

A Study On Impact Of Employee Retention In Information Technology Sector With Reference To Employer Branding

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Abstract

Everybody is seeking for good jobs. Employment is first concern for the society now a-days. Working in a reputed institution has become a status symbol as well. As we are choosing any product by checking their credibility through the brand image they are having, in the same way people are seeking for jobs in the organizations having good brand image in the market. Employer brand is the image which helps the organization in attracting good talent in the market. To understand the importance of it, this study focused on employer branding on the employee retention among 230 respondents from selected IT Companies (TCS, Wipro, IBM and Accenture) in Bangalore. This study used a convenience sampling method to collect primary data through Google Forms. It is found that there is relationship between Employer Branding and Employee Retention selected IT Companies and also evident that retention strategies of selected IT companies are significantly influence on the employer branding.

Keywords: Employment, Branding, Retention, IT Companies

Introduction

One of the most pressing issues confronting businesses in today's competitive environment is how to retain valuable staff. Companies used to view the "revolving door policy" as a necessary element of conducting business, and they were fast to fill a vacancy with another enthusiastic candidate. In this context, Mehta & Sharma (2012) referred in their study that "assemble my work attractive, develop my skills, pay me fairly, and consider my personal values and I'll stay". In consistence with this thought, managerial approach exists as „employer branding“.

Employer branding is a new approach to recruiting, attracting and retaining the key employees in this competitive market. Employer branding plays an important role for holding the key employees of the organization. Employer brand is stated as a brand which differentiates the organization as an employer. Also it can be referred that „employer brand“ is the image of an organization as a „great place to work“ in the mind of current employees. Thus, it gives an identity to an organization in this employment market.

Moreover, the way you showcase your personality/energy or your attitude at the workplace says a lot about your organization and its relationship with the existing employees and employers. People discuss other organizations often and hence organizations should be mindful in maintaining good brand value among other people and it is better not to give them chance to misjudge your company in any way. Though it is not tangible employer brand is an asset that needs constant or consistent improvement or modification according to situations.

IT companies are doubling down on efforts to prevent young employees skilled in digital technologies and other high-performers from leaving the current organizations that resulting in rising attrition rates. The software services providers are looking to stem the talent outflow through better salary increases, promotions and bonuses for top talent, as well as overall employee value proposition, which includes career growth, learning and re-skilling opportunities. As information technology services companies move full speed to train employees in digital skills, some are beginning to reckon with a new problem – there are more trained employees than digital projects, an imbalance that is resulting in newly-skilled workers looking for other jobs. These companies are spending crores of rupees re-skilling their talent and need to retain them to recoup their investment. Whenever an employee resigns from his current assignments, it is the responsibility of the HR to intervene immediately to find out the reasons which prompted the employee to resign. No one leaves an organization without a reason. There has to be one and the human resource team must probe into it. There can be innumerable reasons for an employee to leave his current job. The major ones are conflict with the superiors, lesser salary, lack of growth, negative ambience etc. One of the more strategic methods seen used to combat this in recent years has been through the use of employer branding, with many large

organizations investing significantly in it. The Employer Branding as a strategic attempt is now used to enhance the employee experience and establishing their organization as an employer of choice.

Review of Literature

Deepali (2019) presented a case study of Employer Branding of IT companies in India. The case study method was adopted to study various initiatives taken by selected IT companies of India to build strong Employer Brand among the people. Only three companies TCS, Infosys, and Wipro was taken under study and it was found that for last five years the trend of CSR activities has increased to build the Brand and to stand out from other competitors in the market.

Joseph Gupta (2014) conducted a research with the objective to explore about the role, need, benefits, and impact of Employer Branding and he analyzed the past records of the trends in India regarding Employer Branding. It was founded that the graduate students of B-Schools are having strong preferences for FMCG sector and within the FMCG sectors, HUL is having maximum Brand value among the fresh talent of the country. High degree of independence in working was found to be most influencing factor for the graduates while choosing the organization to work as today's generation is innovative and creative and do not prefer to work under the boundations. To utilize the talent of modern generation, organizations need to bring more flexibility in the system.

Hur (2018) conducted a study to test the applicability of Herzberg's two factors theory on public sector managers. The study confirms that theory can be applied to public managers and helps in motivating them. So, the theory can be conducted in any organization and the two factors

should be implemented with each other as they affect each other

Danso (2017) conducted a study on the impact of training and development of retention in the capital bank in Ghana, where data was collected through questionnaires from one hundred people as a sample. He found that most employees stated that training influences their retention, and this training applies to their work, but they also complained about poor communication, poor compensation, lack of career path, and appraisal system.

Duong (2020) found that to keep employees, there are many factors to consider such as training, job satisfaction, and job performance, and found that training, job satisfaction, and job performance positively affect young employee retention. Using a quantitative method to investigate the hypothesis, the researchers collect a questionnaire from 351 people who all are junior employees, although the accuracy of the results cannot be generalized to all employees' ages. Therefore, this study provides a model that helps researchers to focus on the main variables that influence employee retention.

Rasheed et al. (2013) in their study revealed that engaging employees is an important factor as it brings benefits to an organization such as lowering employee turnover, improving organizational commitment, raising productivity and performance, and increase customer satisfaction.

Hayday (2020) in their study revealed that Employee Engagement is a positive approach of employees towards the organization. For Employee Engagement to work profoundly employee-employer relationship must be nurtured. It is a two-way connection between employees and the organization. If the engagement level is higher, organisation would try to develop and engage employees more.

Engaged employees will work for the organisation with more enthusiasm and passion so that individual and organisational goals are achieved.

Latha (2019) revealed that employer branding is the most recent and current trend in every organization today. Due to lack of employer branding organizations are facing lots of problems in retaining talented workforce especially in industries. The primary objective was to study on employer branding with special reference to Hirotec India Private Limited, Coimbatore. This study would help the Hirotec India Private Limited professionals to focus on the need for the development and exploration of effective Employer-Branding techniques and strategies/ interventions. In the present research, deductive research method had been followed. The findings would make obtainable for the organizations' management to improve their strategic planning to preserve their valuable employees, thus, building the human assets for the organization.

Inthiyaz (2020) Analyzed Employer branding is the new modern word for marketers as well as in human resources management. Employer branding is defined as targeted, long term strategy to manage the awareness and perceptions of employees, potential employees and related stakeholders with regards particular firm. The strategy can be tuned to drive recruitment, retention and productivity management efforts.” In the last decades, a substantial research effort has been put into analyzing the importance and the impact of strategic brand management on business performance.

Objectives of the Study

- To study the relationship between Employer Branding and Employee Retention selected IT Companies in Bangalore

- To measure the impact of the strategies of retention of employees in the IT companies on the employer branding

Hypothesis

H₁: There is no significant Impact of Retention Strategies on the Employer Branding

Research Methodology

Present study focused on employer branding on the employee retention among 230 respondents

Data Analysis and Interpretation

from selected IT Companies (TCS, Wipro, IBM and Accenture) in Bangalore. A structured e-questionnaire with 5-point Likert scale items sent to the participants via a google form. The Likert scale used in the study ranges from 1 to 5 where 1 mean strongly disagree and 5 means strongly agree. The questionnaire was circulated among 320 participants and 230 were returned with their responses. Microsoft Excel was used to analyze the data and make inferences. The primary data have been collected through the Google forms.

Table 1: Classification of the respondents

		Frequency	Percent
Age	Below 20 Years	17	7.4
	20-30 Years	89	38.7
	30-40 Years	86	37.4
	40-50 Years	27	11.7
	Above 50 Years	11	4.8
	Total	230	100.0
Gender	Male	139	60.4
	Female	91	39.6
	Total	230	100.0
Marital Status	Married	134	58.3
	Unmarried	96	41.7
	Total	230	100.0
Educational Qualification	Diploma	38	16.5
	Under Graduate	70	30.4
	Post Graduate	122	53.0
	Total	230	100.0
Income	Below 20000	5	2.2
	20001-40000	14	6.1
	40001-100000	113	49.1
	Above 100000	98	42.6
	Total	230	100.0

Out of 230 respondents, both 20-30 and 30-40 years occupied lion share with 38.7% and 37.4% followed by 40-50 years with just below 12%.

Below 20 years age group occupied 7.4% and the leftover (4.8%) belongs to Above 50 years. Among the sample size drawn from the

population, 60.4% of sample occupied by Male respondents and 39.6% of the respondents were females. Also, it is observed from table 2 is that, out of 230 respondents, 134 were married and 96 were unmarried. Out of 230 respondents, 113 (49.1%) are having their income between 40001-

100000/-, 98 (42.6%) respondents are earning in the range above 100000/-. The respondents whose income is in the range of 20001 – 40000 are 14 (6.1%). Just above 2% of the respondents were recorded as below 20000 income.

Table 2: Reliability Test

Reliability Statistics	
Cronbach's Alpha	No. of Items
.917	18

The alpha coefficient for the items is .917, suggesting that the variables have relatively high internal consistency. Since the calculated

Cronbach's alpha values are higher than 0.7, the research can rely on the collected data for testing the research hypotheses.

Table 3: Correlations

Correlations						
		Employee compensation	Training and development	Flexible work arrangements	Recognition and rewards	Acknowledgement of milestones
Employee compensation	Pearson Correlation	1				
	Sig. (2-tailed)	0.01				
	N	230	0			
Training and development	Pearson Correlation	-.060	1			
	Sig. (2-tailed)	.000				
	N	230	230			
Flexible work arrangements	Pearson Correlation	.727**	-.110	1		
	Sig. (2-tailed)	.000	.004			
	N	230	230	230		
Recognition and rewards	Pearson Correlation	0.881	0.691	0.109	1	
	Sig. (2-tailed)	.004	0.00	0.03		
	N	230	230	230	230	
Acknowledgement of milestones	Pearson Correlation	0.771	0.819	0.331	-.010	1

	Sig. (2-tailed)	.000	0.00	0.01	0.01	
	N	230	230	230	230	230

From the above table 4, the coefficient correlation value are positively indicates the relationship between the two variables. The significant value is less than 0.01 and it is proving that the relationship between the variables is statistically significant at 1% level of significance. It is found that there is relationship between Employer Branding and Employee Retention selected IT Companies in Bangalore.

Impact of Retention Strategies on the Employer Branding

Present research paper is attempting to measure the level of influence of the each retention strategies on the employer branding. Success of the employer branding is based on the best practices of the management. To measure the impact of the retention practices on the employer branding, the regression model is applied.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.889	.713	.619	5.01911

The regression model summary shows that the R value is 0.889 and adjusted R square value is 0.713 (71%). It explains that independent variables are having 71% of variance on the dependent variable. The model shows that the

role of all retention strategies on the employer branding of the Selected IT companies in Bangalore. The result of ANOVA test is given below.

Table 5: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2818.881	4	819.714	13.439	0.000
	Residual	1621.013	225	29.912		
	Total	4439.894	229			

The ANOVA table shows the fitness of the model. The calculated F value (13.439) from the ANOVA test shows fitness of the model (p=0.000). The significance values are less than 0.05. Hence, it is concluded that the retention strategies of selected IT companies are significantly influence on the employer branding.

Conclusion

This paper has highlighted the impact of Employer Branding on employee retention in the IT companies, Bangalore. Having a strong employer brand has many opportunities. Besides attracting job candidates, employer branding is very important for retaining employees. Employee turnover is a major problem in the industry. The main causes of turnover are pay satisfaction, other benefits obtained from the

company and alternative employment opportunities. The firm may experience difficulties as a result of lower production and a scarcity of trained workers. It also causes challenges in teamwork and might make it difficult to manage the task. Client dissatisfaction leads to less work progress, which in turn leads to a rise in building costs. It is found that there is relationship between Employer Branding and Employee Retention selected IT Companies and also evident that retention strategies of selected IT companies are significantly influence on the employer branding.

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