



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## A STUDY ON EMPLOYEE TURNOVER IN THE IT SECTOR WITH SPECIAL REFERENCE TO COIMBATORE CITY

**SABAREESH R**

III B COM with Professional Accounting

SRI RAMAKRISHNA COLLEGE OF ARTS AND SCIENCE-COIMBATORE

**Mr R. ARUNPRAKASH**

Assistant Professor

Department of Commerce with Professional Accounting

### **Abstract:**

This study investigates employee turnover in Coimbatore City's IT sector, focusing on factors influencing turnover and proposing retention strategies. Using mixed methods, including surveys and interviews, the research reveals dissatisfaction with policies and benefits as key drivers of turnover. Employees prioritize incentives like bonuses and free transport. Statistical analyses show associations between demographics and preferences. Tailored strategies, feedback mechanisms, and continuous evaluation are recommended to enhance retention and foster a positive work environment.

**KEYWORDS:** Employee Turnover, Statistical Analysis, Chi-square Test, ANOVA (Analysis of Variance), Employee Preferences, Bonus, Free Transport, Housing Allowance, Tailored Retention Strategies, Continuous Evaluation, Work Environment.

## Introduction

Employee retention holds significant importance in the global business landscape, with the Information Technology (IT) sector taking the lead, especially in our nation. The modern workforce is predominantly composed of tech-savvy information workers, attuned to market dynamics, physically active, and inclined to job shifts. In the fiercely competitive Indian business environment, there's a growing struggle to retain these information workers, crucial for enhancing productivity. The IT industry, known for its rapid career progression and abundant job opportunities, witnesses a steady increase in mobility among its professionals. The evolving patterns of both voluntary and involuntary employee turnover pose a critical question for IT organizations: 'who stays with you?' To address this challenge strategically, an effective retention strategy must align with the individual needs of employees while simultaneously boosting their productivity and minimizing turnover costs.

### Objectives:

1. To analyse the factors contributing to employee turnover in the IT sector.
2. To assess the effectiveness of current retention strategies in IT companies.
3. To identify industry-specific challenges and best practices for reducing employee turnover.

### Statement of the problem:

Employee turnover remains an enduring challenge within the Information Technology (IT) sector. High turnover rates not only disrupt organizational continuity but also incur significant costs in terms of recruitment, training, and lost productivity. This project is designed to comprehensively investigate the multifaceted factors that contribute to employee turnover in the IT industry. By understanding the root causes, the objective is to formulate effective strategies for employee retention, thereby fostering a stable and productive work environment.

### Limitations:

In summary, the study on Employee Turnover in the Information Technology Sector in Coimbatore City provides valuable insights, but it has limitations. These include a narrow focus on Coimbatore City, small sample sizes with potential sampling bias, heavy reliance on surveys and statistical analyses, overlooking qualitative insights, variability in data accuracy due to mixed data sources, and limited applicability to other industries. Addressing these limitations could enhance the study's validity and broaden its relevance beyond the IT sector in Coimbatore City.

### Scope of the study:

The study on Employee Turnover in the Information Technology (IT) Sector with Special Reference to Coimbatore City sets out to address a significant challenge facing the IT industry: the retention of skilled employees. With the IT sector being a pivotal player in the global business landscape and particularly prominent in India, understanding the factors influencing employee turnover is paramount. The scope of the study

encompasses a thorough examination of the multifaceted aspects contributing to turnover within this sector, with a specific focus on Coimbatore City. By delving into the reasons behind both voluntary and involuntary turnover, the study aims to provide valuable insights that can inform strategic decisions aimed at retention.

Furthermore, the study seeks to assess the effectiveness of existing retention strategies deployed by IT companies operating in Coimbatore City. By evaluating these strategies in the context of local dynamics, the research aims to identify areas for improvement and innovation. This evaluation extends beyond mere identification of challenges to proposing actionable solutions that align with the individual needs of employees while enhancing organizational productivity. The study's scope is not limited solely to Coimbatore City but also encompasses a broader analysis that could offer insights relevant to the IT sector nationally and even globally.

### **Review of literature:**

**In 2020, Mr. Vinothkumar and Dr P. Suresh Kumar** conducted a research project focusing on retention strategies for employees in the technical textile industry. The findings were published in The International Journal of Analytical and Experimental Modal Analysis. Utilizing a survey method, the study extensively employed both primary and secondary data sources. Data analysis primarily involved the application of the Chi-Square Test. The research encompassed a total sample size of 610 participants.

**In 2019, D. Swaroopa and Prof. B. Sudhir** conducted a study focusing on employee retention strategies and factors within the IT industry, which was published in the International Journal of Business and Management Invention. This research primarily relied on the survey method. Statistical analysis involved the use of mean and standard deviation to assess weightages and percentages of received responses. Additionally, advanced statistical tools such as ANOVA test, percentage analysis, Kruskal-Wallis test, and Cronbach Alpha tests were employed to analyze the satisfaction levels of IT employees regarding employee retention. The project encompassed a total sample size of 40 participants.

**In 2018, Suman Bhamu and Dr. Kishor Barad** conducted research on employee retention strategies adopted by management in selected companies within the Indian telecom sector. Their findings were published in the International Journal of Management Studies. This study adopted a descriptive research approach, primarily employing survey and observation methods. Given the theoretical nature of the topic, descriptive research was deemed most suitable. Primary data were gathered from employees of selected telecom companies in the Ahmedabad area. Statistical analysis involved the use of frequency, percentage, tables, Cronbach Alpha, correlation, and regression. The sample size for this study comprised 100 participants.

**In 2017, Dr. K. Balaji Mathimaran and Prof. Dr. A. Ananda Kumar** conducted a study titled "Employee Retention Strategies – An Empirical Research," which was published in the Global Journal of Management and Business Research. This research primarily relied on the survey method. Initially, descriptive research was employed to report on observed factors, followed by exploratory research to uncover cause-and-

effect relationships. Primary data collection involved the use of questionnaires, supplemented by informal interviews to directly gather employee responses regarding critical factors. Secondary data, sourced from company files and annual records, provided additional insights. Statistical analysis of the collected data utilized methods such as the percentage method, mean and standard deviation calculations, correlation analysis, chi-square tests, and weighted averages

In 2016, Mahesh. K Kempegowda conducted a study on employee retention measures and their impact on employee motivation, which was published in the International Journal of Commerce and Management. Primary data collection involved supplying structural questionnaires to workers at Archidply, which were then collected after being directly filled in by the respondents. Secondary data necessary for the study were gathered from company manuals, magazines, etc., to gain an overview of the concept. Statistical tools utilized included the chi-square test and Karl Pearson's Coefficient of Correlation. The sample size for this study was 100 participants.

### RESEARCH METHODOLOGY

**1. Research Design:**

Mixed-methods approach combining quantitative surveys and qualitative interviews.

**2. Sampling:**

Stratified random sampling of IT professionals and HR personnel from various companies in Coimbatore City.

**3. Sample Size:**

The sample size is not explicitly mentioned in the provided text. It would be advisable to determine an appropriate sample size based on statistical considerations to ensure the reliability and validity of the findings.

**4. Source of Data:**

**Primary Data:** Data is collected directly from IT professionals and HR personnel through surveys and interviews.

**Secondary Data:** Existing literature, research articles, and relevant sources provide background information and context for the study.

**5. Data Collection:**

Surveys for quantitative data and semi-structured interviews for qualitative data.

**6. Data Analysis:**

Statistical techniques (e.g., percentage analysis, chi-square tests, ANOVA) for quantitative data, thematic analysis for qualitative data.

### Analysis and Interpretation

#### Percentage analysis

#### Gender

S.no	Gender	No of Respondents	Percentage
1	Male	109	68.6%
2	Female	50	31.4%

**Interpretation:**

This data presents the distribution of respondents based on gender. There were a total of 159 respondents. Among them, 109 were male, constituting approximately 68.6% of the total respondents. 50 respondents identified as female, making up approximately 31.4% of the total respondents. This interpretation indicates that there were more male respondents compared to female respondents, with males comprising a higher percentage of the total.

**If you could make one industry wide change, what would it be**

S.no	Factor	No of Respondents	Percentage
1	Policy and procedures	38	23.9%
2	Free transport	52	32.7%
3	Holiday package	60	37.7%
4	Others	9	5.7%

**Interpretation:**

This data represents the distribution of respondents based on different factors: Policy and procedures: 38 respondents, accounting for approximately 23.9% of the total. Free transport: 52 respondents, making up about 32.7% of the total. Holiday package: 60 respondents, constituting roughly 37.7% of the total. Others: 9 respondents, representing around 5.7% of the total. From this, it can be inferred that the highest percentage of respondents favored the holiday package, followed by free transport and policy and procedures, with a smaller proportion opting for other factors.

**what kind of benefits will entice you to stay there?**

S.no	Factor	No of Respondents	Percentage
1	bonus	53	33.3%
2	free transport	41	25.8%
3	housing allowance	47	29.6%
4	others	18	11.3%

**Interpretation:**

This data presents the distribution of respondents based on different factors: Bonus: 53 respondents, constituting approximately 33.3% of the total. Free transport: 41 respondents, making up about 25.8% of the total. Housing allowance: 47 respondents, accounting for roughly 29.6% of the total. Others: 18 respondents, representing around 11.3% of the total. From this, it can be deduced that the highest percentage of respondents preferred receiving a bonus, followed by a housing allowance and free transport, with a smaller proportion selecting other factors.

**If you could make one industry wide change, what would it be**

S.no	Factor	No of Respondents	Percentage
1	Policy and procedures	38	23.9%
2	Free transport	52	32.7%
3	Holiday package	60	37.7%
4	Others	9	5.7%

**Interpretation:**

This data illustrates the distribution of respondents based on various factors: Policy and procedures: 38 respondents, constituting approximately 23.9% of the total. Free transport: 52 respondents, making up about 32.7% of the total. Holiday package: 60 respondents, accounting for roughly 37.7% of the total. Others: 9 respondents, representing around 5.7% of the total. From this, it can be inferred that the highest percentage of respondents favored the holiday package, followed by free transport and policy and procedures, while a smaller proportion opted for other factors.

**When you initially joined and what did you expect**

S.no	Factor	No of Respondents	Percentage
1	Utilize my skill and knowledge	63	39.6
2	Career growth personally	50	31.4
3	Growth and take responsibility in the job	46	28.9

**Interpretation:**

This data outlines the preferences of respondents regarding various factors: Utilize my skill and knowledge: 63 respondents, constituting approximately 39.6% of the total. Career growth personally: 50 respondents, making up about 31.4% of the total. Growth and taking responsibility in the job: 46 respondents, accounting for roughly 28.9% of the total. From this, it can be inferred that the highest percentage of respondents prioritized utilizing their skills and knowledge, followed by personal career growth and taking on more responsibility in their job roles.

**CHI SQUARE:****Age and salary package:**

CHI SQUARE TEST RESULT	CHI SQUARE STATIC	DEGREE OF FREEDOM	SIGNIFICANCE LEVEL	CRITICAL CHI-SQUARE VALUE	CONCLUSION
VALUE	89.694	66	0.05	92.326	Insignificant (Fail to Reject Null Hypothesis)

**INTERPRETATION**

The chi-square test conducted yielded a statistic value of 89.694 with 66 degrees of freedom, at a significance level of 0.05. This test was employed to ascertain whether there existed a significant association between two categorical variables. Comparing the calculated chi-square value to the critical chi-square value of 92.326, it emerges that the observed frequencies do not significantly deviate from the expected frequencies. Consequently, there is insufficient evidence to reject the null hypothesis. In practical terms, this suggests that the variables under investigation are likely independent of each other. Further contextual details about the specific variables and research question would provide a more nuanced interpretation.

CHI SQUARE TEST RESULT	CHI SQUARE STATIC	DEGREE OF FREEDOM	SIGNIFICANCE LEVEL	CRTICAL CHI-SQUARE VALUE	CONCLUSION
VALUE	54.546	70	0.05	94.415	Insignificant (Fail to Reject Null Hypothesis)

### INTERPRETATION

The results of the chi-square test indicate that there is insufficient evidence to reject the null hypothesis. In practical terms, this means that the variables being analyzed are likely not significantly associated with each other. The chi-square statistic value obtained (54.546) is lower than the critical chi-square value (94.415) at the chosen significance level of 0.05, suggesting that the observed frequencies are not significantly different from the expected frequencies under the assumption of independence between the variables.

### Gender and communication:

CHI SQUARE TEST RESULT	CHI SQUARE STATIC	DEGREE OF FREEDOM	SIGNIFICANCE LEVEL	CRTICAL CHI-SQUARE VALUE	CONCLUSION
VALUE	26.833	2	0.05	5.991	significant (Reject Null Hypothesis)

### INTERPRETATION

The chi-square test was employed to analyze the relationship between two categorical variables, resulting in a chi-square statistic value of 26.833 with 2 degrees of freedom. With a significance level set at 0.05, the critical chi-square value was determined to be 5.991. Comparing the calculated chi-square value to the critical value, it was found that the former significantly surpassed the latter. Consequently, the null hypothesis, which posits independence between the variables, was rejected. This outcome indicates a notable association between the variables under scrutiny. In essence, the observed data suggest that the variables are not independent but rather exhibit a significant relationship. This underscores the importance of considering this association when interpreting the data or making conclusions based on the analysis.

**Age and expertations**

CHI SQUARE TEST RESULT	CHI SQUARE STATIC	DEGREE OF FREEDOM	SIGNIFICANCE LEVEL	CRTICAL CHI-SQUARE VALUE	CONCLUSION
VALUE	78.724	38	0.05	55.758	significant (Reject Null Hypothesis)

**INTERPRETATION**

The chi-square test was conducted with the following parameters: a chi-square statistic value of 78.724, 38 degrees of freedom, and a significance level of 0.05. The critical chi-square value was determined to be 55.758. Comparing the calculated chi-square value to the critical value, it is evident that the former significantly exceeds the latter. Consequently, the null hypothesis, which assumes independence between the variables, is rejected. This result indicates a significant association between the variables under investigation. In essence, the observed data provide strong evidence to suggest that the variables are not independent but rather exhibit a meaningful relationship. This finding underscores the importance of considering this association when interpreting the data or drawing conclusions based on the analysis.

**ANNOVA**

	df	SS	MS	F	Significance F
Regression	1	4.8518129	4.8518129	4.7169791	0.0313669
Residual	157	161.48781	1.0285848		
Total	158	166.33962			

**INTERPRETATION**

The analysis of variance (ANOVA) results for the regression model indicate a significant relationship between the independent and dependent variables. The obtained F-value suggests that the model explains a substantial portion of the variability in the dependent variable, with a significance level below the conventional threshold. However, there still remains some unexplained variability in the data. Overall, these findings emphasize the importance of the regression model in predicting the dependent variable, though further assessments are needed to validate the model and understand its practical implications.



**Findings:****1. Factors Contributing to Employee Turnover:**

The study identified several factors influencing turnover in the IT sector, including dissatisfaction with policy and procedures, availability of benefits such as free transport and holiday packages, and unmet personal expectations regarding career growth and skill utilization.

**2. Employee Preferences for Retention Incentives:**

Employees showed a preference for retention incentives such as bonuses, free transport, and housing allowances. These factors were identified as significant in enticing employees to stay with their current employers.

**3. Statistical Associations:**

Statistical analyses, including chi-square tests and ANOVA, revealed significant associations between demographic variables (such as gender and age) and preferences for benefits and expectations. For example, gender was associated with communication preferences, and age was associated with salary package preferences and expectations.

**4. Effectiveness of Current Strategies:**

While the study did not explicitly assess the effectiveness of current retention strategies, it highlighted the importance of aligning strategies with employee preferences and addressing factors contributing to turnover.

**Suggestions:****1. Revise Policy and Procedures:**

Companies should review and revise their policies and procedures to address employee dissatisfaction and improve retention. This could involve streamlining processes, enhancing communication, and providing clearer guidelines for career advancement.

**2. Enhance Benefits Packages:**

Offering attractive benefits such as bonuses, free transport, and housing allowances can significantly improve employee satisfaction and retention. Companies should consider revising their benefits packages to align with employee preferences and industry standards.

**3. Career Development Opportunities:**

Providing opportunities for skill utilization, career growth, and taking on more responsibilities can increase employee engagement and loyalty. Companies should invest in training and development programs to support employees' professional growth.

**4. Tailored Retention Strategies:**

Employers should develop tailored retention strategies that address the diverse needs and preferences of their workforce. This may involve conducting regular employee surveys, implementing flexible work arrangements, and fostering a positive work culture.

## 5. Regular Feedback Mechanisms:

Establishing regular feedback mechanisms allows employees to voice their concerns and suggestions, fostering a sense of ownership and engagement. Companies should encourage open communication and actively seek feedback from employees to identify areas for improvement.

## 6. Monitor and Evaluate:

Continuous monitoring and evaluation of retention strategies are essential to assess their effectiveness and make necessary adjustments. Companies should track turnover rates, conduct exit interviews, and analyze employee feedback to identify trends and implement targeted interventions.

Overall, implementing these suggestions can help IT companies in Coimbatore City improve employee retention, foster a positive work environment, and ultimately drive business success.

## CONCLUSION

The study on Employee Turnover in Coimbatore City's IT Sector highlights key factors influencing turnover and employee preferences for retention incentives. It emphasizes the need for companies to align policies, benefits, and career development opportunities with employee expectations to improve retention. Tailored strategies, regular feedback, and monitoring are essential for fostering a positive work environment and organizational success.

## REFERENCES

- [1] Gartner, A. M. (2005). Correlates of Turnover Propensity of Software Professionals in Small High Tech companies. *R&D Manager*, 19(4), 325-334.
- [2] Getzlaf, S. B., Sedlacek, G. M., Kearney, K. A., and Blackwell, J. M. (1984). Two Types of Voluntary Undergraduate Attrition: Application of Tinto's Model. *Research in Higher Education*, 20(3), 257-268.
- [3] Gilliver, S. (2009). Badenoch and Clark guide. *Employer Branding Essentials*, 4(3), 25– 39.
- [4] Johnson, P., and Gill, R. (1993). *Theory and Practice of Leadership*. Thousand Oaks, CA: Sage.
- [5] Jones, Derek C., Takao, K., and Weinberg, A. (2003). *Changing Employment Practices and the Quality of Jobs in Central New York: Evidence from Case studies of Medium-Sized Manufacturing Establishments in Central New York*. Paper presented at the Joint Conference of the Rockefeller and the Russell Sage Foundations on Evidence from the Future of Work Program's Case Studies, May 2-3
- [7] Maxwell, R., and Knox, S. (2009). Motivating Employees to “live the brand”: a comparative case study of employer brand attractiveness within the firm. *Journal of Marketing Management*, . 25(9-10), 893-907.
- [8] Moroko, L., and Uncles, M. (2008). Successful Employer Brands. *Brand Management*, 16(3), 160 175.
- [9] Priyadarshi, P. (2011), Employer Brand Image as Predictor Employee Satisfaction, Affective Commitment and Turnover”. *Indian Journal of Industrial Relations*, 46(3), 32– 45.
- [10] Sharma, R. D., and Jyoti, J. (2009). University Job Satisfaction of Teachers: An Empirical Study. *Journal of Services Research*. 9(2). Provided by ProQuest LLC.