International Journal of Recent Technology and Engineering (IJRTE)
ISSN: 2277-3878, Volume-8 Issue-3, September 2019

Retention of Valuable Talent: Developing an Effective Retention Strategy for Technology Professionals in India using Structural Equation Modelling

Priyada Sudhakaran, G Senthilkumar

Abstract: ***The competition to retain valuable talent is intense in nature. Employers frame retention strategies to control job hopping which is mostly common among technology professionals. Voluntary turnover among technology professionals is a rampant issue particularly in a country like India which is on the forefront of Information Technology. Utilizing the data collected from 942 technology professionals this article formulates an employee retention strategy making use of Structural Equation Modelling. This model was developed using Analysis of Moment Structure (AMOS v21.0). This study highlights the need to examine the reasons why technology employees voluntarily quit their present company of work so as to frame a suitable retention strategy. Apart from framing a comprehensive retention strategy this research also suggests some lesser discussed retention ideas such ensuring a good job fit for every employee, quick counter strike against a job offer that an employee gets by an offer of a competitive raise in pay as well as other employee favoring changes if the resource is considered valuable to the organization.***

Key Words: Retention Strategy, Technology Professionals, Voluntary Turnover, India, Structural Equation Modelling

I. INTRODUCTION

Money or compensation factor still rules the minds of employees particularly Indian techies who view salary as an indicator of self-worth and also for high standard of living. Employees favor retention plans that suit their individual requirements rather than the same strategy for all employees. Underutilization of skills and talent of employees create intentions to voluntarily quit the organization. Leadership based on inspiration and cooperation is valued by employees rather than domination and intimidation. Work life balance holds the key for maintaining a happy employee. Change is certain. Voluntary turnover of employees is a component of change that affects the crux of any company. The Wall Street Journal (WSJ) in their September (2000) Edition had stated that 'Job hopping prevails amid a cornucopia of vacancies'.

Manuscript published on 30 September 2019
* Correspondence Author
PriyadaSudhakaran, Research Scholar, Sathyabama Institute of Science and Technology, Jeppiaar Nagar, Old Mahabalipuram Road, Chennai, India
Email Id: priyada.sudhakaran@gmail.com
Dr Senthil Kumar, Research Supervisor, Satyabhama University, Chennai, Associate Professor, Dept. Of Commerce & Management, Yuvakshetra Institute of Management Studies
Email Id: drgsenthilkumar2008phd@gmail.com

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The employers spend much effort in identifying the reasons that prompt their employees to quit the company. A good reason that is very often attributed to voluntary turnover is that the employees are motivated by higher pay elsewhere. Bernstein, in his article is Business Week (1998), June Edition (page 70 line12) stated that
even if an employee prefers to work for a company and is mentally happy with the employer, if he or she is offered with a better pay quitting intention will develop. Similarly, employee engagement is another buzzword among the HR practionners who study voluntary turnover. It has been identified by many studies that once the employees feel that their work is not challenging enough to utilize their talent and capabilities, they lose interest in their job. A plethora of other reasons such as poor-quality leadership exhibited by the direct managers, routine activities creating monotony, organizational culture and style have also been studied by many researchers. Sapna Popli and Irfan A Rizvi in their study 'Drivers of Employee Engagement: The Role of Leadership Styles' (2016) in Global Business Review (page 966 line 10) has pointed out the relationship between employee engagement and leadership styles. They observed that appropriate leadership styles and human resource (HR) practices that drive engagement need to be fostered in organizations to drive performance.
Considering the complex nature of employees particularly in the technology sector several other lesser known reasons are also found to bear a direct impact on voluntary decision to quit a company. Dess & Shaw (2001), Academy of Management Review (Page 446 line14)expressed their view that many employers develop unrealistic expectations about their employees. Hardworking employees are very often pressurized to reach the performance bars maintained by the company. This view was further supported by Droedge & Hobbler (2003) in the Journal of Managerial Issues in the (pages 50 line 13) observed that expectations are highly unrealistic and crosses the tolerance limit of the employee, thus forcing the employees to make a move out of the company.
Randhawa, (2007) in Indian Management Studies Journal in her study on Job Satisfaction and Turnover intentions page 78 line8 observed that conservative approach that is followed by employers particularly IT companies in India that consist of protocols and restrictions regarding work policies, attires, seeking permissions for the trivial matters worry employees who are out of the box thinkers. Just as sssthe adage goes justice delayed is justice denied, so is the case with recognition for employees.

Absence of a well chalked out recognition program that is free from bias is missing in most companies. Silbert, in her Thesis titled The Effect of Tangible Rewards on Perceived Organizational Support (Page 280 line 10 stated that (2005) employees love appreciation and studies have proved that it goes a long way in maintaining happy employees.

When an employee leaves his present job for another employer, he feels that he has done the right thing. It could be a right decision but it takes a serious toll on the employee as well as his family. This situation becomes even more difficult when the employee has to arrange for relocation. Relocation itself brings new requirements of schooling for children and spousal employment. Ashford et al (2006) pointed out in their study on 'Causes and Consequences of Job Insecurity' line 48 that many employees express their view that it takes quite a long time for them to get adjusted to the new job and to get back to their career path. The organizations also suffer from loss as an employee leaves them. When an employee leaves, he takes with him the valuable knowledge and training that he acquired during his tenure. The organization also has to bear the replacement costs that start from advertising for the vacant positions till hiring of the new candidate. This is followed by the training costs that involves both formal and informal training as well as on- the- job training expenses. Previous studies have pointed out that replacement costs in the technology industry cover about 50 to 60 percent of an employees' salary. Ramlall (2008) in his article on approaching employee retention as a measure to increase organizational competitiveness line 15 in (page 67 line 9) that all organizations particularly the IT companies should give adequate attention to this issue of voluntary turnover and employee retention.

The structure of this research article itself is organized in a way so as to reflect and understand the present scenario of voluntary attrition and employee retention in technology companies in India. Secondary data that was utilized for the study provides much needed insight about the voluntary turnover as well as the predominant retention programs that are employed by organisations.

This useful source of understanding is further presented with added value by providing the related Review of Literature. Several studies have been conducted on voluntary turnover as well as Employee retention. But sources are limited when it comes to linking both or understanding the impact of retention strategies on Voluntary turnover. This was the gap identified by the researchers which prompted the writing of this manuscript.

The third part of this research article explains the objectives of this study. Responses from 942 IT employees were elicited which were later analyzed and understood so as to fulfil the objectives of the study. The objectives were defined in such as manner so as to reflect the current scenario in the HR arena of Information technology companies.

Followed by the objectives, the researchers clearly state the rationale behind doing this study. It clearly states the reason behind adopting this research topic. As the review of literature suggests a major gap was identified between linking the problem and solution of voluntary turnover and employee retention.

Research Methodology is the most important and crucial part of any research work. This article devotes considerable significance to methodology adopted for the study. The tools and techniques that were utilized are explained in detail. This is extended with the analysis of data elicited from responses using statistical techniques.

The final part of the paper throws light on the discussions, suggestions and the managerial implications of this study.

A. Voluntary turnover in the Technology Industry in India

Voluntary turnover has gained significant importance in the Technology sector in India. The average rate of voluntary turnover in the technology sector is nearly 50 percent which is quite an alarming rate. The leading IT companies like Infosys, Wipro, Tata Consultancy Services have reported high rates of voluntary turnover rates as per reports NASSCOM (2016) in the article 'High Engagement and Low Attrition'. Rashmi Priya, (2015) in her report on 'Attrition in Indian industry' observed that that in India the demand supply gap for professionals has been increasing. It was also observed that most of the technology employees leave their present organization either because they are offered a higher pay package or due to the opportunities for growth in another company. Technology employees also leave their current employer for reasons other than pay. Studies mentioned that IT employees keep on gaining new skill sets and they want to utilize them in the work they perform. Martin, (2011) in his White paper published in Google on 'Employee Turnover rate: How to Calculate and Minimize it 'opined that if employees do not get an opportunity to develop and grow with their new skill sets, they prefer to leave. Technology employees in India prefer a workplace that is stimulating in nature that fosters encouragement as well as the joy of working. Most of the operations in IT companies are deadline oriented. This makes work stressful thus leading to the voluntary resignation of employees. Bhaskar & Gayathri, (2011) in their research article on 'Labour in the New Economy: The Case of the Indian Software Industrypage 39 line 14 stated that IT companies in India are also plagued by issues such as absence of a well chalked out plan for career growth for its employees. Most of the employees in Indian IT companies have through many forums have expressed their view that they feel stuck in a certain designation for a longer period without timely promotions or progressions. This creates vibes of voluntarily leaving the employer. As per the recent NASSCOM reports the three bigwigs of the Indian IT space namely Tata Consultancy Services, Wipro and Infosys are experiencing high rates of voluntary turnover than ever before. The annual attrition rate of Infosys was 18.9% and for Wipro it stood at 15% in the last quarter of the fiscal year of 2016 Dataquest (2016). TCS had created stir in the year 2015 for losing close to 48000 employees many of whom attribute their separation from the company based on a voluntary decision NASSCOM (2015). Employees gave a plethora of reasons ranging from higher studies to relocation or good opportunities coupled with better compensation. NASSCOM is of the opinion that buoyant job market is highly responsible for this high rate of voluntary turnover. Most of the tech companies are not happy with this situation and try various retention measures that include hefty bonusses to its employees. But this does not help the situation. Thus, employee retention as a research topic, gains significance in the present day.

II. REVIEW OF RELATED LITERATURE

Mohan Thite (2008) in his research article 'Work Organization, Human Resource practices and Employee Retention' (page. 356-line 14 line) observed "Retention in any industry or occupation is multifaceted and situation specific; accordingly, retention strategies need to be evidence based, grounded in organizational, industry and occupation specific realities and reviewed periodically. There is no silver bullet when it comes to employee retention as it will always be".

Success of any enterprise always depends on the retention of key talent especially an Information Technology company that is dependent on customer satisfaction, organizational performance in terms of increased sales; becomes a reality only through retention of key human resources that are crucial for their existence in the competitive market place.

Retention strategies for the employees should always be planned in such a way that it has a framework for addressing the issues of the employees. Strategies such as empowering the employees by giving them the right to get job done or inculcating the feeling that they are the most valuable asset of the company helps in keeping turnover intentions at bay. Chandramohan& Vasanth Kumari, (2009) in their work, "Attrition: A Predicament for ITES in India" (page. 25 line 10) mentioned that by developing faith and trust in the employee as well as appreciating their achievements develops commitment as well as improves the morale of the employee. This keeps him emotionally attached to the organization. Employee retention is influenced by a variety of factors. Fitz-enz, in his work 'Getting and keeping good employee's (page line 20) (1990) stated that it is the responsibility of the employer to give importance to the various issues of the employees relating to pay and benefits, rewards and recognition, supervisor support and work environment. Osteraker, in the Journal of Workplace Learning in her article Measuring Motivation in a Learning Organization (page 73 line 34) (1999) described in his study that employee retention consists of three broad dimensions such as social, mental and physical. The mental dimension comprises of work characteristics and supportive supervisors and colleagues. The social dimension relates to the contacts that the employees maintain with peers. Good relations always serve as a boost to remaining within the current organization. The physical dimension relates to the salary and working conditions. Studies that followed recognized factors such as compensation, recognition of the good work that is performed, provision of challenging work, opportunities to develop and learn, healthy work and living balance and good communication as factors that promote successful employee retention in an organization. Parker and Wright, (2001) in the Ivey journal published an article titled 'Pay and Employee Commitment the Missing link 'page 46 line 7stated that an extensive range of human resource strategies must be utilized to create employee commitment and promote employee retention.

Walker, (2001) in his article in Wall Street Journal September Edition in (pg. 6 line 12) stated that seven retention strategies can be considered a winning bet as far as employee retention is concerned. They are: a) Compensation and recognition of the work that is performed, b) option of challenging responsibilities, c) career growth options, d) friendly atmosphere within the organization e) good relation with the superiors and colleagues f) good work-life fit g) open communication. The personal factors such as loyalty, trust, commitment, identification and attachment that an employee develops during his tenure in an organization bears direct relation with the development of quitting intentions. Hytter, (2007) in his study Titled Retention Strategies in France and Sweden (page 62 line 8) expressed his view that it is the organization's responsibility to develop an employee's trust and commitment so that he stays for a longer period of time with the company. Very less turnover research has specifically focused on what makes an employee remain with the same organization and what determines his commitment. Maertz & Campion, (1998) in their study on Voluntary Turnover Research (page 56 line 10) emphasized that retention processes should be studied with quitting intentions. Denton (2000), in his study that appeared in Journal of Information Systems (page 86 line 4) stated that employees who derive happiness and satisfaction from their jobs develop dedication towards their work and will definitely put in efforts to attain organizational goals. Panoch, (2001) in his study on Diversity and Employee Retention mentioned that organizations today take great care in retaining promising employees as it is becoming increasingly difficult to hire new ones with exceptional talent. Cutler, (2001) in his study that was published in RTM journal in (page 59 line 10) supported this view by stating that the most important obligation of an organization today is to achieve competitive edge among other firms in retaining key talent.

Gardener et al, (2004) in their research article titled Study of people at work in (page 316 line 8) highlighted that pay is a motivator as well as an important retention technique. But it is something that has not been carefully or completely utilized as a retention technique. Every employee particularly in the technology field wants their salary to be competitive. Srikanth &Tyagi, (2007)in their research article on Attrition in the IT Industry rightly pointed out in (page 66 line 7) that if pay is not competitive enough to keep an employee satisfied, he will develop quitting intentions. This is seen mostly among Indian techies who mostly demand salaries much above the market standard.

Every organization expects an employee to work for a considerable period of time. Similarly, the employer is also expected to provide employment that fulfils the career expectations of the employee. It is expected that both the parties benefit each other. Amadasu & Taplin, (2003) in their work on the Nigerian Management Crisis stated that in reality neither the employee or the employer is assured of such mutual relationship. Relations are strained mostly due to voluntary turnover intentions of the employees. It has been observed that voluntary separations are taking place at an alarming rate among the technology professionals in India. The IT sector in India is exposed to this issue because the employees have innumerable opportunities in India as well as abroad. Opportunities galore as well as the terms of employment are getting better day by day. Technology employees spend most of their daytime in the offices. The organization is obliged to make the work environment conducive for the employees to excel in the work they perform as well as keep turnover intentions at bay. Vijaya Bhaskar &Roethbock, (2001) in their research article titled

'Labour in the New Economy' (page 40 line 12) stated that the employees develop a sense of belongingness in a good work environment. Steel, Griffith & Hom, (2001) mentioned in their work 'Practical retention Policy for Practical Manage' (page 150 line 6) that companies which have good human resource policies have a better chance to satisfy their employees by giving them a good control over the work environment which increases their motivation level and enhances their commitment to work for the organization.

Agarwal, (1998) in his work titled 'Reward Systems: Emerging Trends and Issues' (page 63 line 9) observed that many studies on employee retention have focused on the importance of reward and recognition in retaining valuable talent. Employees are keen to get appreciation from their managers. Deepak Chawla, Afsha Dokadia and Snigdha Rai (2017) in their Journal article titled Multigenerational Differences in Career Preferences, Reward Preferences and Work Engagement among Indian Employees that appeared in Global Business Review (page 182 line 5) observed that rewards should be customized according to the expectations of generational participants. Changing mindset, priorities, preferences, risk orientation and live-in-the-present attitude have pushed employees to prefer flexible compensation structures This could also be an intangible recognition or a tangible reward such as spot award for the performance delivered. This in turn leaves an enduring impression on the employee thus creating a sense of commitment and belongingness.

The correlation between career development and employee retention is also a much-discussed topic among the HR practionners. Pergamit & Veum, (2000) in their article on promotion that appeared in Industrial and Labour Relations Review (page 584 line 10) observed a close and positive relation exists between career development and employee retention. Prince, (2005)highlighted that career development of employees is an effective measure to understand their effective commitment to the organization. Employees look forward to advancement plans, internal promotion and a clear understanding of the career aspirations of the employees at the time of hiring. Flexible job coupled with lucrative career development options are the best retention incentives for employees.

Hyman & Summers, (2004) in their work titled 'Work Life Employment practices in Modern Economy' (page 420 line 10) pointed out that today employees are willing to quit their jobs if they are unable to strike the right balance between their family and work demand. Employers should understand that family is an essential part of an employee. If work related stress passes on to his family time quitting intentions can develop. Raman, Budhawar et al, (2007) in their work on People Management Issues (page 11 line 6) found that a healthy work life balance is an essential ingredient for employee retention in any industry particularly technology industry which is time bound and works on strict deadlines.

The success and reputation of any enterprise depends upon the retention of valuable employees. Very little effort has been made to understand what makes an employee to stay with a company and what is the reason for his attachment with the company. Zineldin, (2000) in his work on Total Quality Management in (page 21 line 14) stated that research should give employee retention importance as the study about voluntary turnover. Employees who are unhappy and dissatisfied with their job's loose dedication towards their work and retention measures will not be successful if implemented. This in turn develops voluntary intentions to leave the present company of work. Strauss et al, (2001) observed in their work in page 8 line 6 that an organization to remain successful it should go a step further and try to understand what will keep its employees motivated and dedicated. An organization should focus on who it recruits as well as who are to be retained within. Gberevbie, (2007) highlighted that reasons why people prefer to retain themselves in a company are not the same as the reasons why they quit. If an organization does not make appropriate employee retention strategies the employees may lose commitment and dedication and may not work towards the successful achievement of company's goals. Even if a company takes a host of measures to control turnover, an employee may still choose to leave due to bad management. Kaliprasad, (2006) in his research article (pg. 25 line 10) observed that an organizations' ability to manage employees truly determines the success of its retention plans. Baker, (2006) in; The Human Factor (page 47 line 5) added that hiring new employees to replace old employees is expensive than retaining the current workforce.

Demographic variables such as gender, age, marital status and education level inflict a significant association with voluntary turnover. Gerhart (2008) in his work on human resources Alternate Approach in (page 180 line 15) had observed that Turnover intentions of employees particularly in the IT sector are influenced by the demographic variables. This prevailing knowledge was particularly utilized for obtaining an in depth understanding of the issue of employee retention. This review of literature was also useful for the preparation of the questionnaire that was used to collect responses from the technology employees in India.

III. OBJECTIVES OF THE STUDY

This research study was conducted on the basis well defined objectives. Voluntary exit of employees is a burning issue for most HR personnel. Therefore, for attracting and retaining valuable talent employers must carefully understand the core issues that affect employees directly or indirectly. On the basis of this idea the objectives of the study were formulated.

Firstly, the researchers chief aim was to analyze the employee's expectations as well as their behavioral patterns so as to understand the various reasons of voluntary turnover intentions. For this purpose, the responses were elicited from the employees relating to the areas that they expect the employer to change and improve and what changes would prompt them to remain with the same company

Secondly, the demographic variables such as age, gender, marital status and educational qualification were closely analyzed. The purpose of this analysis was to test the influence of demographic variables on employee retention strategies.

The third objective of the study was to understand the underlying relationship between the various measured variables of employee retention. For this purpose, six factor variables of employee retention were factor analyzed.

Fourth objective aimed at understanding the interests of the employees in leaving the present company and start working for a competitor firm. This objective was crucial for the study as it paved way for the fulfilment of the last and final objective of the study.
The fifth and the main objective of the study was to develop an effective retention strategy for the retention of technology professionals.

IV. RATIONALE OF THE STUDY

As the previous studies suggests, lot of research has been done in areas of voluntary turnover of employees. Voluntary separation of employees in the IT industry particularly in India which has good IT base is a significant issue. Scholars have discussed about voluntary separations both academically and otherwise. Similarly, studies on employee retention is also a much-discussed topic. Companies come with several strategies to counter the problem of voluntary exit from the employer. But it was identified by the researcher that both voluntary separations and employee retention strategies have a missing link between them. Previous studies have left an open question to answer. What is the impact of these retention strategies on voluntary turnover intentions of employees? Are they actually a proven solution or a band aid strategy to a burning injury inside?
Thus, the rationale behind this study was to understand the existing issues and to develop an effective retention strategy for the employees working in the technology industry in India.

V. RESEARCH METHODOLOGY

Questionnaire and Interview was used for obtaining information for the study. Interviews with Human resources professionals gave information regarding the turnover issues and expectations that were remaining unfulfilled. This information allowed the researcher to gain a deeper understanding of the employee's expectations. On the other hand, a structured questionnaire was designed to gain responses regarding the various aspects of voluntary turnover and employee retention. 942 IT employees were given questionnaires and their responses were elicited. The responses from the employees helped to gain understanding regarding the employees' expectations as well as their behavioral patterns. Several research tools were utilized to analyze the responses that were elicited. Respondents' opinion towards the various reasons that result in voluntary turnover were analyzed. The influence of personal and demographic variables was also understood with the analysis of responses that were obtained from the software professionals.

VI. ANALYSIS & INTERPRETATIONS

Table:1 Personal Profile of the respondents

Particulars	Classification	Number of Respondents	Percentage
Gender	Male	595	63.16
	Female	347	36.84
Marital Status	Married	561	59.55
	Unmarried	381	40.45
Age	20-30 years	243	25.8
	31-40 years	413	43.84
	41-50 years	244	25.9
	Above 50 years	42	4.46
Educational qualification	UG	509	54.03
	PG	321	34.08
	Diploma	112	11.89

Source: Prepared by authors

As shown in **Table 1** the personal profile of the respondents chosen for the studyindicates that out of 942 respondents, 63.16% are males and the remaining respondents are females (36.84%). It is observed that majority of the respondents (63.16%) working in the software industry are men.
59.55% of the respondents were married and the remaining 40.45% are living as single. It is observed that three fifth of the respondents (59.55%) were married.
43.84 % of the respondents are in the age group of 31-40 years, another 25.9% of them falls in the age group of 41-50 years, whereas 25.8% of them are in the age group of 20-30 years and 4.46% of the respondents are in the age group of above 50 years. It is observed that most of the respondents (43.84%) working in software industry are in the age group of 31-40 years.
54.03 % of the respondents are graduates, wherein 34.08% of the respondents are Post graduates and another 11.89 % of the selected respondents are having diploma. It is observed that most of the respondents (54.03%) employed in the software industry are Graduates.

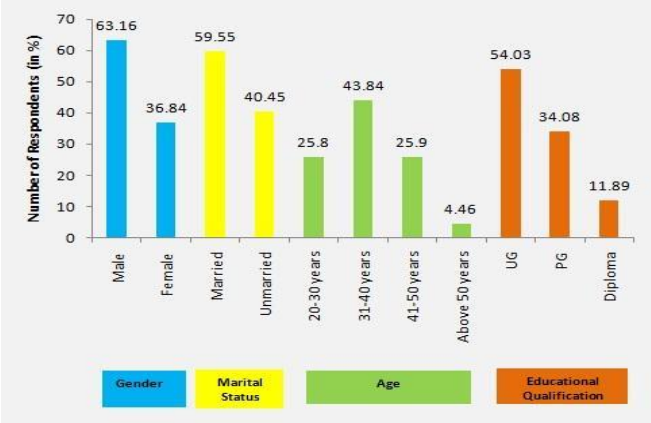

Figure 1: Personal Profile of the respondents
Source: Prepared by authors

To test the significant influence of demographic variables (age, gender, marital status and educational qualification) on employee retention in the technology industry, one-way ANOVA is applied.

Table 2 Influence of personal variables on Retention

Variables	Classification	N	Mean	S D	F-value
Age	20-30 years	243	3.09	0.451	**F=4.450** (p=.004)**
	31-40 years	413	3.11	0.406	
	41-50 years	244	3.01	0.491	
	Above 50 years	42	3.08	0.368	
Gender	Male	595	3.07	0.422	**F=1.660 (p=.097)**
	Female	347	3.03	0.473	

Marital status	Married	561	3.05	0.442	**F= 0.231 (p=.817)**
	Unmarried	381	3.06	0.443	
Designation	UG	509	3.04	0.467	**F=1.583 (p=.206)**
	PG	321	3.09	0.408	
	Diploma	112	3.04	0.417	

** Significant at 1% level

Source: Prepared by authors

Table 2 shows that the obtained 'F' value is **4.450** and it is significant at 1% level. The value indicates that there is significant influence of age on retention in Software Industry. Hence, the formulated null hypothesis.

The mean table 4.40 indicates that the respondents in the age group of 31-40 years have scored higher mean value of (**3.11**) and the lowest mean value was scored by the respondents of 41-50 years (**3.01**). The obtained 'F' value is **1.660** and it is not significant at 5% level. The value indicates that there is no significant influence of gender on retention in Software Industry. The obtained 'F value is **0.231** and it is not significant at 5% level. The value indicates that there is no significant influence of marital status on retention in Software. The obtained 'F' value is **1.583** and it is not significant at 5% level. The value indicates that there is no significant influence of designation on retention in Software Industry.

A. Opinion about Retention in Technology Industry

Respondents working as Software professionals in Software Industry have recorded their opinion about the Retention in their Organizations. Retention was measured through eight variables. Their agreements, disagreements and their respective mean are displayed in the Table 3.

Table 3 Descriptive statistics for Retention in Software Industry

Particulars		SA	A	N	DA	SDA	Mean
As soon as I find a better job, I will quit this organization	N	25	61	206	394	256	2.16
	%	2.7	6.5	21.9	**41.8**	27.2	
I often think about quitting my job since the leadership is based on domination and intimidation.	N	8	117	256	473	88	2.45
	%	0.8	12.4	27.2	**50.2**	9.3	
I agree with my future in this organization for the next year	N	103	424	258	132	25	**3.48**
	%	**10.9**	**45.0**	27.4	14.0	2.7	
I agree to leave this organization	N	130	417	206	123	66	3.45
	%	13.8	**44.3**	21.9	13.1	7.0	
I prefer to continue to work with this organization	No	155	290	338	94	65	3.40
	%	16.5	30.8	**35.9**	10.0	6.9	
I agree my career is important in this organization than some other organization	No	137	344	303	111	47	3.44
	%	14.5	**36.5**	32.2	11.8	5.0	

Source: Prepared by authors

SA – Strongly Agree, A – Agree, N – Neutral, DA – Disagree, SDA – Strongly Disagree

From the Table 3 it is observed that, 41.8% of the respondents disagreed to quit this organization when they find a better job, 50.2% of the respondents disagreed to think about quitting their job, 45% of the respondents agreed with their future in this organization for the next year, 44.3% of the respondents agree to leave the organization, 35.9% of the respondents neither continue nor discontinue to work with the organization, 36.5% of the respondents agreed the importance in the organization than some other organization. **Figure 2** it is seen totally six statements in the variables have insist on the various aspects of Retention, among which "I agree with my future in this organization for the next year" has highest mean score of **3.48** this shows that most of the respondents agreed that they believe that they are having good future in the present organization in the next year.

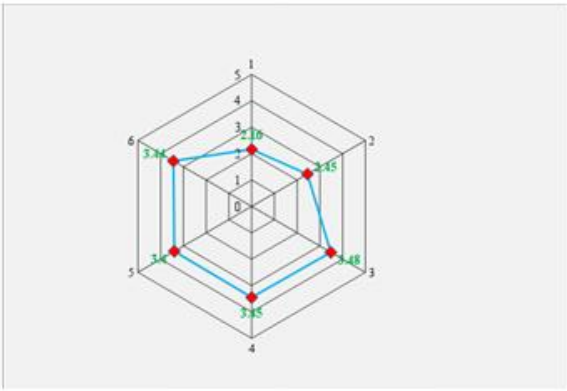

Figure 2: Radar diagram for mean responses towards retention

Source: Prepared by authors

In **Table 4** the respondent's expectation about the changes in particular area of their company are shown.

Table 4 Areas you expect changes in your company

Items	Number of respondents	Percentage
Pay philosophy	520	55.2
Career Dvpt plans	189	20.0
Work-life fit	158	16.8
Others	75	8.0
Total	**942**	**100**

Source: Prepared by authors

55.2% of the respondents expecting the company to change the pay philosophy, 20% of the respondents favored changes in individual career plans, 16.8% of the respondents expecting better pans to make their work life fit better. Remaining 8% of the respondents expecting changes in other areas. It is observed that more than half of the respondents (55.2%) working in Software industry is expecting changes in Pay.

Figure 3 indicates that employees in the technology Industry view compensation as an important employee retention technique.

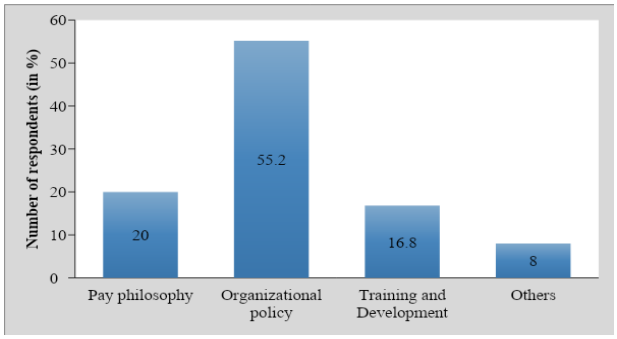

Figure 3: Areas you expect changes in your company
Source: Prepared by Authors

In **Table 5** therespondents' preference to stay in the company, if the changes are incorporated are shown.

Table 5 Preference to stay with present company

Opinions	Number of respondents	Percentage
Strongly agree	256	27.2
Agree	394	41.8
Neutral	206	21.9
Disagree	61	6.5
Strongly disagree	25	2.7
Total	**942**	**100**

Source: Prepared by authors

41.8% of the respondents agreed that they will stay in the present company if changes are incorporated, whereas 27.2% of the respondents strongly agreed to stay within the company, another 21.9% of the respondents neither agreed nor disagreed about the preference of staying in the organization, 6.5% of the respondents honestly disagreed that they won't stay in the current organization even the changes are implemented and only 2.7% of the respondents strongly agreed they are not willing to stay within the same company.

From Figure 4 it is observed that more than two fifth of the respondents (41.8%) agreed to stay with the present company if changes are incorporated.

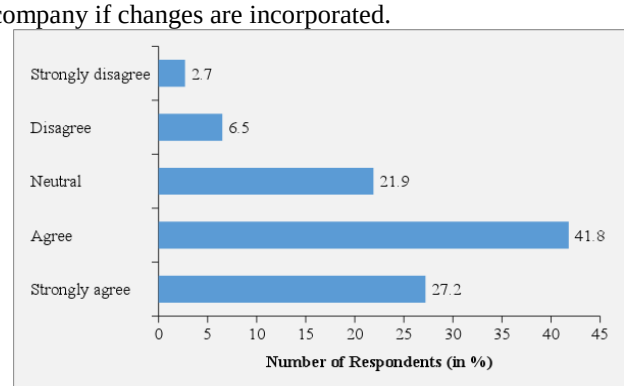

Figure 4: Preference to stay with present company
Source: Prepared by authors

Figure 4 illustratesthe percentage of respondents who are willing to stay with their present employer if the changes are incorporated.

Interest in leaving the present company in order to start working for a competitor

Software professionals have ranked their interest in order to start working for a competitor in Software industry.

Testing the significance of various interests in leaving the present company to work for a competitor, Friedman's test for k-related samples is applied to study the relationship between various interests in leaving the present company.

Table 6 shows the interests of the employees in leaving the company and working for a competitor.

Interest in leaving the present company

Reasons for quitting present employer	Mean Rank	Chi square Value
Better pay	6.66	**58.852** (p<.001)**
Better career opportunities	5.96	
Better benefits	5.01	
Better work environment	4.93	
Better Leadership	5.01	
Better work life balance	5.23	
Better training opportunities	4.23	
Better working conditions	5.00	
	5.32	

** Significant at 1% level

Source: Prepared by Authors

The results in the table 6 show that the null hypothesis "All the interests in leaving the present company to start working for a competitor carry equal importance" is rejected at 1% level. Hence, the interests in leaving the present company to start working for a competitor do not carry equal importance. Most of the employees opined that pay factor as well as the benefits offered by the company carry a higher priority while considering stay or quitting intentions.

This analysis also highlights the fact that even though all employees prefer salary raises and better benefits the variations in their responses indicate that they have individual preferences. They want the retention strategies to suit their individual requirements. For instance, a majority among the female workforce opined that they want benefits in the form of work from home options or work hours of their choice as benefits- retention strategy. Whereas the men work force prefer benefits in the form of financial sops such as tax-free coupons on meals and shopping etc.

B. Exploratory Factor Analysis (EFA) for Employee Retention

Six variables of the Retention are factor analyzed. The results of the KMO measure of sampling adequacy and Bartlett's test of sphericity indicates that application of factor analysis was appropriate for the data. The KMO measure of sampling adequacy was 0.89 and it was significant (p<.001). The results of factor analysis given in the Table 4.20 revealed a one-factor solution with Eigen value more than one explaining 70.66% of the total variance. All the six variables loaded on the same factor, namely Retention. The factor loadings ranged from 0.66 to 0.87. Further the variables have adequate communalities. Thus, all the six variables are retained as they revealed the various attributes of Retention.

Table 7 Factor loading with Eigen values and total variance for Retention

Variable	Factor scores
As soon as I find a better job, I will quit this organization	0.68
I often think about quitting my job	0.79
I agree with my future in this organization for the next year	0.76
I agree to leave this organization	0.87
I prefer to continue to work with this organization	0.71
I agree my career is important in this organization than some other organization	0.66
Eigen value	**7.832**
Percentage of value	**70.66**
Cumulative percentage of variance	**70.66**

Thus, on the basis of factor analysis as in **Table 7**, a single-factor solution for Retention was identified, which is also confirmed using **CFA**, represented as figure 5.

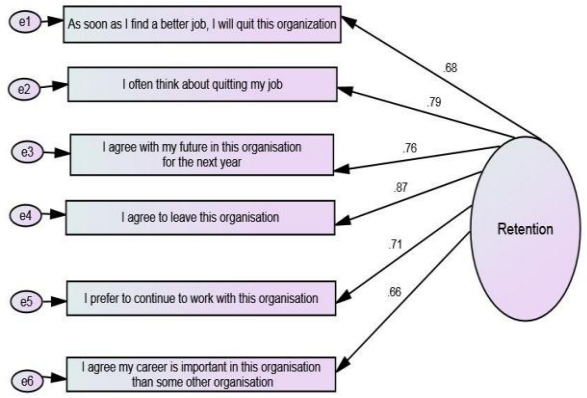

Figure 5 shows the Confirmatory Factor Analysis for the six variables of Employee Retention.

Source: Prepared by Authors

C.*Developing an effective Retention strategy*

There is no solid remedy for a company's retention issues. Even if an employee is paid a salary that is much above the market standards that does not prevent him from being dissatisfied with his job or increase his organizational commitment. Various studies have shown that the positive results of an increase in salary are short lived. An organization must go beyond the idea that money can keep a employee and money is the determining factor in employee retention. Today retaining an employee through a hike in salary may not work at all times. Various on- the -job and off- the- job measures should be implemented so as to retain the valuable talent pool of the company. Just as in the case of a product life cycle, an employee too goes through several stages as he gets employed in a company. From his entry till his settlement in the job he goes through various phases. The turnover intentions may drive him to quit from his organization at any point in time. Though research has clearly shown that attrition is said to be the highest among employees who are in the prime of their career. This shows us that while developing a retention strategy, an effective one should be framed that suits almost all employees. But at the same time, it should not be the same with all employees as different employees have different expectations.

Therefore, strategic plans need to be devised in order to frame retention strategies to retain employees in an organization. An organization should identify to what extent voluntary turnover is affecting its growth and development. It should have a clear idea as to who is leaving as well as how many are about to leave. They also need to understand the cost that is associated with replacing the old resource. Another important plan is to know why people are leaving their present employer for greener pastures. This can be understood from exit interviews. Stay interviews also give immense knowledge as to the preferences of the employees who wish to continue.

This study takes insights from the Retention strategies that were devised by Gregory P Smith. He Published his work titled Employee Retention Strategies in 2007in which he gave 401 Proven ways to retain your best employees. He classified them into seven groups. This study makes use of some of the relevant strategies utilizing the SEM model that can be practiced effectively in among the technology employees in India.

To test the significant relationship between antecedent factors (Pay, Benefits, Training and Development, Career Development, Leadership, Relationship with superiors, Work Aspects, Organizational Culture and Style and Work and Family Demands) and Retention in Software industry, bi-variate correlation is applied to ascertain the significant relationship between antecedent factors and Retention as shown in Table 8

Table 8 Relationship between antecedent factors and Retention

Categories	Retention	
	r	P
Pay	0.534**	<.001
Benefits	0.314**	.001
Training and Development	0.303**	<.001
Career Development	0.679**	<.001
Leadership	0.495**	<.001
Relations with superiors	0.365**	<.001
Work Aspects	0.552**	<.001
Organizational Culture and Style	0.441**	<.001
Work and Family Demands	0.463**	<.001

**Significant

Positive significant correlation is observed between Pay and Retention (r = 0.534). This shows that good pay improves Retention rate by 53.4% in the technology industry industry. Significant correlation is observed between Benefits and Retention (r = 0.314), which is positive. This shows that benefits offered to the software professionals helps in retaining them by 31.4% in the technology industry. Positive significant correlation is observed between Career development and Retention (r =0.679). This shows that Relationship with superiors boosts the retention rate by 36.5% in Software. Positive significant correlation is observed between Work aspects and Retention (r =0.552). Significant correlation is observed between Organizational Culture and Style and Retention (r

=0.441), which is positive and moderate relationship. Positive correlation is observed between Work and Family Demands and Retention (r =0.463), which is significant and moderate relationship. This shows that Work and Family Demands amplify the Retention rate among software professionals by 46.3% in technology industry.

D.*Developing a retention model using Structural equation model*

Structural equation modelling (SEM) is a statistical technique for testing and estimating causal relations using a combination of statistical data and qualitative causal assumptions. SEM allows both confirmatory and exploratory modeling, meaning they are suited to both theory testing and theory development. Confirmatory modeling usually starts out with a hypothesis that gets represented in a causal model. The model is tested against the obtained measurement data to determine how well the model fits the data. The causal assumptions embedded in the model often have falsifiable implications which can be tested against the data. With an initial theory SEM can be used inductively by specifying a corresponding model and using data to estimate the values of free parameters. Often the initial hypothesis requires adjustment in light of model evidence. When SEM is used purely for exploration, this is usually in the context of exploratory dimension analysis as in psychometric design. A model is developed by using analysis of moment structure (AMOS v21.0). A model is fit to ensure the Retention of Software professionals. In this model Antecedent factors such as Pay, Benefits, Career Development, Leadership, Work Aspect and Work and Family demand and Retention are taken as observed (measured through variables, explored and confirmed as factors) variables. Retention of Software professionals is taken as endogenous (dependent) variable and Retention Strategies (Pay, Benefits, Career Development, Leadership, Work Aspect and Work and Family demand) are taken as exogenous (independent) variables. e1 is the error term for endogenous variable.

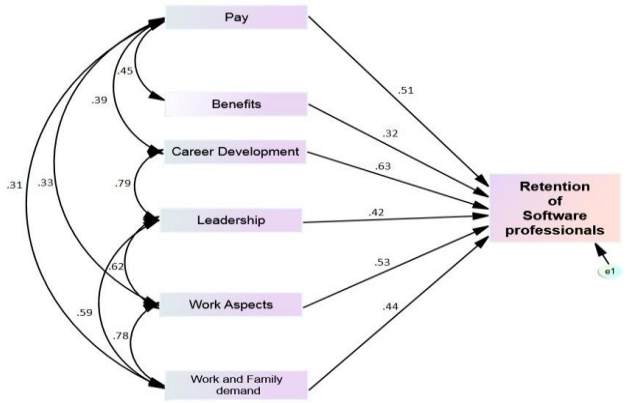

Figure 6 shows the employee retention model that is developed using Structural Equation Modelling
Source: Prepared by Authors

In Figure 6 The model fit Chi-square c 2 = 3.165 and its p-value of 0.098 shows that it is not significant at 5% level. This show that "The model fitted for Retention of Software professionals is good" is accepted. The goodness of fit index (GFI) is 0.916 of the models show reasonably good fit and its adjusted goodness of fit (AGFI) is 0.907. The Root mean square error of approximation (RMSEA) is 0.088, a smaller value indicates better model and expected cross validation index (ECVI) is 0.092, which are within the acceptable range indicating a better fit.

VII. DISCUSSION

This model that is fitted for employee retention utilizing the retention strategies of pay, benefits, career development leadership, work environment and a healthy work and family balance would definitely go a long way in controlling voluntary turnover of technology professionals. This study challenges the notion that money is not the important determining factor for employee retention. Employees always as a ground rule prefer to be paid well for the work they perform. This attributes to self-esteem and the means of living. Responses from technology professionals have proved that money comes first to most Indian technology professionals. This accounts to the increased cost of living in the metro cities of India where most of the technology companies are located. Organizations should make the pay factor as competitive as possible. Salary packages should be often compared to the competitive firms. When the other firms offer a higher base salary and the present employer increases the range of benefits the employees would definitely prefer to stay with the current company. This can be achieved by offering a reduction of payroll taxes or better healthcare plans thereby giving a better overall financial package. Offering bonus or at least a small percentage hike each year inculcates the moving ahead feeling among employees rather than pushing off each year.

Apart from good pay most employees look towards getting well rounded benefits package from their employer. Inclusion of health and life insurance along with the compensatory package is a huge boost to the employees particularly in the Indian scenario where insurance policies consume a hefty amount in terms of premiums. Introducing dental and vision plans which is a new idea in Indian technology companies can be initiated. Offer of stock options for those employees who remain with the company for a well-defined period of time is also a good benefit-retention strategy.

Most of the technology employees look up to career development programs as a good retention effort by their employer. This is because employees develop a sense of loyalty for the employer who is willing to invest in their career growth. Every company can follow its own unique career development program. Open conversations about regular performance and evaluation apart from appraisals can be a healthy way to understand what the employee is looking for in the company. The immediate managers should also be supportive and encouraging so that the employees feel free to express their views and they feel valued and empowered. Introducing the idea of a career lattice, an alternative to career ladder that encourages sideways movements in addition to moving upwards. This may include a high degree of flexibility in career progress. Offering the provision of faster career progression according to the deserving employees' choice. Another career-development- retention- strategy is to evaluate the performance of an employee in terms of outcomes rather that considering the hours spent at work.

Effective leadership is another most important strategy for employee retention as proposed by the model.

Northouse (2013) had stated that all managers do not always equal leaders and vice versa. Good leadership exhibited by the team managers are a very good retention tool. Team managers are fully responsible for developing employees who are content with their jobs. Good leadership should be imparted by the managers by being impartial to the employees who report to him/her. Managers must ensure transparency in communication with the employees. They should also appreciate good performance and promote healthy competition at workplace. Many technology employees who were interviewed expressed their unhappiness over bad leadership as the main reason driving voluntary turnover intentions. Thus, it is the duty of the immediate managers to ensure good leadership and drive away negativity from the employee's minds.

Improvement in the aspects related to work is another significant step that can be made to control employee retention. Employees always prefer to work and stay for an employer who is providing him with a positive work environment where authority and accountabilities are clearly defined. Employees need to feel valued and empowered every day of work. Small changes in the work that they do such as reducing the reporting needs for every single task performed will reduce the time taken for job completion.

"Family is not an important thing, it is everything". Employers should understand this fact of life. When work puts huge stress and strain on an employee's family life money cannot satisfy him anymore. Therefore, every employer should make necessary arrangements to balance professional and personal life of an employee. Offering extended hours of lunch break to meet some family requirement would be rewarded by the employee in terms of loyalty and longer tenure of work with the same company.

VIII. CONCLUSION

This research paper sheds light on the imminent issue of employee retention and gives suggestions to the employing organization as to how to make employees to rethink their decision of quitting the company voluntarily by framing the new model based on Structural Equation Modelling. Every enterprise should strive to become an employer of choice in order to attract and keep the best talent. Corporate culture of the company plays a key role in retention management. Every employer particularly in the technology industry must realize the fact that a climate of understanding is present among all levels of management. This will go a long way in retaining employees and generating the feeling of belongingness among employees. In this dynamic world, we must expect things to change. What works today may not work tomorrow. Thus, for an employer to effectively develop retention strategies calls for the reassessment of the state of its culture on a regular basis.

IX. MANAGERIAL IMPLICATIONS

It is a battle today to make acompany an 'Employer of Choice' and win the game of talent retention. This study is specifically designed for HR personnel of companies in the technology Industry particularly the Information Technology Industry. This research article provides a broad view about voluntary turnover intentions and the issue of employee retention.

Through the elaborate analysis using statistical techniques it provides ample data on what the employees expect from an employer and what is required to drive away voluntary turnover intentions. By analyzing the influence of demographic variables on employee retention, employers can identify what each employee needs depending on the demographic classification.

The model that has been created using Structural Equation modeling can be used to understand why exactly employees leave voluntarily. Pay, benefits, career development, leadership, work requirements and work and family life balance – these factors were identified as the retention pillars. Even though ample literature was available on the role that each of these retention strategies play in retaining an employee, novel strategies within them such as 'a tactical approach within the ambit of each retention strategy was not explored before by researchers.

Thus, this research article goes a step further in utilizing the main pillars of employee retention as identified by the study in a new method so as to suit the modern employee. The model suggested can be implemented in technology enterprises which are reeling under the pressure of voluntary separations of employees.

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AUTHORS PROFILE

Priyada Sudhakaran (Research Scholar) completed her Master's in Business Administration from Sathyabama Institute of Science and Technology. Currently pursuing her doctoral research in the field of Management from Sathyabama. Her area of interests is Human Resources. Her subject area of research is Employee Retention and Voluntary turnover of Software professionals. She has many publications to her credit including Scopus indexed publications. She has industry experience as well as academic experience. Has worked as a Lecturer in Sathyabama Institute of Science and Technology and have gained as well as contributed to the academic knowledge.

Dr. G Senthilkumar, (Research Supervisor) is an eminent academician of high repute. He has completed his PhD in Management from Bharatiyar University. He has several academically valued publications to his credit. His area of research interests includes Finance, Human Resources and Marketing. He has worked with several academic institutions of high standing. Currently works as Associate Professor with Yuvakshetra Institute of Management and Technology.