as well as the prospect of promotion as factors relating to retention of professionals in IT. IT professionals recommend that better relationships between managers and employees, better compensation, and better communication be implemented as retention Information technology strategies according to Holmes et. al. (2012). IT professionals can also be retained by implementing certain strategies.. These strategies include advancement opportunities, occupational training, pay packages, supervisory communities, and family-friendly policies. According to Ezulike (2012), there are a variety of factors which motivate professionals; therefore, it's not just about businesses offering good compensation to IT professionals; promotion opportunities also motivate some. A challenging work environment and job security are also important motivators for IT professionals.

Rewarding and recognizing

Employee retention is influenced by intrinsic rewards. A good rewards program is a motivator that every employee looks for consistently. Recognition of employees positively impacts employees' performance by 15%. Employees prefer to receive recognition from their immediate supervisor, according to Wiley and Kowski, Behavioral factors such as how employees are treated have an impact on voluntary turnover, according to Johnson. The results of the study indicated that most employees are only recognized by companies that recognize their highest

productivity. Based on a study it was concluded that workers stay with companies if they are appreciated for their hard work, performance, and abilities. According to Erturk, who studied IT professional retention in Turkey, “reward and recognition are non-monetary rewards that IT professionals receive from their managers”. Many employees feel accomplished when they accomplish their goals. Among the five strategies that Chinomona et. al. (2013) found to be effective for retaining employees, valuing employees was ranked fourth out of five. As a result, it was noted the most important strategy among companies that valued their employees was number four out of five. The turnover rate for these companies was upwards of 10%. Taking into account the impact on employee retention, the results from this study may suggest that senior IT leaders should give more priority to rewarding and recognizing employees. The implementation of a reward and recognition program is essential. their findings ring true.

Compensation

In order to maximize the effectiveness of staff, compensation is an important factor. Moreover, compensation decisions play an important role in a firm's decision-making process. Pay-for-performance is a common retention strategy in the United States (Gerhart & Fang, 2013). Employee retention is influenced by compensation. Rewards are powerful incentives for employees and can help businesses succeed. A company's compensation system must be structured correctly from an organizational leader's perspective. Compensation is one of the best ways to retain staff. The study indicates that compensation decisions have an impact on retention. Consequently, compensation plays a crucial role in retaining IT workers. Compensation can be a valuable tool for hiring and retaining talent. Employers remunerate their employees in both monetary and nonmonetary ways for the services they perform. It's estimated that IT professionals would take a pay cut for flexible work schedules, according to Ezulika (2012). Although compensation and benefits play a major role in employee retention, there are many other strategies to retain IT professionals.

Balance between work and life

It is challenging for professionals in several industries to find a balance between work and life, including IT, leading them to choose their careers based on their employer's ability to provide this balance for them (Ghazzawi, 2010). In the field of IT, it is common to work beyond eight hours a day or even 24 hours a day. It is difficult to balance a career in information technology with a family life. To retain key employees, some companies have implemented strategies for work-life balance. In order to promote work-life balance as a primary method to retain IT employees, this paper identifies three stages of employee retention strategies, ranging from low-level retention strategies to high-level retention strategies, based on an employee's perspective. Businesses help employees balance work and family life by offering flexible schedules, extended leaves of absence, and on-campus childcare.

Training and Development

In order to remain successful, companies must invest in training and development of their employees. In fact, “research shows that companies that invest in employee training have a higher employee productivity as well as a higher financial performance”. Training employees accounts for up to 6% of a company's payroll in the U.S. Training and developing employees, in addition to improving productivity and profitability, also boosts morale among employees (Nwaeke et. al. 2017). Employee development is one of the major functions of human resources. Koster, DeGrip, & Fouarge say that training employees produces companies that benefit both the employee company and other companies. Staff retention can be enhanced by training and development opportunities. A study found that employees who are highly trained and developed are less likely to leave their company. Companies provide support to an employee's personal development, so that they are more likely to stick with the company. It may, however, be that the training investment made by an employer increases the value of their company to other companies, even though they didn't intend to do so (Haines, Jalette, & Larose, 2010).

Leadership

Holmes (2006) found that 42% of participants in a study about retaining IT professionals in higher education cited IT management as the most important retention factor. IT management is believed to influence IT employee turnover in Holmes' study. Those who participated in the study also believed that IT professionals could be better understood and appreciated by management. According to one participant, senior IT leaders should examine their leadership philosophy and determine if their actions align with their philosophy, according to one participant. IT leaders can leverage their knowledge of and ability to disable some of the factors that influence IT turnover. Transformative leadership may therefore help senior IT executives retain IT talent.

Objectives

- To study the strategies adopted by IT firms in retaining resources during double down in the organization.
- To evaluate the effectiveness of strategies adopted by IT firms in retaining resources.
- To study the measures that can be adopted for the retention of resources.

Methodology

Descriptive research was the research design used in this study. With the use of a questionnaire, the necessary data were collected from the employees of the IT companies in Bangalore from a sampling of 120 chosen on the basis of convenience sampling (non-probability). Statistical tools were used to calculate the findings from the collected data.

Data Analysis

Gender:

Gender	Respondents	Percentage
Male	82	68
Female	38	32
Total	120	100

Table 1

Age:

Age	Sum of Respondent	Average of Percentage
Total	120	100
25-35	47	39
Above 35	38	32
18-24	35	29
Grand Total	240	50

Table 2.

Experience:

Experience (in years)	Respondents	Percentage
0 to 4	31	26
4 to 6	71	59
Above 6	18	15
Total	120	100

Table 3.

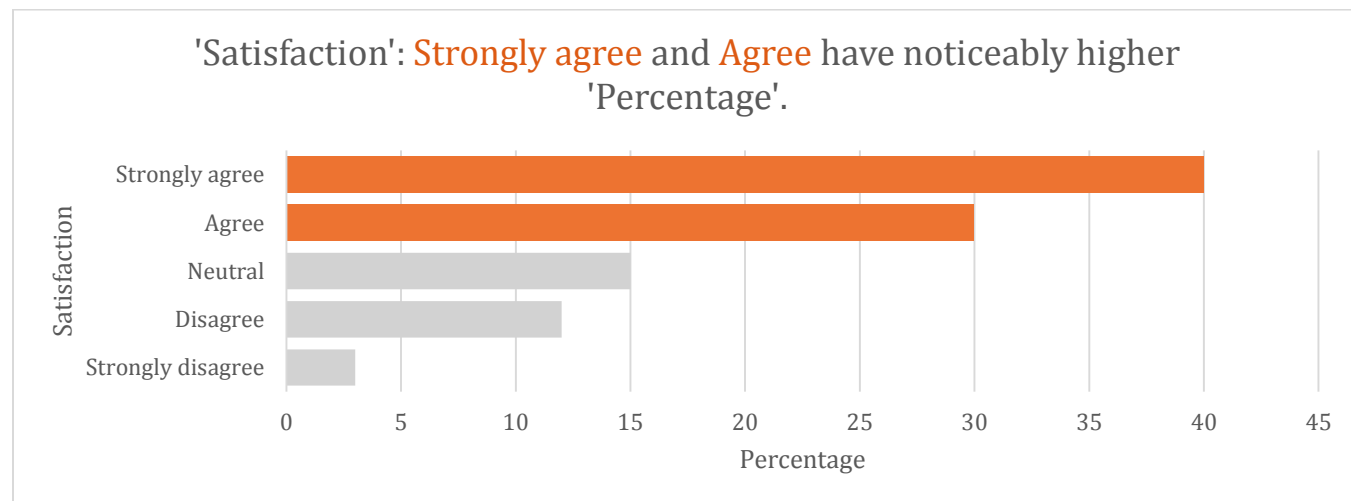
To evaluate the effectiveness of strategies adopted by IT firms in retaining resources. questionnaire results as:

Impact of Recognizing and rewarding achievements on Satisfaction:

Impact of Recognizing and rewarding achievements on Satisfaction	Sum of Respondents	Sum of Percentage
Strongly agree	48	40

Agree	36	30
Neutral	18	15
Disagree	10	12
Strongly disagree	8	3
Grand Total	120	100

Table 4.

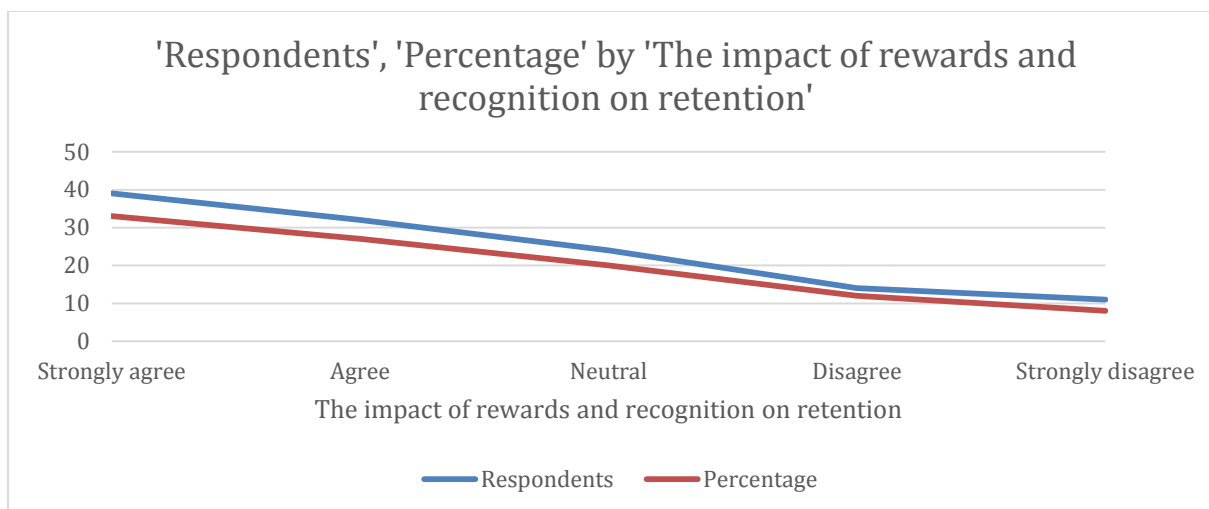


Graph 1.

Impact of rewards and recognition on retention:

Impact of rewards and recognition on retention	Sum of	
	Respondents	Sum of Percentage
Strongly agree	39	33
Agree	32	27
Neutral	24	20
Disagree	14	12
Strongly disagree	11	8
Grand Total	120	100

Table 5.

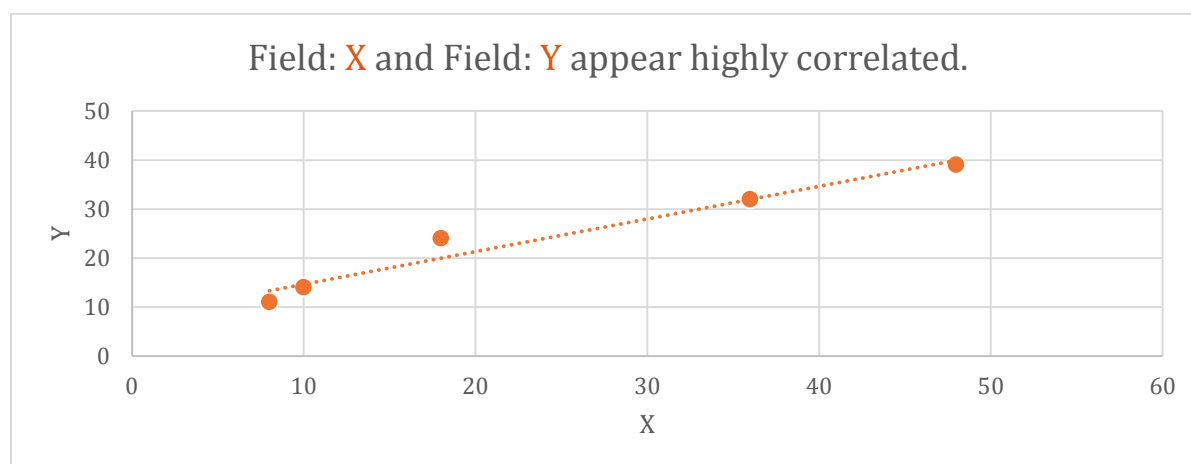


Graph 2

Correlation Analysis: Relationship between “rewards & recognition” and “retention”.

	Recognizing and rewarding achievement are play an important role in an organization [X]	There is a positive impact of rewards and recognition on retention [Y]
Strongly Agree	48	39
Agree	36	32
Neutral	18	24
Disagree	10	14
Strongly disagree	8	11
Grand Total	120	120

Table 6



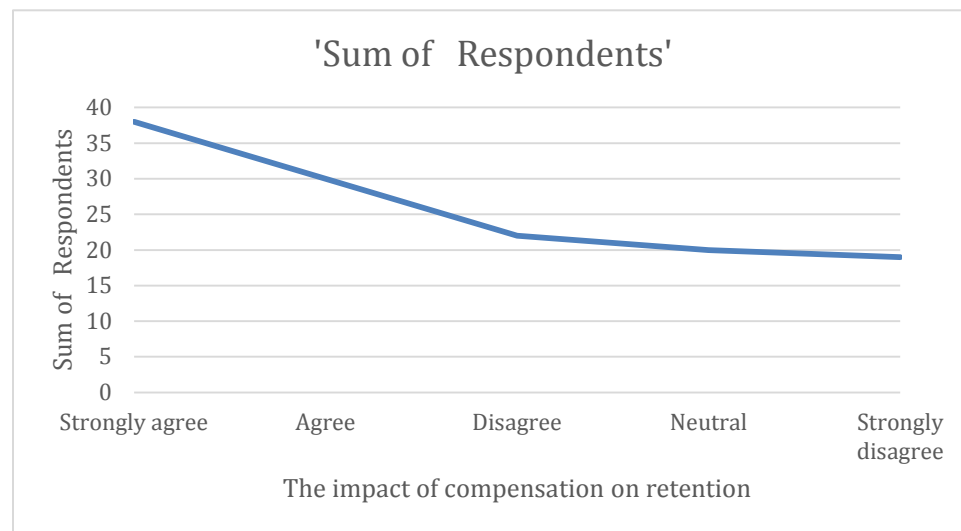
There is a positive correlation between Rewards & Recognition. As the correlation value of

reward & recognition and retention as per table 6 is 0.98.

The impact of compensation on retention

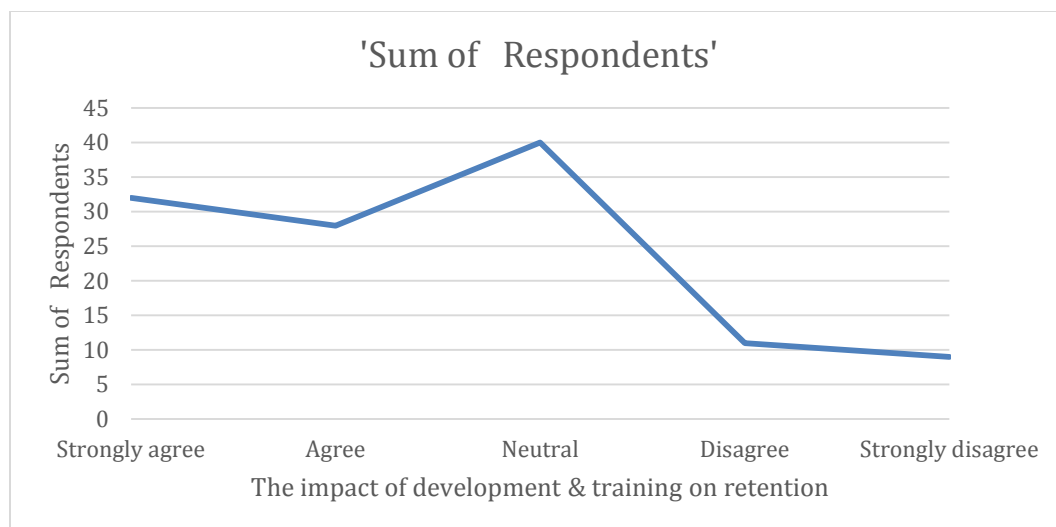
The impact of compensation on retention	Sum of Respondents
Strongly agree	38
Agree	30
Disagree	22
Neutral	20
Strongly disagree	19
Grand Total	129

Table 7



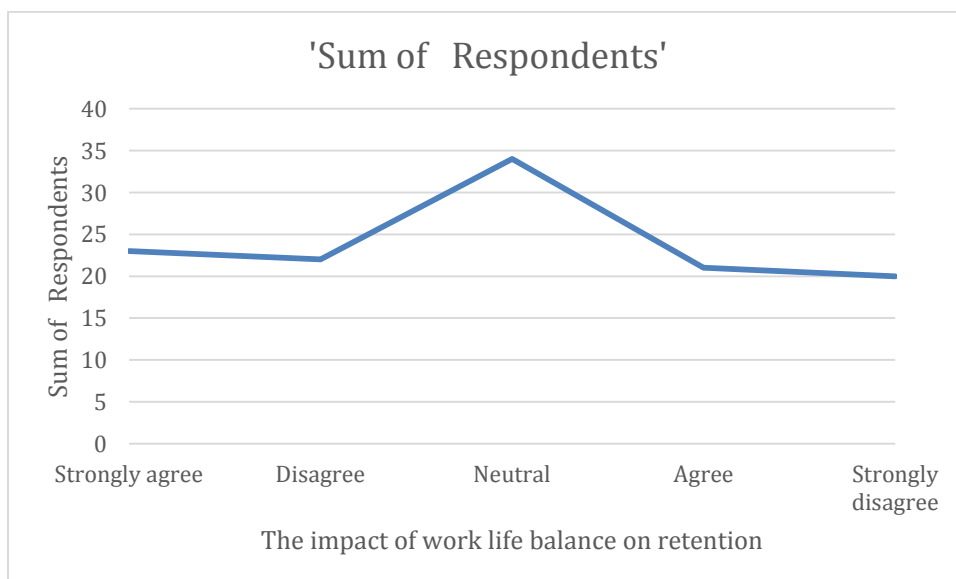
The impact of development & training on retention:

The impact of development & training on retention	Sum of Respondents
Strongly agree	32
Agree	28
Neutral	40
Disagree	11
Strongly disagree	9
Grand Total	120



The impact of work life balance on retention:

The impact of work life balance on retention	Sum of Respondents
Strongly agree	23
Disagree	22
Neutral	34
Agree	21
Strongly disagree	20
Grand Total	120



Interpretation

Here the value is less than 1. There is a positive correlation between Rewards & Recognition, and Retention. As the correlation value of reward & recognition and retention as per table 6 is 0.98. From the above study it can be concluded that reward & recognition is a most effective strategy for retention whereas work life balance is the least effective strategy.

Findings

- Sixty-eight percent of members are males. Women are represented at a minimum level of 32%.
- Respondents have an average of four to six years of experience in the company [59%].
- A majority of respondents said they would leave the organization because of career opportunities.
- All the strategies are positively correlated with retention but reward and recognition is one of the best strategy as per the findings.

Results

In this study the total respondents who participated were 120 out of which 82 were male and 38 were females. The majority of the respondents were between the age of 25 to 35 and the rest of the respondents were either less than 25 or were above 35. The majority of the respondents have 4-6 years of experience whereas the respondents who had the experience more than 6years were very few i.e. only 18 respondents. In the study it was found that 48% that is almost half of the respondents strongly agree that rewarding and recognising is one of the most helpful strategies in retaining the resources in IT firms. However, 30% respondents agreed to this strategy whereas the rest either remained neutral or disagreed with this. The respondents who agreed that rewarding and recognising is one of the strategies that can assist in retention out of them 71 respondents agreed that it puts an impact on the retention of the resources. In the study while evaluating the effectiveness of strategies adopted by IT firms in retaining resources it was found that rewarding and recognizing as a strategy in the organization has a positive relation with retention therefore it is the best strategy for retaining resources within an organization during its double down for engrossing in the war of tech talent.

Conclusion

Among academics, researchers and HR managers, retention is an important concept. Retention consists of many significant components, such as content, research, strategies, goal-directed behavior, social comparisons of rewards, and satisfaction with performance. This is why Retention is receiving more and more attention. Motivated workers find new methods of doing their jobs. They adhere to high standards. Productivity is higher with them. The successful adoption of new technologies requires motivated employees. It is possible to retain employees

in several ways. Early theories of retention are too simplistic, as the Human Relations Movement postulates that social contact motivates workers. Management of subordinates will not be improved by mere knowledge concerning retention theories. It is necessary to have techniques that enable employees to change their behavior. Rewarding employees is one of these techniques. The process theories of Retention suggest that reward, especially money, is a motivator.

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