

# IMPACT OF WORK ENVIRONMENT ON EMPLOYEE RETENTION BEHAVIOUR IN IT SECTOR

## Abstract

The term "Information Technology" is currently used frequently. Information technology will without a doubt be the one thing that will have a revolutionary impact on how people live in the twenty-first century. India has established itself as a significant supplier of top-notch Information Technology experts throughout the course of the 1990s. The department of human resources development is now more significant than ever. The skill of managing people is retention. Employees feel more connected in a culture of trust and cooperation and a collaborative management style. Encouragement to stay with the firm for the longest amount of time is the aim of retention. There is a heated battle among businesses nowadays to hire qualified employees from different firms. So that the corporation is not obliged to reinvest in creating a talent in their organisation. This is due to the large development of the IT Sector. The cost of recruiting new, bright people comes in many different forms. Employees weigh the following factors before continuing: The employee may decide to stay or seek better luck elsewhere depending on a number of reasons. These considerations mostly include the following: compensation package, work atmosphere, chances for professional progress, perks like work from home, flexible work schedules, and most importantly, job satisfaction resulting from the current job assignment.

**Keywords:** Employee Retention, work environment, IT industry.

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## I. INTRODUCTION

The term "Information Technology" is currently used frequently. So let's try to understand the idea of information technology first before moving on. A more general word used to refer to computing technology, networking, hardware, software, the Internet, and people who use these technologies is "information technology." In the current global business climate, employee retention is crucial, and IT is at the top of the list and unquestionably preferred in our country. Information workers, who are tech savvy, aware of market realities, physically active, and more likely to move occupations, make up the majority of the new age workforce. The subjects of employee retention and turnover come up frequently in HR-related discussions. Today, the difficulty facing HR professionals is not just in attracting and obtaining not just finding the ideal workers, but also creatively training them. Both positively and negatively, the office environment has a significant impact on employee engagement, productivity, and morale. Environment refers to the physical surroundings, as well as anything else that has an effect on a person during their lifetime.

## II. WORK ENVIRONMENT

A work environment is the setting, social aspects, and physical conditions in which an individual performs their job. It has the potential to significantly impact employee morale, workplace relationships, performance, job satisfaction, and employee health.

- 1. Employee Retention:** The capacity of a corporation to prevent staff turnover is referred to as employee retention. In order for the organisation to flourish as a corporation, it must make a strong effort to keep its current team and top personnel on board.
- 2. Employee Retention in IT Industry:** An organization's ability to keep its employees on a contract makes for a more dependable and efficient workforce. Companies that are serious about retaining their top workers develop programmes and policies aimed at reducing staff turnover.
- 3. Turnover Rate for IT Employees:** The number of terminations within a given time is divided by the initial employee count to determine the turnover rate. If we have 200 employees at the beginning of the year and 10 of them leave their jobs during that time, our turnover rate is  $10/200$ , or 0.05, or 5%. The IT sector, with a turnover rate of 13.2%, has the highest rate, according to a LinkedIn research on turnover. In reality, poor employee retention is a problem for even the biggest global software companies. Most only have a one- to two-year median employee duration.
- 4. Job Satisfaction:** The retention of talented employee in the ever-changing business environment depends on job satisfaction, both directly and indirectly, to determine whether there is any mediation influence of work environment (Ritter et al., 2018).

## III. EMPLOYMENT RETENTION STRATEGIES

The phrase "employee retention" refers to management techniques employed to motivate staff to remain with the business for a longer period of time. Techniques for keeping employees in the organisation help motivate them to stick around as long as possible and provide excellent contributions. Sincere efforts must be made to ensure that employees

develop in their current positions and learn to value what they do. The most precious asset of a company is its workforce; thus, it cannot afford to lose its best workers. Employing efficient retention tactics, organisations work to keep their talent. High Employee Turnover will consequently affect the organization's productivity and long-term viability. Because people are the most important resource in the current world, employee retention is now a key factor for every company's competitive advantage.

#### **IV. BACKGROUND OF IT INDUSTRY IN INDIA**

Bangalore, Bhubaneswar, Cochin, Coimbatore, Chandigarh, Chennai, Delhi, Gorgon, Hyderabad, Calcutta, Mysore, Madurai, Manes war, Mumbai, Noida, Pune, and Trivandrum are among the cities in India where there is a concentration of IT businesses. Out of these, Bangalore is regarded as India's Silicon Valley because it is home to numerous domestic and international IT firms, some of which have their headquarters there. Organisations are competing with one another in terms of their employee-friendly policies and practises that are aimed to attract and retain potential employees due to the severe shortage of competent IT professionals. This is due to the fact that the aforementioned circumstance has produced a very demanding and egoistic workforce that threatens to leave the organisation at the first sign of discomfort and join a rival organisation. Job switching is a typical occurrence among IT professionals.

##### **Advantages of Employee Retention**

- Reduced Turnover Hassle
- Improved Morale
- Retain experience
- Reduced Acquisition and Training Time
- Dedicated Company Experts
- Increased Productivity
- Improved company culture
- Improved team sprit
- Improved Customer Experience

##### **Need & Importance of Employee Retention**

- The hiring procedure is not simple.
- An organisation spends time and resources preparing a person for the business culture.
- Whenever an individual resigns, there are chances that he/she may join competitors.
- Employees working for longer periods of time are more familiar with the company's policies and guidelines, and thus they adjust better.
- Every individual needs time to adjust with others.
- It is essential for company to retain the valuable employees showing potential

#### **V. REVIEW OF LITERATURE**

**Shumaila Naz, Cai Li, Qasim Ali Nisar, Muhammad Aamir Shafique Khan (2020)** empirically investigated "A Study in the Relationship Between Supportive Work Environment and Employee Retention: Role of Organizational Commitment and Person–Organization Fit as Mediators" The primary goal of the study was to conduct an empirical

investigation into how organisational commitment (OC) and person-organization fit (POF) influence the causal relationship between a supportive work environment (SWE) and employee retention (ER). The study's conclusions demonstrated that SWE and ER had a strong and positive relationship. Additionally, OC and POF served as intermediaries in the relationship between an ER and SWE. The findings of this study suggest that human resource (HR) professionals should put effort into creating systems for imparting a SWE in order to promote positive interpersonal interactions that lead to ER. This work made a substantial contribution to the body of research on the interaction between SWE and ER while stressing the important considerations for keeping valued employees. This study also explicated the limitations and scope for further research.

**Mohd Yusoff Yusliza, Juhari Noor Faezah et.al (2021)** in their study entitled “Effects of supportive work environment on employee retention: the mediating role of person–organisation fit” In one of Malaysia's public colleges, this study intends to investigate the connections between a positive work environment, employee retention, and person-organization fit. The research shows how the association between a positive work environment and employee retention is mediated by person-organization fit. The results show a clear and beneficial relationship between academic staff retention and a supportive workplace culture. These results imply that people's opinions about an organisation may influence their decision to stay on campus.

## VI. OBJECTIVES OF THE STUDY

1. To Understand the Concept of Employee Retention.
2. To study the factors influencing employee retention strategies in IT industry
3. To offer a suitable suggestions for impact of work environment on employee retention behaviour in IT sector

## VII. RESEARCH METHODOLOGY

### 1. Tools of Analysis

- Percentage analysis
- Weighted average rank method

#### Percentage Analysis:

$$\text{Percentage} = \frac{\text{Number of response}}{\text{Total no of response}} \times 100$$

### 2. Source of Collection Of Data

- **Primary Data:** Primary data are the data which are collected from the respondents through respondent's sheet.
- **Secondary Data:** Secondary data are collected from articles, journals, books and websites.

## VIII. DATA ANALYSIS AND INTERPRETATION

### 1. Gender Wise Classification of Respondents

Table 1

Gender	No of Respondents	Percentage
Male	52	60.4
Female	34	39.5

**Interpretation:** In the above table shows that 60.4% (majority) of the respondents are male, 39.5 % of the respondents are female.

### 2. Classification Of Retention of Responds

Table 2

Factor	No of Respondents	Percentage
Never	11	12.8%
Sometime	37	43.0%
Most of the Times	28	32.5%
All the Times	10	11.6%

**Interpretation:** The above table shows that 43% (majority) of the respondents choose sometimes, 14.8% of the respondents choose never, 32.5% of the respondents choose most of the times, 11.6% of the respondents choose all the times.

### 3. Monetary Motivation of Employees

Table 3

Factor	No of Respondents	Percentage
Yes	65	75.5%
No	21	24.41%

**Interpretation:** The above table shows that 75.5% (majority) of the respondents choose yes, 24.41% of the respondents choose No.

### 4. Recognition Level of Employees

Table 4

Factor	No of Respondents	Percentage
Yes	70	81.39%
No	16	18.6%

**Interpretation:** The above table shows that 81.39 % (majority) of the respondents choose yes, 22.4% of the respondents choose no.

## 5. Feed Back Level of Employees

**Table 5**

Factors	No of Respondents	Percentage
Yes	68	79%
No	18	20.9%

**Interpretation:** The above table shows that 79% (majority) of the respondents choose yes, 20.9% of the respondents choose no.

## 6. Future Career Level of Employees

**Table 6**

Factors	No of Respondents	Percentage
Yes	66	76.7%
No	20	23.25%

**Interpretation:** The above table show 76.7% (majority) of the respondents choose yes, 23.5% of the respondents choose no.

## 7. Motivational Behaviours of the Respondents

**Table 7: Weighted Average Rank Method**

Factor	HS	S	NO	DS	HDS	Total	Weight	Rank
Motivation	160	72	30	32	10	304	3.53	II
Friendly environment	200	80	54	4	4	342	3.97	I
Incentives	140	60	54	30	10	294	3.41	III
Work life-Balance	75	76	75	24	15	265	3.08	V
Health	100	72	45	40	13	270	3.13	IV

**Interpretation:** The above tables reveal that the levels of motivation and behavior of IT sector employees are: HS (highly satisfied), S (satisfied), NO (no opinion), S (dissatisfied), and HDS (highly dissatisfied). Friendly environment is ranked First with a weighted average score of 3.97; employee motivation is ranked Second with a weighted average score of 3.53; employee incentives are ranked Third with a weighted average score of 3.41; employee health is ranked Fourth with a weighted average score of 3.13; and employee work-life balance is ranked Fifth with a weighted average score of 3.08.

## IX. FINDINGS

- The majority of the respondents (60.4%) are male.
- The majority of the respondents (43%) are sometime in the classification of retention in the IT sector.
- The majority of the respondents (75.5%) are yes in monetary motivation of employees in IT Sector.
- The majority of the respondents (81.39%) are choose yes in Recognition level of employees.
- The majority of the respondents (19%) are choose yes in feedback level of employees
- The majority of the respondents (76.7%) are choose yes in future career level of employees.
- Friendly environment is ranked first with the weighted average score of (3.97).

## X. SUGGESTION

- Appreciation for the work done.
- Ample opportunities.
- Conducting a worker satisfaction survey, finding a specific problem area to watch, and improving.
- The organisation should make sure the employees get proper recognition for their work.

## XI. CONCLUSION

In today's competitive world, where every organisation is trying to achieve maximum results and employees, especially the youth, are looking for opportunities to fill their needs, the retention of an individual in an organisation is not for long. Without employees, an organisation cannot function successfully. It's crucial to comprehend the many troubles that firms face in order to maintain staff and make use of solutions to them.

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