**Educational Administration: Theory and Practice**
2024, 30(11), 2549-2554
ISSN: 2148-2403
https://kuey.net/

**Research Article**

# Key Employee Retention Imperative: A special focus on demographic, occupational factors and employment levels in IT industry

K. Shailaja[1], Dr. Pagadala Suganda Devi[2*]

[1]Research Scholar, Chaitanya Deemed to be University (CDU), Himayath Nagar, Telangana Head of Department & Sr. Assistant Professor in Commerce Indian Institute of Management and Commerce, Khairatabad, Hyderabad – 500004, Email: shailajaiimc@gmail.com
[2*]Research Supervisor, Professor Department of Commerce & Business Management Chaitanya Deemed to be University (CDU), Himayath Nagar, Telangana, Email: sugandhashaikh81@yahoo.com

***Corresponding Author:** Dr. Pagadala Suganda Devi
*Research Supervisor, Professor Department of Commerce & Business Management Chaitanya Deemed to be University (CDU), Himayath Nagar, Telangana, Email: sugandhashaikh81@yahoo.com

**Citation:** Dr. Pagadala Suganda Devi, et.al (2024). Key Employee Retention Imperative: A special focus on demographic, occupational factors and employment levels in IT industry, *Educational Administration: Theory and Practice*, 30(11) 2549-2554
Doi: 10.53555/kuey.v30i11.10657

**ARTICLE INFO**

**ABSTRACT**

Employee retention has become a critical issue in the ever-changing information technology (IT) sector, since it has a direct impact on organizational performance and creativity. This study examines the necessity of keeping important personnel, highlighting the contributions of employment levels, occupational traits, and demographic variables. Knowing how different workforce demographics—such as age, gender, and cultural backgrounds—affect employee engagement and loyalty is crucial as the IT industry experiences previously unheard-of growth and competitiveness. The primary objective of this research is to understand employee retention strategies and its association with various factors . 384 samples( employees )were chosen at random from Hyderabad by incorporating simple random sampling technique and Literature based Questionnaire was distributed.. 370 adequately completed questionnaires were gathered (response rate of 95.6%). The data was examined using descriptive statistics of frequency and percentage for demographic and occupational factors. While mean scores were calculated for employee retention. It was found that respondents gave highest preference 4.10 to Career Development Policy followed by Human Resource Management Policy 4.05.$X^2$ square analysis was used to test association between demographic and occupational variables and employee sustenance .While ANOVA was used to understand employee retention across various levels of employment. Chi square results show that no relationship exists among age, status of marriage ,department served, staff stabilty. While there is a significant association among gender, income ,education and staff commitment. ANOVA results show a significant statistical difference at $p<0.05$ in employee retention for various levels of employment.{$f(3,366)=4.43, p=0.04$}.

**Key words:** Employee retention,, employment levels, demographic and occupational factors

## 1. Introduction

The largest global challenge facing businesses in today's knowledge-intensive and intensely competitive era is retaining organizational staff (Aguenza & Som, 2018). Human resource management (HRM) has emerged as a crucial element that is necessary for obtaining a competitive edge, claim Kaushik et al. (2013). Employee turnover reduces organizational effectiveness because it keeps a talented workforce from joining the employing company (Guchait & Cho, 2010). Retaining top talent is considered one of HRM's most crucial duties as strategic HRM has expanded (Bhatnagar, 2007). Work-life balance, opportunities for training and development, monetary and non-monetary perks, job empowerment, job enrichment, and job atmosphere are only a few of the retention techniques that have been described in previous studies (Aguenza & Som, 2018; Ghosh et al., 2013). Over 80% of workers want to work in a supportive and healthy atmosphere, claim Guchait

and Cho (2010). To retain talented employees, it is therefore becoming more and more crucial to create a supportive work environment (SWE) (Ghosh &Sahney, 2011). One important precursor of ER is a SWE (Richman et al., 2008). Numerous academics have stated that in order to promote the greatest professionals, it is essential to maintain the learning culture and improve the working environment (Boswell et al., 2017). Employers must have SWE in order to sustain desired growth and revenues (Luthans et al., 2008).
A basic question in the field of behavioral research has been how Perceived organizational support (POS) and organizational commitment (OC) relate to employee turnover. The interaction of OC invariant change dependencies is of interest to researchers (Y. Chang et al., 2015; Herscovitch& Meyer, 2002). Employee performance, retention, and participation are all strongly correlated with OC (Metin & Asli, 2018; Sharma & Dhar, 2016). Another important factor that contributes to a decrease in turnover intention is person-organization fit (POF).**A**ccording to Kristof-Brown et al. (2005) and Verquer et al. (2003), people who perceive a People with high POF are more likely to be content with their employment., have no intention of leaving, and maintain their previously established relationships. In terms of performance and employer turnover, the degree of fit between two parties is advantageous and essential for both. According to organizational behavior (OB) specialists (Mathieu et al., 2016). To prevent employee turnover, a thorough diagnostic investigation is required to ensure that the organization's culture and each employee's personality and values mesh (Rostiana, 2017).

### 1.1 It Sector In India

India's IT-BPM sector, which accounts for 56% of the worldwide outsourcing market, is a quickly expanding area of urban infrastructure. At 45%, this industry accounts for the greatest portion of all Indian service exports. The IT-BPM industry is the biggest employer in the private sector, accounting for 9.3% of India's GDP and 3.7 million jobs worldwide. The Indian government is attempting to enhance the infrastructure, which suggests that it could be a barrier to the Make-In-India initiative. In comparison to the global IT industry, the Indian IT industry did not receive enough attention, as evidenced by the comparatively inexperienced study and research on the Indian IT-BPM sector.

But in order to overcome this and create a strong IT-BPM industry in India, we must recognize the significance of IT and develop it similarly to how IT is developed in emerging nations. The goal of this study is to highlight the strategy used by the Indian IT-BPM industry to maintain its leadership position in the growth curve through revenue, creative service delivery, employment creation, and talent development to handle emerging technologies. In order to make the project encouraging for both investors and the sector, the report also recommends a few actions.

Infrastructure improvements, employment reforms, a focus on developing a skilled and productive workforce, research and development investments, and consistently adding value to innovations to meet evolving customer expectations are all part of it. In order to continue being a top business hub for the IT-BPM sector, the nation is moving toward digital India with steady innovation in business models, processes, and products that can provide customers with more value. India can maintain its dominant position in the global market and offer the greatest number of job possibilities and career advancement prospects if it develops with the aid of the Make-In-India initiative.

## 2. Statement of Problem

Organizational success in the quickly changing Information Technology (IT) industry now depends on keeping important personnel. High turnover rates cause major costs for hiring, training, and lost productivity in addition to disrupting procedures. Numerous factors that affect employee commitment and satisfaction, such as employment levels, occupational characteristics, and demographic shifts, make this problem worse. By taking care of these issues, businesses may create all-encompassing plans to keep valuable personnel, guaranteeing ongoing innovation and a competitive edge in the IT sector.
.

## 3. Study Objectives

This study's principal goal is to understand employee retention strategies and its association with various factors. The main objectives in focus are -

- To study factors impacting employee retention
- To analyze association between demographics and employee retention.
- To analyze association between occupational factors and employee retention
- To study employee retention strategies across various levels of employment

## 4. Hypothesis

This study proposed the following hypothesis which are further broken down into sub hypothesis.
***Hypothesis 1:*** *There is no association between Demographic variables and Employee retention*

$H1_a$: There is no association between Age and Employee retention
$H1_b$: There is no association between Gender and Employee retention
$H1_c$: There is no association between Income and Employee retention
$H1_d$: There is no association between Education and Employee retention
$H1_e$: There is no association between Marital status and Employee retention

***Hypothesis 2:*** *There is no association between Occupational factors and Employee Retention*
$H2_a$: There is no association between Length of service and Employee retention
$H2_b$: There is no association between Position held and Employee retention
$H2_c$: There is no association between Department served and Employee retention

***Hypothesis 3****: There is no difference in employee retention across different levels of employment*

**5. Scope and The study's limitations:** The research was restricted to personnel employed by Hyderabad-based IT companies. From one industry to another, perceptions of workers can differ. The scope of the current study extended to work environment, nature of work, salary and compensation, career development policy, human resource management policy as factors that are important for employee retention along with demographic and occupational factors. Future research can include more elements as engagement dimensions, such as supervisor support, management support, leadership, incentives, etc.

## 6. Brief Literature Review

Employees are compensated with the hope that they will remain with the company and make similar contributions in exchange relationships, according to the TOE (March & Simon, 1958).
According to one study, workplace supervisor assistance may reduce stress and encourage higher levels of job satisfaction (van Dierendonck et al., 2002) and retention intentions (Eisenberger et al., 2002). The conduct of the supervisor has a major impact on the absenteeism of subordinates (van Dierendonck et al., 2002).
According to Ramlall (2003), this type of perceived SWE improves employee intents to stay since these behaviors send signals to employees that they are appreciated
Hytter (2007) asserts that there is a favorable correlation between ER and workplace practices such as pay, managerial styles, work-life balance, staff training and development, career development activities, and physical workspace.
Support from managers, coworkers, and the workplace reinforces positive work behaviors and attitudes, such as OC and job satisfaction (Luthans et al., 2008).Few others assert that ER is favorably correlated with supporting workplace elements such job pressures, enthusiasm, and encouragement (Kyndt et al., 2009).
Employers are working hard to retain valuable employees as a result of growing disparities between supply and demand (Guchait& Cho, 2010).
Others believe that a well-developed environment and interpersonal interactions are the main reasons why managers are kept in businesses (Bamel et al., 2013; Ghosh &Sahney, 2011).
According to another study, a supervisor's ability to build a positive relationship with their subordinates is demonstrated by the sharing of information and feedback, performance reviews, mutual appreciation, assistance, dependability, and support, all of which contribute to a higher level of retention (Ghosh &Sahney, 2011).
According to another study, companies can create a supportive environment by using an effective leadership style (Lancaster & Di Milia, 2015).
Support from peers has also been shown to be a reliable indicator of retention (Ng & Sorensen, 2008). Employees believe that the company is supportive when they participate and receive recognition from upper management (Kirkland et al., 2017; Kurtessis et al., 2017).

## 7. Methodology adopted in this study

A mixed design having features of both exploratory and descriptive design is used to explore association between demographic and occupational factors and employee retention in select IT firms in Hyderabad. Further the various factors having an effect on employee retention are also studied. An exploratory design is suitable for this study as the researcher ties to establish association between demographic and occupational factors and employee retention.

### 7.1 Sample size

The study's target population consists of all employees serving as associate, analyst, senior analyst and team leaders in IT companies in Hyderabad. Since the population size cannot be precisely determined, the sample size is determined using the statistical table of Saunders et al. (2005). A sample size of 384 respondents is adequate to aim for a 95% confidence level. As a result, a literature-based questionnaire was given to 384 randomly chosen respondents. The survey was sent online, and answers were requested.. In total 370 responses were received ( response rate of 96%).

### 7.2 Sources of data

Both primary and secondary sources of data were employed in this investigation. A questionnaire derived from the literature serves as the main source of data. Before being distributed, the questionnaire was first pretested on a small sample. The secondary sources of data include earlier studies on employee retention and engagement, theoretical models etc..

### 7.3 Instruments of Data Collection.

For the current article, a literature based questionnaire was adopted. The questionnaire was divided into different sections for collecting relevant data. The questionnaire's initial section asked demographic information and occupational profile of the respondents while the second section contained questions relating to factors contributing towards employee retention. Responses were recorded using a five-point Likert scale, with 1 denoting strongly disagree and 5 denoting strongly agree.

#### 7.3.1 Reliability testing

**Table Showing Cronbach's Alpha (Reliability Statistics)**

| Cronbach's Alpha | N of Items |
|---|---|
| .720 | 30 |

Source: Researchers own computation from primary data sources

The reliability of the scale used to test the hypothesis is frequently evaluated using Cronbach's alpha. In order to assess the reliability of a survey instrument, Cronbach's alpha calculates the average correlation or internal consistency of its items (Cronbach, 1970). The current study's computed Cronbach's alpha of 0.720 meets the alpha threshold to evaluate the scale's reliability.

### 7.4 Method of analyzing data

The factors are the main focus of this investigation, affecting employee retention and existence of association between demographic factors, occupational factors and employee retention. In addition to this employee retention across various employment levels is also studied. Both descriptive and inferential statistics are used to assess the data gathered via questionnaires. The respondents' demographic and occupational traits were examined using descriptive analysis. while Chi square analysis was used to test the hypothesis and establish association between Demographic, occupational factors and Employee retention. Further one way Anova was used to study employee retention across various levels of employment.

## 8. Results & Discussion

### 8.1 Descriptives

#### 8.1.1Demographic profile

**Table 2 shows the demographics of the respondents**

| | Frequency (N=370) | % |
|---|---|---|
| **Age** | | |
| 20yr- 25 yrs | 40 | 10.8 |
| 26 yrs – 35 yrs | 129 | 34.9 |
| 36 yrs - 45 yrs | 122 | 33.0 |
| 45 yrs and above | 79 | 21.4 |
| **Gender** | | |
| Male | 200 | 54 |
| Female | 170 | 46 |
| **Income** | | |
| Less than 30,000 | 56 | 15.1 |
| 30,000 – 50,000 | 33 | 8.9 |
| 50,000 – 70,000 | 142 | 38.4 |
| Above 70,000 | 139 | 37.6 |
| **Educational qualification** | | |
| BE/BTech | 106 | 28.6 |
| MCA | 114 | 30.9 |
| Other UG | 43 | 11.6 |
| Other PG | 107 | 28.9 |
| **Marital Status** | | |
| Single | 203 | 55.3 |
| Married | 164 | 44.7 |

Source: Researchers own computation from Questionnaire

As shown in table 2 above,200 (54%) respondents are male,170(46%) are female.203(55.3%) respondents were single while 164(44.7%) were married. Further it is found that the 122(33%) among the responders belong to the age range of 36 – 45 years. It is also found that most of the respondents were Masters in Computer Applications114(30.9).142(38.4%) of the employees earned a salary that range between 50,000-70,000 per month.

### 8.1.2 Occupational Profile

**Table 3 :Table showing Occupational Profile of the respondents**

| | **Frequency(N=370)** | **%** |
|---|---|---|
| **Department** | | |
| App Developer | 82 | 22.2 |
| Administrator | 82 | 22.2 |
| Testing | 81 | 21.9 |
| Data Engineer | 125 | 33.8 |
| **Position Held** | | |
| Associate | 78 | 21.1 |
| Analyst | 49 | 13.2 |
| Senior Analyst | 96 | 25.9 |
| Team leader | 147 | 39.7 |
| **Length of service** | | |
| Less than 1 year | 30 | 8.1 |
| 1Yr to 3 years | 68 | 18.4 |
| 3Yrs to 7 Yrs | 59 | 15.9 |
| More than 7 Yrs | 213 | 57.6 |

Source: Researchers' own calculations using the survey

As shown in table 3 above 125 (33.8) belong to Data Engineering department.147(39.7) respondents are working as Team Leaders. A majority of 213(57.6) Respondents have worked for more than seven years.

### 8.1.3 Descriptives of factors of Employee retention

**Table 3 : Table showing Descriptive Statistics of factors of Employee retention**

| **Factors Employee Retention** | **Mean( score out of 5)** |
|---|---|
| Work Environment | 3.40 |
| Nature of Work | 3.50 |
| Salary and Compensation | 3.70 |
| Career Development Policy | 4.10 |
| Human Resource Management Policy | 4.05 |

Source: Their own calculations from the Questionnaire

Table no 3 displays the average for all scores of variables that impact employee retention strategies. It is found that respondents regard Career Development Policy (4.10),with Human Resource Management Policy(4.05),Salary and Compensation(3.70),Nature of Work(3.50), Work Environment(3.40) following it.

### 8.2 Results of Chi Square and Hypothesis Testing

**Table 4** displaying the results of hypothesis testing with chi square

| **Demographic factors** | **χ2** | **df** | **P value Level of Sig (5%)** | **Hypothesis test result** | |
|---|---|---|---|---|---|
| **Age** | 28.555 | 21 | .125 | H1a is accepted | *There is **no association** between Age and Employee retention* |
| **Gender** | 44.473 | 14 | .000 | H1b is rejected | *There **is an association** between Gender and Employee retention* |
| **Income level** | 38.367 | 21 | .012 | H1c is rejected | *There **is an association** between Income and Employee retention* |
| **Education** | 52.622 | 28 | .003 | H1d is rejcted | *There **is an association** between Education and Employee retention* |
| **Marital Status** | 22.569 | 21 | .367 | H1e is accepted | *There is **no association** between Marital status and Employee retention* |
| **Occupational factors** | **χ2** | **df** | **P value Level of Sig (5%)** | **Hypothesis test result** | |
| **Length of service** | 44.837 | 21 | .002 | H2a is rejected | *There **is an association** between Length of service and Employee retention* |
| **Position held** | 55.032 | 21 | .000 | H2 b is rejected | *There **is an association** between Position held and Employee retention* |
| **Department** | 30.868 | 21 | .076 | H2c is accepted | *There is **no association** between Department served and Employee retention* |

Source : Primary data sources

Chi square findings and hypothesis testing are displayed in Table 4. It is noted in the hypothesis .H1a,H1e,H2c, the p value is < 0.05,therefore null hypothesis is accepted. While H1b,H1c,H1d,H2a,H2b the p value is >0.05,therefore alternate hypothesis is accepted.

### 8.3 Anova findings and testing of hypotheses

**Table shows the results of Analysis of Variance (ANOVA) for employee retention among various levels of employment**

| | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Between Groups | 7.357 | 3 | 2.452 | 4.434 | .004 |
| Within Groups | 202.444 | 366 | .553 | | |
| Total | 209.801 | 369 | | | |

Source: The researcher's own computations based on data from primary sources.
A one way between groups of Analysis was conducted to explore level of employment and employee retention. The four identified groups of employees are Associate, Analysts, Senior Analysts, and Team leader. There is a significant statistical variation at the $p<0.05$ degree of employee retention for four types: $F (3, 366) =4.43$, $p=0.004$

## 8. CONCLUSION

On the basis of descriptive analysis it is concluded that respondents opined Career Development Policy (4.10) ) is the most relevant factor motivating them to sustain in the present organization, with Human Resource Management Policy(4.05),Salary and Compensation(3.70),Nature of Work(3.50), Work Environment(3.40) following it. Based on hypothesis testing it is concluded that there is an association between Gender, Income, Education, Length of service, Position held and Employee retention while there is no association between Age , Marital status , Department served and Employee retention. Further there is a significant statistical difference at the $p<0.05$ level in employee retention for the four groups: $F (3, 366) =4.43$, $p=0.004$