**IMPACT OF WORK ENVIRONMENT ON EMPLOYEE RETENTION BEHAVIOUR IN INFORMATION TECHNOLOGY SECTOR**

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**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. The goal of retention is to encourage employees to stay with the company for the longest possible period of time. Today, there is fierce competition among corporations to hire adequately trained people from other organisations so that the corporate 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.

**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 persons 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.

**WORK ENVIRONMENT**

Employee commitment over a long period of time is complemented by organisational sound management over the work environment (Wells and Thelen, 2002). According to Spence et al. (2009), there is substantial proof that a positive work environment helps retain employees.

**EMPLOYEE RETENTION**

The ability of a corporation to prevent staff turnover is referred to as employee retention. In order for the organisation to succeed as a corporation, it must make a strong effort to keep its current team and best personnel on board.

**EMPLOYEE RETENTION IN IT INDUSTRY**

The ability of an organisation to maintain its staff under contract results in a more reliable, effective workforce. Companies that are serious about keeping their best employees create policies and initiatives designed to lower employee turnover.

**TURNOVER RATE FOR IT EMPLOYEES**

According to a turnover report from LinkedIn, the tech industry has the highest turnover rate at 13.2%. In fact, even global tech giants often struggle with low employee tenure. Most have median employee tenure of only one or two years

**JOB SATISFACTION**

The retention of talented employees 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).

**EMPLOYMENT RETENTION STRATEGIES:**

The term "employee retention" describes the management strategies used to encourage employees to stick around the company for a longer period of time. Employee retention techniques play a significant role in inspiring workers to stay with the company for as long as possible and make valuable contributions. Sincere efforts must be made to guarantee that personnel grow and learn in their existing roles and that they appreciate what they do. Employees are an organization's most valuable asset, and it cannot afford to lose its top performers. 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.

**BACKGROUND OF IT INDUSTRY IN INDIA:**

Bangalore, Bhubaneswar, Cochin, Coimbatore, Chandigarh, Chennai, Delhi, Gurgaon, Hyderabad, Calcutta, Mysore, Madurai, Maneshwar, 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. Due to the severe lack of qualified IT workers, organisations are competing with one another in terms of their employee-friendly policies and practises that are intended to draw in and keep potential employees. 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.
* Reduced Acquisition and Training Time.
* Dedicated Company Experts.
* Increased Overall Productivity.
* Better Customer Experience

**NEED & IMPORTANCE OF EMPLOYEE RETENTION:-**

* Hiring is not an easy process.
* An organization invests time and money in grooming an individual to a corporate culture.
* Whenever an individual resigns, there are chances that he/she may join competitors.
* Employees working for longer period of time are more familiar with the company’s

policies, 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

**REVIEW OF LITERATURE**

**MANDHANYA, YOGITA (2015)** found that “A STUDY OF IMPACT OF WORKING ENVIRONMENT ON RETENTION OF EMPLOYEES (With special reference to Automobile sector)” Since employee retention affects the achievement of organisational goals and objectives from all four sides, it is currently a topic of great interest to scholars and human resource specialists. As the name implies, one of the most crucial production variables without which no industry can thrive is human resource. Success of an organisation over the long term depends on hiring, developing, rewarding, and keeping the appropriate people. The company's future performance may suffer greatly if talented personnel leave. Outstanding workers may quit an organisation if they feel undervalued, underpaid, or unmotivated, and if retention efforts are made, they may also present other difficulties. In this study, the working environment and employee retention in the automotive industry are examined. The results showed a beneficial association between work environment and employee retention, which in turn influences employees' decisions to stay with the organisation. The study's conclusion is that in order to keep employees, managers must create a productive workplace. Last but not least, the report suggests that a positive and welcoming work environment be created to encourage employees to stick with the business.

# 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,**](https://www.emerald.com/insight/search?q=Mohd%20Yusoff%20Yusliza)[**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”](https://www.emerald.com/insight/search?q=Juhari%20Noor%20Faezah)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 findings demonstrate a direct and advantageous link between a supportive workplace culture and academic staff retention. These findings suggest that people's perceptions of an organisation can affect their choice to remain at the university.

**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

**RESEARCH METHODOLOGY**

**SAMPLING DESIGN**

The process of drawing a sample from a larger population is called sampling. Sampling is a part of population, which is studied in order to make inferences bout the whole population. The researcher has selected 86 respondents through stratified disproportionate random sampling method.

**TOOLS OF ANALYSIS**

* Percentage analysis
* Weighted average rank method

**Simple percentage analysis**

Number of response

Percentage = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ x100

Total no of response

**SOURCE OF COLLECTION OF DATA:**

**Primary data**

Primary data comprises information survey of “A study on impact of employee retention in IT sector with special reference to Tamil Nadu” the data has been collected directly from the respondents through Google forms.

**Secondary data**

The secondary data are those which are alreadycollected by someone for some purpose and are available forthe present study .Secondary data was collected fromthe magazines, websites, and other such sources.

**ANALYSIS AND INTERPRETATION**

**GENDER WISE CLASSIFICATION OF RESPONDENTS**

**TABLE:1.1**

|  |  |  |
| --- | --- | --- |
| Gender | No Of Respondents | PERCENTAGE |
| Male | 52 | 60.4 |
| Female | 34 | 39.5 |

**Source: primary data**

**INTERPRETATION**

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

* 1. **CLASSIFICATION OF RETENTION OF RESPONDS**

**TABLE: 1.2**

|  |  |  |
| --- | --- | --- |
| 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% |

**Source: Primary data**

**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.

* 1. **MONETARY MOTIVATION OF EMPLOYEES**
  2. **TABLE:1.3**

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

**Source: Primary data**

**INTERPRETATION**

The above table shows75.5% (majority) of the respondents choose yes, 24.41% of the respondents choose No.

* 1. **RECONGINITION LEVEL OF EMPLOYEES**

**TABLE:1.4**

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

**Source: Primary data**

**INTERPRETATION**

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

* 1. **FEED BACK LEVEL OF EMPLOYEES**

**TABLE: 1.5**

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

**Source: Primary data**

**INTERPRETATION**

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

* 1. **FUTURE CAREER LEVEL OF EMPLOYEES**

**TABLE:1.6**

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

**Source : primary data**

**INTERPRETATION**

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

* 1. **MOTIVATIONAL BEHAVIOURS OF THE RESPONDENTS**

**TABLE: 1.7**

* 1. **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** |

**Source: primary data**

The above tables reveals that the under the level of motivation behavior of the IT sector employees HS-Highly satisfied, S-Satisfied, NO-No opinion, DS-Dissatisfied, HDS-Highly Dissatisfied are given. From friendly environment is ranked first with the weighted average score of (3.97), Employees motivation is ranked second with the weighted average score of (3.53), employees incentives ranked third with weighted average score of (3.41),Employees health is ranked fourth with weighted average score of (3.13), Employees work life balance is ranked fifth with weighted average score of (3.08).

**FINDINGS**

* The majority of the respondents (60.4%) are male
* The majority of the respondents (43%) are sometime in classification of retention in 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).

**SUGGESTION**

* Appreciation for the work done.
* Ample opportunities.
* Conducting workers satisfaction survey, find specific problem area to watch and

Improve.

* The organization should make sure does the employees get proper recognition to the work

**CONCLUSION**

The retention of an individual in an organisation is not for long in today's competitive world when every organisation is attempting to obtain maximum results and employees, especially the youth, are looking for possibilities to fill their needs, and without the employees, an organisation cannot function successfully. In order to sustain the personnel and utilise strategies to overcome these issues, it is important to understand the numerous problems that organisation encounters.

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