CHAPTER 3
OBJECTIVES AND HYPOTHESES
3.1 Overview
This chapter of the thesis helps to address the research gap based on the review of the existing literature mentioned in chapter 2. Based on the research gap, objectives have been designed and the hypotheses which will be tested to achieve the objectives at the end of the research.

3.2 Relevance of the topic
The success of any organization depends largely on the workforce, i.e. the employees. Employees are considered as the backbone of the organization. This research is undertaken to identify some of major the dissatisfaction factors they face in the organization and for what reason they prefer to change their jobs. At the same time, the employees should also be satisfied with what the employer has invested or is going to invest in him/her for his/her career development. And this could not happen with the same strategies, even the strategies need to be changed.

Thus, this study can be helpful in knowing the attitude and behaviour of the employees working with the organization. This would help to know why an employee wants to leave the organization and which factors become the reasons of his/her leaving the organization. Strategies should be such that it builds and sustain a long relationship with the employees. The employer should offer a challenging, interesting and meaningful work.

3.3 Problem Statement
In today’s scenario organizations take a proactive measure to formulate the retention strategies. Retention Strategies help organizations to improve employee commitment and enhance workforce support for key corporate initiatives.

Organizations are working towards the incorporating various ways which improve the loyalty and commitment of the employees and also towards their willingness to be highly productive but still the attrition rate is quite high. Every organization has almost similar retention policies and strategies but the influence of these retention factors differs from organization to organization. Thus, it is very crucial to understand and identify the most influencing retention factors according to the expectations of the employees.
3.4 Research Questions
1. What are the most important and crucial retention factors that the organization uses to encourage the employees to stay with the organization?
2. What are the factors which the employees consider as a motivator or catalyst to stay with the organization?
3. Does the employer update their retention strategies with time?
4. Does demographic profile of the employees affect the tenure and loyalty of the employees towards the organization?
5. What are the factors which the employees consider to be included in the retention strategies?

3.5 Research Objectives
The existing literature helped to frame the objectives. Also, the need to identify the gap that is prevalent in the IT Services Industry helped in identifying the objectives. In order to finalize the objectives the variables which influence the employee behaviour of the IT Services Industry have been considered and examined. Following are the research objectives:

1. To analyze the retention factors influencing the retention of employees in the IT Services Industry in Bengaluru.
2. To analyze the initiatives taken by the organization towards the retention of employees in the IT Services Industry in Bengaluru.
3. To analyze the demographic factors influencing the retention of employees in the IT Services Industry in Bengaluru.
4. To compare the employee and employer perspective towards retention of employees in the IT Services Industry in Bengaluru.

3.6 Proposed Models by other Authors
There were many research papers which talked about the factors affecting the retention of employees. Some of which are listed below:

1. Deery, M. in his study stated that retention of employees is affected by different factors which he categorized into Organizational and Personal Dimensions. His research work clearly stated that employee retention is dependent on factors like Working hours, Remuneration, Career Growth, Education Qualification, Stress, Work-life Balance. Hence, I found this model to be relevant for my study.
2. The second structure that was referred was proposed by Nabi et al. (2016) in which employee satisfaction was considered as a dependent variable and independent variables.

Source: Nabi et al. (2016)
3. Last but not the least another model referred by K. Collins in 2015 was studied. This is the Herzberg’s Two-Factor Theory, which helped me in determining the factors which can lead to employee satisfaction and the ones which can affect the intention of the employees to be loyal with the organization and have a longer tenure with the firm.

Figure 3.3: Employee Satisfaction Model 3


3.7 Research Hypotheses
A set of 30 hypotheses has been formulated related to the retention sub-factors, which will be tested and conclusions will be drawn on the basis of the test results. The hypotheses are mentioned below:

Mapping of the identified Retention Factors for Employee Retention with respect to the above models

Based on the literature review various models related to employee retention were studied and some of these identified factors that influence the retention of employees were categorized.
3.7.1 The Model proposed based on Employees Perspective

Figure 3.4: Employee Retention Model

Source: Conceptual Model proposed by Researcher

3.7.1 Hypotheses Formulated

Employees - Questionnaire

1. Based on Motivational Factors

H01: Opportunities for career growth provided by the organization does not significantly influence retention of employees.

H02: Retention of employees does not get significantly influenced by the remuneration provided by the organization if it’s as per industry standards.

H03: Retention of employees does not get significantly influenced if opportunities resulting Promotion are available in the organization.

H04: Retention of employees does not get significantly influenced if a sense of Job security is experienced by the employees.
H05: Good and healthy Working Environment does not significantly influence Retention of employees.

2. Based on Primary Hygiene Factors

H01: Transport Facility provided by the organization does not significantly influence Retention of employees.

H02: Availability of Day Care Facility for working mothers and guardians does not significantly influence Retention of employees.

H03: Good Welfare Measures provided for the employees does not significantly influence Retention of employees.

H04: Organization providing Fringe Benefits does not significantly influence Retention of employees.

H05: Stress reduction programs like yoga, meditation, health care, etc. conducted by the organization does not significantly influence Retention of employees.

3. Based on Secondary Hygiene Factors

H01: Additional training provided for different domain jobs or task does not significantly influence Retention of employees.

H02: Organization encouraging higher education does not significantly influence Retention of employees.

H03: Mentoring Programs for employees does not significantly influence Retention of employees.

4. Based on Project Environment Factors

H01: Flexibility in Working Hours emphasized by the organization does not significantly influence Retention of employees.

H02: A good Rewards and Incentive System does not significantly influence Retention of employees.

H03: Focus on Team Work and to develop Leadership Skills in the employees does not significantly influence Retention of employees.
H04: Guidance and Motivation provided by the Immediate Supervisor does not significantly influence Retention of employees.

H05: Opportunities for new assignments provided by the organization does not significantly influence Retention of employees.

5. Based on Organizational Environment Factors

H01: Open Communication Policy followed by the organization does not significantly influence Retention of employees.

H02: Feedback provided by the superiors for every small work done does not significantly influence Retention of employees.

H03: Freedom of Employee’s participation in Management does not significantly influence Retention of employees.

6. Based on Involvement/Sense of Belongingness Factors

H01: Respect & Fair Treatment received from managers and other employees does not significantly influence Retention of employees.

H02: Opportunities available to develop New Skills does not significantly influence Retention of employees.

H03: Adequate leave and leave benefits provided by the organization does not significantly influence Retention of employees.

H04: Organizations policies and culture which creates a positive environment does not significantly influence Retention of employees.

H05: Promoting Work-life Balance by the organization does not significantly influence Retention of employees.

7. Based on Growth and Recognition Factors

H01: Performance Appraisal System followed as per industry standards does not significantly influence Retention of employees.

H02: Recognition of good performance does not significantly influence Retention of employees.
H03: Approachable and co-operative supervisor does not significantly influence Retention of employees.

H04: Adequate Training & Development programs provided by the organization for growth does not significantly influence Retention of employees.

3.7.2 The Model proposed based on HR’s Perspective

Figure 3.5: Employee Retention Model

Source: Conceptual Model proposed by Researcher

3.7.2 Hypotheses Formulated

HR’s Questionnaire

1. Based on Incidental Factors

H01: Organizations initiative towards providing adequate training and development does not significantly influence retention of employees.

H02: Organizations initiative towards open communication policy does not significantly influence retention of employees.
H03: Organizations initiative towards providing additional training of different domains does not significantly influence retention of employees.

H04: Organizations initiative towards providing flexibility in working hours does not significantly influence retention of employees.

H05: Organizations initiative towards Encouragement and Financing of higher education does not significantly influence retention of employees.

H06: Organizations initiative towards employee participation in management decision does not significantly influence retention of employees.

H07: Organizations initiative towards providing opportunities to develop new skills does not significantly influence retention of employees.

H08: Organizations initiative towards providing leave benefits does not significantly influence retention of employees.

2. **Based on Hygiene Factors**

H01: Organizations initiative towards providing work-life balance does not significantly influence retention of employees.

H02: Organizations initiative towards providing good welfare measures does not significantly influence retention of employees.

H03: Organizations initiative towards providing fringe benefits does not significantly influence retention of employees.

H04: Organizations initiative towards providing transport facility does not significantly influence retention of employees.

H05: Organizations initiative towards providing day care facility does not significantly influence retention of employees.

H06: Organizations initiative towards providing stress reduction programs does not significantly influence retention of employees.
3. Based on Secondary Motivational Factors

H01: Organizations initiative towards providing rewards and incentives programs does not significantly influence retention of employees.

H02: Organizations initiative towards encouraging team work does not significantly influence retention of employees.

H03: Organizations initiative towards implementing shorten feedback loop does not significantly influence retention of employees.

H04: Organizations initiative towards providing mentoring programs does not significantly influence retention of employees.

H05: Organizations initiative towards policies and culture adopted does not significantly influence retention of employees.

H06: Organizations initiative towards guidance and motivation provided by the supervisor does not significantly influence retention of employees.

H07: Organizations initiative towards providing respect and fair treatment does not significantly influence retention of employees.

H08: Organizations initiative towards providing new assignments opportunities does not significantly influence retention of employees.

4. Based on Primary Motivational Factors

H01: Organizations initiative towards providing good and healthy working environment does not significantly influence retention of employees.

H02: Organizations initiative towards standard performance appraisal system does not significantly influence retention of employees.

H03: Organizations initiative towards recognition of good performance does not significantly influence retention of employees.

H04: Organizations initiative towards approachable and cooperative supervisor does not significantly influence retention of employees.
5. Based on Quintessential Factors

H01: Organizations initiative towards career growth of the employees does not significantly influence retention of employees.

H02: Organizations initiative towards providing standard remuneration does not significantly influence retention of employees.

H03: Organizations initiative towards providing promotion does not significantly influence retention of employees.

H04: Organizations initiative towards providing job security does not significantly influence retention of employees.

3.8 Summary
This chapter briefs about the objectives and hypotheses that were framed based on the review of different literatures and on the research gaps that were identified in the previous chapter. Also, this chapter includes the Null and Alternative hypotheses regarding each retention strategy that was identified and needs to be studied.