ABSTRACT

The biggest challenge faced by organizations in 21st century is how to retain the key employees. Employees are the only assets of organizations where their value does not depreciate with time. The organizations cannot afford to lose such employees. Employee turnover is the symptom of large systematic problem such as ineffective retention plan. Effective retention strategies can reduce the employee turnover and increase the retention of employees within an organization. Such, key employees/performers are the instruments for overall growth and development of organizations and for retaining such employees’ organizations must design the best and appropriate strategies.

A comparative study was undertaken among selected manufacturing and IT firms in Mysore district. Both descriptive and exploratory research methods were adopted for the research. Hypotheses were formulated and tested with the aid of statistical tools and techniques. The key objective of the study was to compare the retention strategies adopted in manufacturing and IT firms and study the reasons for employee attrition. Further in the study, opinion and perceptions of both employers and employees towards employee retention strategies has been explored. For the study, a sample of 610 respondents was chosen from selected manufacturing and IT firms, in around Mysore district. The sample was chosen based on stratified Random Sampling. Out of 610 respondents 300 were from manufacturing and 300 from IT firms. The sample was further stratified on the basis of managerial level, gender and experience.

The results of the research were found to be quite impressive as the select manufacturing and IT firms adopted similar strategies for retaining employees. The reasons for employees leaving the firms were different from the employers’ and employees’ point of view. The perception of respondents of Manufacturing and IT firms towards retention strategies were different for almost all strategies. Employers of both Manufacturing and IT firms had similar views on the availability of strategies but employees view differed on the variables viz ‘employee engagement’, ‘employer-employee relationship’, ‘job satisfaction’, ‘training and development’ and ‘morale’.
The employers of both manufacturing and IT firms had similar views on the importance of employee retention strategies, except for ‘compensation’ and ‘performance appraisal system’. However, in the opinion of employees they differed on most of the variables viz ‘compensation’, ‘career development opportunities’, ‘performance appraisal system’, ‘motivation’, ‘job satisfaction’ and ‘morale’. Further the results revealed that each strategy had a relative strength in retaining employees, where the percentages of all these strategies were above 70%, specifically ‘performance appraisal system’ and ‘job satisfaction’. The adoption of retention strategies were specific only to few strategies among both manufacturing and IT firms. However, the other strategies were also important in employee retention. This needs to be understood and properly implemented. Further the researcher has made an attempt to give suggestions based on the findings.