CHAPTER 6
CONCLUSION AND SCOPE FOR FUTURE RESEARCH
6.1 Overview
This chapter outlines the most significant findings of the study. It gives a gist of all the findings discussed in the previous chapter.

6.2 Summary of the Research Findings
It has been observed and researched that an organization where the employees are not valued or their skills are unutilized prolifically or they are not heard, would lose them out to other organizations. This creates a lot of chaos in the minds of employees and employer unable to decipher the root cause of attrition. From the study, it was found that retention of employees is largely dependent on four components i.e. Competition, Environment, Growth, Relationship and Support. It is imperative on behalf of Employer to motivate the employees on all factors in order to retain the employees.

This study helped in exploring the measures taken by the employers. The findings made it very clear that there is no single approach that can be used to retain employees. Also, the old age strategies are proving to be outdated and ineffective with gen X, Y and millennials. With the massive changes in the work and the workplace, it has become important to work on executing the retention strategies rather than them just being on papers. Retention is a combination of various factors which vary in their importance from organization to organization. Today organizations have realized that the success of the business is determined by the quality of the talent of the overall workforce. Recruiting and retaining the skilled and talented employees is a very difficult task and consumes a lot of time and efforts of the organization. Often the cost associated with employee turnover is ignored by the employers which result in a huge loss to the organization. IT executives are reporting higher turnover rates these days and that the employer should work and concentrate on the retention strategies are there than hiring strategies.

The study reveals the most influencing factors that lead to employee retention. After a detailed pilot study, the questionnaire for the final data collection was prepared. There were two sets of questionnaires prepared; one was for the employee respondents and the other for the HR respondents working in IT services Industry in Bengaluru.

Respondents belonging to different competencies answered the survey questionnaire. It is observed that the average years of experience was 4 to 10 years. It can be concluded that respondents belonging to the large size organizations were more concerned about the
strategies used by the organization to retain them. From the SPSS analysis and output results it is found that the dependent variable is highly influenced by the factors like Career Growth, Work-Life Balance, Approachable and Cooperative Supervisor, Flexible Working Hours, Opportunities resulting Promotion, Training and Development, Team Work, Shorten Feedback Loop, Fringe Benefits, Opportunities resulting New Assignments, Mentoring Programs etc.

IT Industry is such that it allows the fairer sex to have a better balance between their professional and personal lives. The maturity by virtue of age aiding the workforce of IT Industry to assimilate and adjust to the Industry ethos, work culture, compensation expectations, work-life balance etc. As we know IT Industry is a knowledge industry and employees need to constantly upgrade or add new skills in order to stay relevant and to grow in their career. Hence as expected none of the undergraduates reported extreme satisfaction with their tasks due to the inadequate opportunities available due to inadequate education levels comparatively to the more academically more qualified peers. It is found that in the initial phase of their career, employees in the IT industry experience a higher dissatisfaction level (this could be attributed to the comparisons made with freshers entering in other industries such as FMCG, Banking where employees are more exposed business aspects rather than Technology) but with progression of time, the numbers improve with the total work experience. Thus, it can be said that employees gradually understand the dynamics of the IT industry when they spend years and years working in the same and end up with higher satisfaction.

It is found that upon joining a new organization, employees are very gung-ho about their change. But the excitement fades with time. But after spending a few years in the organization, they become adept to the culture of the same and adapt to the same and hence experience higher satisfaction levels. Employees switch to larger organizations for better career opportunities simply because larger IT organizations have bigger and diverse projects, technologies to work on. It is found that bigger IT organizations have more human and material resources deployed in HR function towards creation and execution of employee retention strategies.
6.2.1 Listed below are the most influencing retention factors:

1. Career Growth – Both employees and the employer consider that providing good opportunities for career growth is one the most important factor that helps in retaining the skilled employees of the organization.

2. Work-life Balance – It was observed that every employee wants a balance between the personal and professional life. With the increase of work load and to uphold the quality of deliverables, employees work hard which creates an imbalance in their personal and professional life.

3. Approachable Supervisor – Managers of the organizations with a higher rate of retention are found to be more approachable and cooperative. The primary reason for the same is that they empower the employees in different ways. A few being they encourage their team members for the up-skilling and cross-skilling trainings provided by the organization so that the employees develop new skill sets and feel secure about their future. Also they motivate the employees to create a balance between their professional and personal life.

4. Flexible Working Hours – In IT industry this factor is something that employees want the employers to consider as one of the key components of work-life balance and thus to maintain their productivity. Providing flexibility in working hours leads to high productivity and employee satisfaction.

5. Promotion – Employees stated that there should be ample opportunities for promotion in the organization in order to keep the employees motivated. Organization should definitely consider this strategy as an important one because employees of all age and experience equally desire to get promoted after reasonable time and efforts in a position. Also from various studies it has been observed and proved that employees deeply desire to get promoted even earlier when they perform exceptionally well.

6. Training & Development – Training and Development programs always help the employees to gain more knowledge and skills. Employees appreciate when the employer provides regular training and development programs. At the same time these programs help the employers to retain the employees for a longer period of time.

7. Team Work – Team work is another very important factor for employee retention. In today’s work-place none of the employees can work or perform their jobs all alone due to the highly integrated modules between different work items in IT Industry. Hence, it is important to encourage every employee to work in a team. Team work has other benefits
for the employees as well. The work load reduces and the employees exchange knowledge when they work in a team.

8. Feedback Loop–From the output of the various tests it can be inferred that the employees consider following a short feedback loop for the work done. They want to get the feedback frequently i.e. instead of getting the feedback on an annual or half-yearly basis. If the manager provides the feedback for any work done almost instantly, it will be easy and highly motivating for the employees to perform better in the same task or the related tasks which in turn affects their longevity in the organization.

9. Fringe Benefits – Today only pay or remuneration does not motivate the employees. The dataset of the employees reveals that they want the employer to provide fringe benefits apart from the standard remuneration. It turns out to be a distinguishing element for the organization and becomes a must when it is provided by other organizations in the same industry.

10. New Assignments – Opportunities to get aligned to new assignments is something that employees of the IT service industry expect from their employers. The observation is that the employees treat this factor to be important as it provided new learnings and opportunities to develop their skills. Every employee wants to get opportunities to work for different projects and assignments as it will help them to gain more knowledge and skills.

11. Mentoring Programs – On the basis of the tests results it is inferred that employees look forward to some good mentoring programs right from the time they join the organization. Mentoring of the employees keeps them motivated and satisfied with their job.

Significant contribution have been made as the study reveals the areas where the employer needs to focus more on and to consider the influence of the important retention factors, for the industry’s overall performance. In addition to practical implications the present study also contributed to existing literature. This study, contributed to the current understanding of how the above 11 factors out the 30 factors identified factors, are the most influencing factors that leads to retention of employees.

The holistic analysis of this study added to the existing research, by identifying and comparing those retention factors which has more influence towards employee retention. The study confirmed the results of the existing studies that also emphasized on factors like Career Growth, Remuneration, Promotion, Rewards and Incentives, Job Security, Policies & Culture, Good Welfare Measures, Fringe Benefits, Team Work etc. (e.g. Doh et al. 2011,
However, the present study also identified factors like Stress reduction Programs, Flexibility in Working Hours, Healthy Work Environment, Open Communication Policy, Training for different domain, Day-care Facility, Transport Facility, Shorten Feedback Loop, Motivation by immediate Supervisor, Respect and Fair Treatment, Opportunities to develop New Skills, Adequate Leave and Leave Benefits etc. which were not much emphasized in the existing literature and only partly focused items was studied and which was not in the prior studies in the domain of IT Services Industry. Moreover, the study contributed a theoretical model for Employee Retention. The results show that Incidental Factors, Quintessentials Factors and Motivational Factors have the highest importance. The study conducted separately quantitative and qualitative analysis of the dataset. Eventually, the quantitative analysis of these retention factors has been conducted which has not yet applied in the context before.

6.2.2 Gap between Employer and Employee Perspective

From the analysis of the primary data, it can be found that Employee’s perspective towards the retention factors are different from that of the Employer’s perspectives. The Employees consider Career Growth to be the most important driving factor to stay with the organization whereas the employer does not give it that degree of importance. According to the employees, factors like stress reduction programs, fringe benefits, transport facility, day-care facility, Work-life Balance, Welfare Measures etc. are some of the influencing factors but as per the employer’s data output, these factors are not considered as the influencing factors for retention of the employees.

6.3 Research Contributions

This study provides an in-depth information about the various factors that affect the retention rates in the IT Service Industry. The study is limited to analyse only on the retention strategies formulated and implemented by the organizations. Today the role of remuneration in retention is debatable and the study also provided evidence that as per the employees of the IT service industry remuneration does no act as the primary influencing factor.

Although the employer does consider it to be important. In fact, the study results point that there is no correlation between the remuneration and the duration of stay with the
organization. Remuneration acts as a secondary driver for retention of employees. Employees desire to have internal career development and respect and fair treatment from others. They wish to develop good corporate social networks. Employees with critical skills and in a work position which they enjoy are proved to be more productive and engaged and they stay for a longer period of time with the organization.

At the same time organizations should take efforts to communicate with the employees when they cannot fulfill all the demands of the employees. Organizations should take efforts to bring most of the retention strategies into practice and but employees are also expected to understand the limitations of the organization. Both the employer and employee should put themselves in each other’s shoes and understand the situation. This would definitely help both the parties in solving most of the problems. Every organization would face serious manpower issues if they do not have good qualified Human Resource team which focusses on the retention strategies apart from their day to day operational works.

6.4 Recommendations
An employer cannot assume that the employees know what they have to do or what the employer is expecting out of them. Orientation programs are mandatory even for the experienced employees. Aspects of history, vision, service, departmental roles, performance expectations etc. should be shared with all the employees and elicited occasionally. Educational programs related to the interdepartmental work should be conducted for the employees. Lack of respect has been identified as one of the critical issue resulting in employee attrition. Mutual respect does not cost anything to the organization or to human beings and developing a culture for the same will help the organizations retain their employees. Since it is the individual and collective work of employees and smaller team, which bring the overall results for the organization, the employers need to follow the bottom-up approach. Employees work harder and get motivated towards their work when their inputs and ideas are considered. In order to contribute to their fullest, the employees need to know what does the team leader needs in the form of deliverables and what is the overall direction of the organization.
Recommendations from Focus Group Discussion

Based on the focus group discussion following are some recommendations provided by the HR participants of the discussion:

❖ Employers should conduct Stay Interviews to address the attrition issue.
❖ The retention strategies should be assessed and updated annually.
❖ Extra Effort like providing e-cards (with points) to the employees or e-buttons to make employees appreciated can prove to be less costly and easy to use.
❖ Employer should appreciate and acknowledge employees in order to retain and build loyalty among the employees.
❖ Employer should show concern and extend help whenever possible to employees.
❖ Promoting Team Work should be encouraged.
❖ Medium sized organizations should provide work from home facility, more flexible vacation offerings and performance bonus which will lead to employee retention.
❖ Providing compressed work schedules or back-up day care can be an excellent factor to retain the employees.
❖ Employees wish to have social interaction and a rewarding work environment. They desire to receive respect and recognition from managers, and also a challenging position which allows them to learn and move up.

6.5 Limitations
To assess the true impact, it would require studying some other crucial factors like location, local labour availability, market demography etc. Also, it has been observed that along with the study on Retention, researchers also study the factors leading to the attrition of the employees. This was never the intent of this study. The study is limited to only those respondents who wished to answer the questionnaire. This study only focused on the factors leading to the retention of employees in the mid-sized and the large sized IT Service Industry. Interviews with HR personnel’s was cumbersome, as it was difficult to get appointments and discuss about the retention of employees. The summary message is that the majority of the practices are present theoretically in the majority of organizations, regardless of their employee turnover but they need to be emphasized into action in the order of their importance and effectiveness from employees’ point of view.
6.6 Scope for Future Research
The scope for future research can be the study conducted in different geographic regions like different countries, states, different industries with more variations in the socio-economic profiles, between Indian IT companies and MNC’s etc. Future research can take place so as to enrich the research work as over a period of time, factors like employees’ awareness and information about the strategies may change. Researchers will be encouraged to create and develop new constructs related to the retention of employees in the IT Service Industry.

6.7 Summary
The thesis highlights the importance of identifying the demographic, dependent and independent variables that play an important role in the retention of employees, particularly in the IT Service Industry of Bengaluru. The chapter also discusses the limitations and contribution of the research findings and thus adds perspectives of other scholars in their future scope of research.