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## RESEARCH ARTICLE

# A STUDY OF FACTORS INFLUENCING RETENTION STRATEGY OF SMALL, MEDIUM AND LARGE IT SECTORS IN BANGALORE CITY

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### ABSTRACT

The present study is carried with the objective to find the significant difference on Employee retention strategies and job attitude (job commitment, job involvement and job satisfaction) among Small, Medium and Large IT sectors in Bangalore city. By using quota sampling method 150 IT sector employees (Small sector=50, Medium Sector=50 and Large sector=50) from Bangalore city were collected. This study explored various aspects of Job Attitude and Retention Strategies. Job Attitude Scale (JAS), (2004) developed by Jayan, Anders Dockel (2003) used to collect primary data. The results obtained in the study reveal the most influencing factors of retention in Small, Medium and Large IT sectors. Significantly very high difference was found among all three sectors. Employees of Large IT sectors have indicated of getting more compensation, job characteristics, working environment, training and career development, whereas employees of Medium IT sectors have indicated of getting more flexibility in job and work life policies. Employees of Large IT sectors are more committed, involved and satisfied with the job than Small and Medium IT sector employees.

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### INTRODUCTION

In present scenario employees are very important part of the organization and retaining the valuable talent in the company is also very important for the organization. Organization doesn't want to leave the assets (Employees) and employees also doesn't want to leave organization where they get good reward and recognition as well as facilities like training and career development, good support and environment in the organization. Employee retention strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and contribute effectively. There are five determinants such as support, work environment, rewards, career development opportunities and work life balance (Shekshnia, 1994). If the organization is not able to retain its employees, it will not be able to capitalize on human assets developed by the organization. Many factors influence the retention, which effectively satisfy the needs of the employee. Factors such as compensation, employee motivation, flexibility, raining and career development, job commitment, satisfaction and involvement are some of them. Factors like supportive learning and working climate, superior-subordinate relationship are also the factors known for make longer stay of the employees in the organization.

Review of the literature evidently elucidates the factors which influence the employee to stay back in the present organization.

Sheridan (1992) studied on organizational culture and employee retention and investigated the retention rates of 904 college graduates and found the variation in cultural values had significant effect on the rates at which the newly hired employees voluntarily terminated employment. The researcher investigated that retention varies significantly with organizational values. Khatri, Fern and Budhwar (2001) revealed that organizational commitment, procedural justice and job hopping attitude were three main factors associated with turnover intention in Singapore companies and found that retail industry had the highest employee turnover in the service sector, there were significant variation across various industries and lastly concluded that employees with longer tenure may feel social pressure to switch their jobs.

Punia and Sharma (2008) highlighted the influence of organizational procurement practices on employee retention intentions on the basis of positions and personal variables of employees and also investigated that in current scenario the variables like induction programme, scientific job analysis and fair & skill based distribution of work assignment are the key factors in influencing the employees retention intentions in IT sector and organization in general. The corporate sector has to strengthen their induction programmes, during scientific job analysis before selecting the employees and resorting to fair and skill based work distribution practices. Sinha and Sinha (2008) studied that retention and proper development of talent are the burgeoning problem, also analyze the causes of the high

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attrition rate of employees in the management institutes of UPTU and suggested ways to reduce the turnover rate of faculty lastly it was concluded that most of the employees leave their college because of organizational politics rather than salary package, inappropriate management, infrastructure and timings.

Hassan, *et.al* (2011) focused on employee retention as a challenge in leather industry of Pakistan which is facing the problem of retention and it was observed that mostly second line manager change their job's for high salaries offer, recognition, authority and also to seek more knowledge and also to get more competitive edge in terms of processing and lastly it was concluded that almost all factors or indicators that directly or indirectly influence employee retention are correlated. Akila (2012) studied on employee retention among executives at BGR energy system and found that employee retention is mostly affected by career opportunities, work life balance, work environment, supervisor support.

## **METHOD**

### **Objectives**

1. To study employee retention strategies and Job Attitude of IT sectors in Bangalore city
2. To find out the significant difference on Employee retention strategies and job attitude (job commitment, job involvement and job satisfaction) among Small, Medium and Large IT sectors in Bangalore city

### **Research Design**

The study was based on descriptive research design and involved administering questionnaire to collect the data from respondents. In order to fill the objectives primary data was and secondary data were collected. Based On the gross revenue of the IT sectors the three sectors are made as Small, Medium and Large IT sectors.

### **Hypotheses**

- Ha<sub>1</sub>:** There will be significant difference on Employee retention strategies among Employees of Small, Medium and Large IT sectors from Bangalore city
- Ha<sub>2</sub>:** There will be significant difference on job attitude (job commitment, job involvement and job satisfaction) among Employees of Small, Medium and Large IT sectors from Bangalore city

### **Sample**

Quota sample of 150 IT sector employees (Small sector=50, Medium Sector=50 and Large sector=50) from Bangalore city are taken for the study. This study explored various aspects of Retention Strategies and Job Attitude (job commitment, job involvement and job satisfaction).

### **Measures**

Job Attitude Scale (JAS) and Retention strategies scales were used to collect primary data. Job Attitude Scale (JAS, 2004) developed by Jayan, was used to measure the attitude of the employees towards their job and Retention strategies scale developed by Anders Dockel (2003) used to measure retention strategies of the employees.

## **RESULT AND DISCUSSION**

From the above table No 1 it is clear that respondents have ranked factors such as Compensation, followed by Training and Career Development, Superior-Subordinate Relationship, Job Flexibility and Learning and Working Climate as the most needed dimensions influencing employee retention and job Characteristics, Employee Motivation, Work Life Balance, Organizational commitment and skill recognition as least needed dimensions in Small IT sectors.

Further, factors like Training and Career Development, Learning and Working Climate, Organizational Commitment, Superior-Subordinate Relationship, Employee Motivation are ranked as most needed dimensions influencing retention of the employees of Medium Sector, but Work Life Balance, Job Characteristics, Job Flexibility, Compensation and Skill recognition are ranked the least needed factors to retain in the organization respectively.

More interestingly, employees of large IT sectors have ranked Work Life Balance, Skill Recognition, Learning and Working Climate, Job Flexibility and Job Characteristics as most influencing factors to be there in organization, whereas Organizational Commitment, Superior-Subordinate Relationship, Employee Motivation, Training and Career Development and compensation are least ranked factors by them.

Observation of Table No 2 reveals that among three IT sectors employees from large sector are observed to get more compensation compared to Medium and small sectors respectively. As far as Job characteristics are concerned Employees of large sectors have shown having more job characteristics compared to other two sectors.

Medium IT sectors employees have more flexibility in job compared to other two sectors. Large scale IT sectors are high in working environment and in training and career development, where as Medium IT sector employees are high in work life policies. The above table shows the existence of significant difference among the all the three sectors. 'F' ratio of the all factors clearly explains significant difference in Compensation (F=408.18\*\*\*), Job Characteristics (F=316.42\*\*\*), Job Flexibility (F=479.79\*\*\*), Working Environment (F=635.29\*\*\*), Training and Career development (F=498.80\*\*\*) and Work Life/Policies (1307.31\*\*\*) respectively.

**Table 1** Factors influencing employee retention of IT sector in Bangalore

Sl.No	Factors	Mean			Rank		
		Small Sector	Medium Sector	Large Sector	Small Sector	Medium Sector	Large Sector
1	Skill Recognition	9.42	9.6	2.08	10	10	2
2	Learning and Working Climate	4.76	2.38	2.36	5	2	3
3	Job Flexibility	3.68	8.6	4.64	4	8	4
4	Superior-Subordinate Relationship	3.00	4.12	7.28	3	4	7
5	Employee Motivation	6.94	5.24	7.72	7	5	8
6	Job Characteristics	6.72	6.6	4.92	6	7	5
7	Work Life Balance	7.72	5.92	1.56	8	6	1
8	Compensation	1.56	8.8	9.64	1	9	10
9	Organizational Commitment	9.14	2.64	5.44	9	3	6
10	Training and Career Development	1.88	1.1	9.36	2	1	9

**Table 2** Mean, SDs 'F' value retention strategies of employees from Small, Medium and Large IT sectors in Bangalore

Sl.No	Variable	Sectors	N	Mean	SDs	'F' value
1	COMPENSATION	Small sector	50	20.76	3.14	408.18***
		Medium Sector	50	23.24	4.11	
		Large Sector	50	39.86	3.58	
2	JOB CHARACTERISTICS	Small sector	50	14.36	1.74	316.42***
		Medium Sector	50	35.36	8.49	
		Large Sector	50	41.30	4.44	
3	JOB FLEXIBILITY	Small sector	50	27.04	4.22	479.79***
		Medium Sector	50	37.54	4.60	
		Large Sector	50	14.36	1.74	
4	WORKING ENVIRONMENT	Small sector	50	14.32	1.99	635.29***
		Medium Sector	50	35.32	3.31	
		Large Sector	50	43.12	6.12	
5	TRAINING AND CAREER DEVELOPMENT	Small sector	50	10.54	1.96	498.80***
		Medium Sector	50	13.02	2.64	
		Large Sector	50	38.00	7.65	
6	WORK LIFE/POLICIES	Small sector	50	30.66	3.10	1307.31***
		Medium Sector	50	33.34	1.90	
		Large Sector	50	10.76	2.05	

**Table 3** Mean, SDs 'F' value Job attitude (Job Commitment, Job Involvement and Job Satisfaction) of employees from Small, Medium and Large IT sectors in Bangalore

Sl. No	Variable	Sectors	N	Mean	SDs	'F' value
1	JOB COMMITMENT	Small sector	50	14.14	2.976	562.66***
		Medium Sector	50	24.70	3.072	
		Large Sector	50	35.34	3.414	
2	JOB INVOLVEMENT	Small sector	50	13.56	2.557	1038.73***
		Medium Sector	50	25.12	3.068	
		Large Sector	50	40.12	3.108	
3	JOB SATISFACTION	Small sector	50	12.76	2.317	744.83***
		Medium Sector	50	26.44	4.756	
		Large Sector	50	40.18	3.141	

Table 3 reveals that among three large IT sectors Employees are more committed to their job comparing small and medium sectors. Similarly they are involved more and getting more satisfied in their job than small and medium IT sectors. In all dimensions of Job attitude small sector employees are less committed, involved and getting less satisfaction in their job. 'F' ratio of the all factors clearly explains significant difference in among the three groups on Job Commitment (F=562.66\*\*\*), Job Involvement (F=1038.73\*\*\*) and Job Satisfaction (F=744.83\*\*\*) respectively.

## DISCUSSION

The present study examined the factors which have greater influence on the employee to stay (retain) in the organization and whether there is any significant difference among small, medium and large IT sectors on retention strategies and job attitude. The employees have mentioned many factors which have greater influence for retaining in the present organization.

Factors like Compensation, training and career development superior subordinate relationship are more influencing factors for them to stay in the organization in small IT sectors, as employee will be new to the job and seeking to learn more or willing to get more facilities from the organization it is obvious to give importance to this kind of factors. Employees of medium IT sectors have given more importance to training and development, learning and working climate and organizational commitment, as they seek to grow more and more in their career and for their advancement. But large IT sector employees have given more preference for work life balance, skill recognition and learning and working climate. As large scale employees are having more work load and less flexibility they want to balance their work and life, they want their skill to be noticed by organization. Large scale IT sectors employees have expressed that they are getting more compensation, good working environment, job characteristics and training than small and Medium It sectors employees. As they get more salary, benefits, good environment and well career opportunities the findings of the study also indicate the said

facts. But medium sector IT employees have indicated the need for more flexibility in their work and work life policies. As far as job commitment, involvement and satisfaction again large sector IT employees have expressed more commitment, involvement and satisfaction with the job. Job attitude can be improved by improving working condition through tools required by the employees like compensation, working environment reward, salary, opportunities, initiatives, superior support, flexible time and training for any organizations.

## CONCLUSIONS

1. Compensation, training and career development and organizational commitment are the most influencing factors for Small IT sectors employees to retain in the organization.
2. Training and career development learning and working climate and organizational commitment are the most influencing factors for Medium IT sectors employees to retain in the organization.
3. Work life balance, skill recognition and learning and working climate are the most influencing factors for Medium IT sectors employees to retain in the organization.
4. Employees of Large IT sectors observed to get more compensation, have shown job characteristics, get to have working environment, training and career development.
5. Employees of Medium IT sectors get to enjoy flexibility in their job and work life policies.
6. Employees of Large IT sectors are more committed, involved and satisfied with the job than Small and Medium IT sector employees.

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