

## FACTORS PREDICTING EMPLOYEE INTENTION TO STAY IN THE IT SECTOR

**Krishna Prakash M**

Research Scholar, Faculty of Management, SRMIST, Kattankulathur, Chennai

**Dr. Jawahar Philimis**

Assistant Professor, Faculty of Management, SRMIST, Kattankulathur, Chennai

### **Abstract**

Employee intention to stay is an important aspect of the business strategy as it contributes to the growth of the organization. Retaining employees, particularly talented employees, would give the company a competitive advantage over the long term.

Thus, this study was conducted to understand the factors influencing employee intention to stay in the IT sector. This is a conceptual paper reviewing the research articles, news, and other sources related to retention for the past 10 years to understand the IT industry.

Many of the employees may also tend to leave the job for various undisclosed reasons, such as lack of job security, lack of career advancement, desire for change in new opportunities, anticipating higher pay, problems with supervisors, and a few other personal reasons. It creates great difficulty for human resources personnel to fill the gap that has occurred. Modern human resource managers are taking various steps to reduce the employee attrition rate, and it has been a pivotal challenge for today's managers.

This study examined broad factors such as compensation, work-life balance; work environment, job security, job satisfaction, training, and development in depth. The measures and initiatives taken by the company should be more consistent to encourage employees to stay. Long-term retention requires a structured and inclusive approach.

**Keywords: Intention to stay, Training and development, Compensation, and job satisfaction.**

### **1. Introduction**

Employees have always been valuable assets to any company. They might be referred to as an organization's lifeblood due to their vital nature. As technology advances, most firms are becoming increasingly technology-driven. However, because technology requires human resources to function, this circumstance does not diminish the worth of employees in a business.

In most industries, competition is becoming more intense as a result of challenges such as globalization. This condition has an impact on the job market since organizations need more human resources to stay competitive in their respective industries. To be competitive, organizations must not only attract the best talents but also keep them on the job for a long time.

The most difficult task that businesses face nowadays is not just how to manage people, but also how to keep them on the job for as long as possible while keeping them healthy and motivated.

This research focuses on the factors that influence employee intention to stay in the IT Sector.

### Current Scenario of Software Industry in India

The Indian Software Industry plays a critical role in India's economic growth. The software industry in India is viewed as the growth engine of the Indian economy, contributing to an increase in Gross Domestic Product (GDP), urban employment, and exports. Over the last decade, the Software industry has grown by more than 40 to 50 percent annually. In India, Software companies are concentrated in certain places like Bangalore, Chennai, Hyderabad, and Delhi.

In the subsequent sections, the literature review, Conceptual framework, Recommendations, and conclusion are presented.

## 2. Literature review

A literature review on Factors influencing employees' intention to stay

S.No	Author(s)	Study based on	Abstract
1	Lee Ching Kuo et al.,	Preliminary Study of Intention to Stay among the IT Employees in Klang Valley, Malaysia	The purpose of this preliminary study is to examine the effects of human resource management practices on the intention to stay among the IT employees in Klang Valley, Malaysia
2	Arti Gupta and Vrijendra Singh	Enhancing intention to stay among software professionals	The purpose of this paper is to posit a model, which postulates the effect of procedural and interactional justice on distributive justice, which further impacts employees' intention to stay
3	Ismatilla Mardanov	Intrinsic and extrinsic motivation, organizational context, employee contentment, job satisfaction, performance, and intention to stay	Purpose – The purpose of the present study is to examine the determinants of employee contentment and its effects on job satisfaction, separation, and performance; define employee contentment as employee happiness/ enjoyment at work triggered by employee intrinsic and extrinsic motivation and organizational context
4	Piyali Ghosh and Rachita Satyawadi et al.,	Who stays with you? Factors predicting employees' intention to stay	The study was conducted to discover the factors which maximally discriminate between those employees who intend to leave the organization and those who intend to stay with the organization
5	Lohana Juariyah et al.,	Factors Analysis of Employees' Intention to	This study is focusing on ascertaining three things. First, what factors can lead

		Stay in Chemical Manufacturing	employees to stay in the manufacturing industry?
6	Nomahaza Mahadi et al.,	Determinant Factors for Employee Retention: Should I Stay?	This paper provides a better understanding of how organizations could identify new strategies to improve their employee retention program

## 2.2 Problem Statement

Employee intention to stay has become a major issue in the global economy because most employees are leaving organizations to pursue other opportunities. In some cases, employees do not even inform their employers of their intention to leave. However, some of them are giving prior notice to leave organizations and firms by organizational norms and pursue better opportunities.

To fill vacant positions and look for new employees appointed from time to time in the place of the employees who have left, the organization suffers greatly to motivate the new employees toward desired objectives and goals. This will affect badly the HR policies in the IT Sector. To overtake this problem, major steps must be taken to retain employees in an organization for better sustainability and cognitive involvement.

## 2.3 Objectives

To identify the factors influencing employees' intention to stay in the IT Industry.

## 2.4 Research Methodology

This study is descriptive in nature and only secondary data has been used in it. The secondary data consists of books and various research journals.

This present study examined earlier studies on employee retention to describe them and define a distinct phenomenon.

The current study utilized 25 research papers from the year (2012 – 2023) (from sources including Google Scholar, Emerald, Springer, Elsevier, and Scopus articles) to gather relevant information.

## 2.5 Employee intention to stay

Intention to stay is defined as “the extent to which an employee plans to continue the relationship with his or her employer” (McCloskey and McCain, 1987).

Employees willing to stay in the organization for a long term prefer to be involved and focused on their work rather than having a low-performance orientation or indulging in deviant behaviors (Krishnan and Singh, 2010)

## 2.6 Factors Affecting Employees' intention to stay

### Overview

In previous research, several factors associated with employee intention to stay have been identified. The factors commonly cited are developmental opportunities and quality supervision, compensation and appreciation of work done; leadership; organizational support, job flexibility, relationships with colleagues, work-life balance, communication, work environment, and training and development.

Bodjrenou Kossivi and Ming Xu have identified eight intention-to-stay factors: development opportunities, compensation, work-life balance, leadership, work environment, social support, autonomy, and training and development.

Our analysis of individual factors is mainly based on the work of Bodjrenou Kossivi. In our opinion, these eight retention factors are quite crucial for retaining personnel.

## 2.7 Compensation

Compensation is a monetary payment made to an individual in exchange for their services. It includes salary or wages, commission, and any incentives or perks that come with the given employee's position.

Many researchers have been conducted on the relationship between compensation and employee retention. In 2021 Pieter Schaap and his team have identified compensation as a more important factor to retain employees. Pay has a mixed effect on retention, according to researchers. For some employees, pay satisfaction is a big factor in whether or not they stay with the company.

William D. Frye (2019) observed that pay has a more positive impact on the employees retained in the organization. Pay is very important now a day's, especially in a pandemic situation like COVID-19. The pandemic has yet to be over. Many employees prioritize packages as their top priority; thus, I'll assume that compensation is a significant component in keeping personnel in the firm.

## 2.8 Training and Development

Training and development initiatives are educational activities within an organization that is designed to improve the job performance of an individual or group. Training and development in public and private enterprises is a vital department to the organization.

These programs usually entail improving a worker's knowledge and skill sets as well as increasing motivation to improve job performance.

Many researchers have been conducted on the relationship between Training and Development and employee retention. Based upon these studies Training and development has one of the key factors for employees in the organization, especially in the IT Sector. In the year 2020, Ryan Joseph Calinao <sup>(2)</sup> observed that there is a strong relationship between Training and development and retention.

The majority of employees left the company after receiving training, resulting in a loss of money, time, and resources for the company. As a result, the company must choose its staff carefully and provide them with training. Moaz Nagib Gharib (2019) states that Training and development have a positive impact on retention.

Shahtaj Yousuf (2019) has concluded that training and development is one of the important factors evident to contribute to accelerating the retention rate of employees at different variations. Dr. M. Kavitha (2019) has found that training and career development is a leading motivator that leads to retention. As a result, training and development are crucial components for both the organization and the employees.

## 2.9 Work Environment

The setting, social features, and physical conditions in which you perform your job are referred to as a "work environment." These elements can impact feelings of well-being, workplace relationships, collaboration, efficiency, and employee health.

The work environment is essential for the employees to work freely and give high productivity to the organization. Syed Harris and Syed Noordin (2021) have identified that employee retention is positively impacted by rewards and the work environment.

Many researchers have found that work environment factors are very crucial factors in their studies.

Employee retention appears to be influenced by a pleasant work environment. Various studies note that the work environment has a direct influence on an organization's ability to maintain its workforce, which leads to improved employee retention. DR. Mahesh VJ has identified that a good working environment positively impacts employee retention in the IT sector in the year 2020. As an outcome, I argue that the workplace atmosphere is a significant factor in retaining personnel.

## 2.10 Work-Life Balance

Work-life balance is a state of equilibrium in which one's professional and personal obligations are effectively balanced. A person who does not have a work-life balance has more work and home responsibilities, works longer hours, and does not have enough personal time.

A previous study has noted that work-life balance is a very crucial factor in retaining employees nowadays, especially in the IT sector. Tammama Mohapatra (2021) has identified that work-life balance is a very important key factor in retaining employees during the COVID period.

Employee retention requires a good work-life balance. Many employees nowadays prefer to spend time with their families, and most IT companies strive to maintain this feature to keep their personnel. Pieter Schaap (2020) has concluded that work-life balance has a positive impact on retention. Dr. M. Kavitha has pointed out that work-life balance, job stress, and relationships with friends are the key factors in retaining employees in the organization.

Work-life balance is one of the most important factors to consider during a pandemic, such as COVID-19. As a result, both the company and the personnel rely heavily on this element.

## 2.11 Rewards and Recognition

A reward and recognition system are one in which people are recognized for their performance in either an intrinsic or extrinsic way. Recognition and rewards are present in a work environment

where appropriate acknowledgment and appreciation of employees' efforts are given in a fair and timely manner.

Much research has been conducted on the relationship between rewards and recognition and employee retention. According to Syed Harris Syed Noordin's <sup>(6)</sup> research work from 2021, rewards have been found to have a positive and significant impact on employee retention, which would improve employee retention.

Rewards and recognizing high-performing employees are important tools for the organization. If the firms have not recognized or are not given rewards based on employees' performance, they should leave the organization.

Dr. Mahesh VJ and his team (2020) have observed that increased rewards and recognition have a positive significant impact on Employee retention in the IT sector.

As a result, I believe that one of the most important things in keeping employees for a longer amount of time is rewards and recognition.

### **2.12 Job Security**

Job security refers to the assurance that your job will be not eliminated. It's a guarantee that you'll be able to continue working in your current position for the foreseeable future. Job security comes with a feeling of protection against things like layoffs, economic downfalls, and other factors that could impact employment.

Ryan Joseph Calinao (2020) has mentioned that there is a strong relationship between Job security on retention.

Employee job security is one of the important components which brings employees' attachment to the organization.

Previous research suggests that Job security has a more positive impact on retention. Moaz Nagib Gharib (2019) and his team suggested that Job security and Job satisfaction have a more positive impact on retention. Thus, we conclude job security is a more significant factor since it ensures a consistent income and eliminates the stress of being fired at any time

### **2.13 Relationship with Superiors**

The superior-subordinate relationship is the main, sometimes the only, one that is formally established by the organization. It is the one that is shown on the traditional organization chart. For most managers, it is a key relationship and takes up more time than any other type of contact. Dr. Mahesh VJ and his team (2020) have mentioned that supervisor support and career opportunity have a positive significant impact on Employee Retention in the IT sector.

In a fast-paced work environment, any supervisor must be wary of how they handle relationships with their subordinates.

Previous research suggests that relationships with superiors are the most important factor in retention. William D. Frye has mentioned in his article that relationships with managers are important factors to retain employees in the year 2019. Dr. S R Sharma (2017), relationships with

superiors are one of the most important elements to consider when making a job transition for an IT professional.

As a result, we suggest that having a productive and positive peer connection is critical to achieving organizational goals and getting work done efficiently. Successful managers must comprehend it, possess the necessary abilities, and successfully apply them to achieve personal, team, and organizational objectives by establishing a strong internal network.

### 2.14 Job Satisfaction

Job satisfaction is a metric that measures how happy or fulfilled an employee is with their job. It is measured in behavioral, cognitive, and affective components.

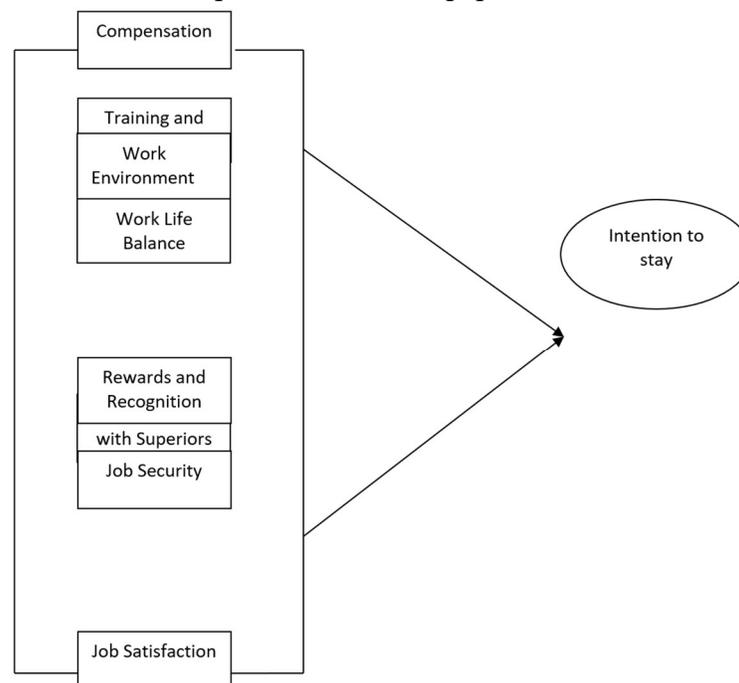
Previous research suggests that job satisfaction has the most important factor in employees' intention to stay. Yvonne Sishuwa (2020) has suggested that job satisfaction and organizational commitment as factors influencing employee retention.

Job satisfaction is the result of organization movements and apparent job experience that reveals the complex nature of the interactions. Employee job satisfaction is a mix of positive and negative feelings about their jobs. Payment, working relationships, position, and job security are examples of factors that influence job satisfaction. Moaz Nagib Gharib (2019) states that Job security and Job satisfaction have more impact on retention.

Overall job satisfaction is an important factor in helping organizations improve their overall performance and productivity. Furthermore, because employees are satisfied with their current jobs, the employee turnover rate may be dramatically reduced.

### 2.15 Factors affecting the Employee intention to stay model.

This model can be derived from our previous research papers.



## Factors affecting the Employee intention to stay model

### 3. Recommendations

There are no fixed procedures that demonstrate the relevance and significance of how to retain employees and keep them committed to the organization because employers place different emphases on different variables depending on what suits their organization best.

Hiring employees is only the first step toward developing a strong, committed workforce. The real challenge is to keep them for a very long period. Based on our research, the following are some suggestions for employee intention to stay and commitment:-

1. IT companies must consider their Working Environment, Job security, and Job satisfaction before their other tasks.
2. Organizations must conduct “stay” and “exit” interviews to understand why employees chose to leave the organization. This information will help in understanding the reasons why employees leave the organization. Based on this organizations must strengthen their employee-retention strategies.
3. Organizations should motivate employees by providing awards, rewards, and incentives once a year. It increases employees’ satisfaction and interest in the job and also increases concern productivity.
4. Retaining Key employees is critical to the long-term health and success of any organization. It is common knowledge that retaining your best employees ensures satisfied colleagues and reporting staff, effective succession planning, and deeply embedded organizational knowledge and learning.

#### 3.1 Conclusion

Employee intention to stay is a major concern for businesses these days. Organizations are now recognizing that their competitive advantage lies not in capital or physical resources, but in human resources. The retention of valuable IT workers is becoming increasingly difficult due to the complex nature and demands of the work, as well as management's inability to understand their needs, which causes them to change jobs.

When an employee decides to leave, several factors influence his decision. These factors are compensation, Work-life balance, Job security, and Job satisfaction helps in retention. If an employee leaves the organization, the HR department should intervene and find out why they are leaving. Organizations should strive to develop effective retention policies and practices.

## References

1. Moaz Nagib Gharib, Ahmad Taha Kahwaji, Mohammed Osman Elrasheed, (2017). Factors Affecting Staff Retention Strategies Used in Private Syrian Companies during the International Review of Management and Marketing, 7(2), 202-206.
2. Ryan Joseph Calinao, Frances G. Tabla, Lorenzo G. Carlo (2020), Factors affecting Employee Retention to the Services of an International Cruise Ship, Asia Pacific Journal of Academic Research in Social Sciences, Vol. 5, 1-7
3. Amandeep Kaur, Prabhjot K. Dilawari (2017), A Study to Identify the Factors Affecting Employee Retention, International Journal of Science and Research, Volume 6 Issue 5
4. Ms. Shahtaj Yousuf, Dr. Danish Ahmed Siddiqui, 2019. Factors Influencing Employee Retention: A Karachi Based Comparative Study on IT and Banking Industry, International Journal of Human Resource Studies, Vol. 9, No. 1
5. Syed Harris Syed Noordin, Nor Lelawati Jamaludin, Norina Ahmad Jamil, 2021, Factors Influencing Employee Retention; The Moderating Roles of Job Embeddedness in Ecommerce Logistic Industry, International Journal of Academic Research in Business and social sciences, Vol. 11, No. 5, 2021, Pg. 617- 638
6. Arumugam, T., Arun, R., Anitha, R., Swerna, P. L., Aruna, R., & Kadiresan, V. (2024). Advancing and Methodizing Artificial Intelligence (AI) and Socially Responsible Efforts in Real Estate Marketing. In S. Singh, S. Rajest, S. Hadoussa, A. Obaid, & R. Regin (Eds.), Data-Driven Intelligent Business Sustainability (pp. 48-59). IGI Global. <https://doi.org/10.4018/979-8-3693-0049-7.ch004>
7. Arun, Bernard Edward Swamidoss, Venkatesan (2023), Impact of Hospitality Services on Tourism Industry in Coimbatore District, Journal of Namibian Studies - History Politics Culture, Volume 33, Special Issue 3, Pp. 2381-2393.
8. Vijai, C., Bhuvanewari, L., Sathyakala, S., Dhinakaran, D. P., Arun, R., & Lakshmi, M. R. (2023). The Effect of Fintech on Customer Satisfaction Level. Journal of Survey in Fisheries Sciences, 10(3S),6628-6634.
9. Arun R, and Bhuvanewari R (2019). Buying behavior of meet's consumption relates to food safety from north and south part of the Coimbatore City. International Journal of Recent Technology and Engineering, 7, 429-433. <https://www.ijrte.org/wp-content/uploads/papers/v7i5s/ES2177017519.pdf>
10. Chandramouli Shivaratri, Prakash, Arun, Krishna Mayi, Kavitha, Sivaperumal (2023), Clothing Products Purchases through Social Media Advertisements and the Problems Involved, Remittances Review, Vol. 8, Issue 4, Pp. 3260-3268.

11. Akkur, S. A., R. R., S. S., P. D. K., Miryala, R. K., & Arun, R. (2023). Leadership Qualities Among Women Leaders in Educational Institutions at Bangalore City. *International Journal of Professional Business Review*, 8(9), e03772. <https://doi.org/10.26668/businessreview/2023.v8i9.3772>
12. P, S., Prakash, K. C., Arun, R., C. N., Kousalya, M., & Sivaperumal, K. (2023). Green HRM Practices and the Factors Forcing it: A Study on Health Care Entities in Chennai. *International Journal of Professional Business Review*, 8(9), e03773.
13. K. C. Prakash, R. Arun, Ram Chandra Kalluri, Souvik Banerjee, M R Vanithamani, Biswo Ranjan Mishra(2023), Consumer Confidence Index and Economic Growth-Indian Context after the Covid-19, *European Economic Letters*, Pp 746-754, DOI: <https://doi.org/10.52783/eel.v13i5.824>
14. Arumugam, T., Arun, R., Natarajan, S., Thoti, K. K., Shanthi, P., & Kommuri, U. K. (2024). Unlocking the Power of Artificial Intelligence and Machine Learning in Transforming Marketing as We Know It. In S. Singh, S. Rajest, S. Hadoussa, A. Obaid, & R. Regin (Eds.), *Data-Driven Intelligent Business Sustainability* (pp. 60-74). IGI Global. <https://doi.org/10.4018/979-8-3693-0049-7.ch005>
15. Pushkarprabhat D Saxena, Krishna Mayi, R. Arun, S. Santhosh Kumar, Biswo Ranjan Mishra, K. B. Praveen (2023), Impact of Artificial Intelligence on Healthcare Informatics: Opportunities and Challenges, *journal of Informatics Education and Research*,3(2), Pp. 2309-2316, <https://doi.org/10.52783/jier.v3i2.384>
16. Dimitrios Chatzoudes, Prodromos Chatzoglou, 2022, Factors Affecting Employee Retention: Proposing an Original Conceptual Framework, *International Journal of Economics and Business Administration* Volume X, Issue 1, pp. 49-76
17. Zaid Bin Khalid, Naveed Iqbal Chaudhry, 2020, Factors affecting the employee retention in the banking sector of Pakistan, *Pakistan business review*, Volume 22 Issue 2
18. Pieter Schaap, Chantal Olckers, 2020, Relationships between employee retention factors and attitudinal antecedents of voluntary turnover: An extended structural equation modeling approach, *SA Journal of Human Resource Management*,
19. William D. Frye, Soonhwa Kang, 2019, What factors influence Generation Y's employee retention in the hospitality industry? An internal marketing approach, *International Journal of Hospitality Management*,
20. Raminder Kaur, 2017, Employee Retention Models and Factors Affecting Employees Retention in IT Companies, *International Journal of Business Administration and Management*, Volume 7, Number 1

21. R. Arun, M. Umamaheswari, A. Monica, K. Sivaperumal, Sundarapandiyan Natarajan and R. Mythily, "Effectiveness Performance of Bank Credit on the Event Management Firms in Tamilnadu State", In: Satyasai Jagannath Nanda and Rajendra Prasad Yadav (eds), *Data Science and Intelligent Computing Techniques*, SCRS, India, 2023, pp. 463-470. <https://doi.org/10.56155/978-81-955020-2-8-42>
22. Singh, B., Dhinakaran, D. P., Vijai, C., Shajahan, U. S., Arun, R., & Lakshmi, M. R. (2023). Artificial Intelligence in Agriculture. *Journal of Survey in Fisheries Sciences*, 10(3S), 6601-6611.
23. Mythili, Udhayakumar, Umamaheswari, Arun (2023) Factors Determining Mutual Fund Investments in Coimbatore City, *European Chemical Bulletin*, 12(special issue 6), 4719– 4727.
24. K. Rani, Dr. J.Udhayakumar, Dr. M.Umaheswari, Dr.R.Arun,(2023) “Factors Determining The Purchases of Clothing Products Through Social Media Advertisements in Coimbatore City”, *European Chemical Bulletin*,12(special issue 6), 4728– 4737.
25. Edson Nirmal Christopher, Sivakumar, Arun ,Umamaheswari (2023) Iiimmunoinformatic Study for a Peptide Based Vaccine Against Rabies Lyssavirus Rabv Strain Pv, *European Chemical Bulletin*, 12(special issue 9), 631– 640.
26. Arun (2019), "Sustainable Green Hotels -Awareness for Travelers", *International Journal of Emerging Technologies and Innovative Research* ISSN:2349-5162, Vol.6, Issue 4, page no. pp343-347,<http://doi.one/10.1729/Journal.20408>
27. Yvonne Sishuwa, Jackson Phiri, 2020, Factors Influencing Employee Retention in the Transport and Logistics Industry, *Open Journal of Social Sciences*, 2020, 8, 145-160.
28. Tammana Mohapatra, Debasmita Nayak,2021 An Analysis of Factors Affecting Employee – Retention during Crisis of COVID -19, *International Journal for Research in Engineering Application & Management*, Vol-06, Issue-12
29. Dr. Mahesh VJ, Narmadha K R, 2020, Employee retention strategies in IT sector – a perceptual survey, *Journal of Contemporary Issues in Business and Government* Vol. 26, No. 2
30. Diwakar Singh, 2019, A Literature Review on Employee Retention with Focus on Recent Trends, *IJSRST*, Volume 6, Issue 1, [ 6 (1): 425-431]
31. Harish K. Padmanabhan, Madhulika A. Sonawane, 2019, A study of Literature Review on Employee Retention, *International Journal of Interdisciplinary Current Advanced Research*, Volume-01 Issue-07 (39 – 42)

32. J.Pavithra, Thirukumaran, 2018, A study on employee retention with special reference at Philips electronics, Chennai, International Journal of Pure and Applied Mathematics, Volume 119 No. 12, (1523-1543)
33. T.S.Kumar, Dr.M.Kavitha, 2018, Employee retention- a real-time challenge in Indian IT sector - review paper, AJMR, Vol 7, Issue 6,
34. Arun, R. "A Study on the Performance of Major Spices in India." Recent Trends in Arts, Science, Engineering and Technology (2018): 149.
35. Arti Gupta and Vrijendra Singh, 2018, Enhancing intention to stay among software professionals, Latinoamericana de Administración Vol. 31 No. 3, 2018 pp. 569-584
36. Ismatilla Mardanov, 2020, Intrinsic and extrinsic motivation, organizational context, employee contentment, job satisfaction, performance and intention to stay, Evidence-based HRM: a Global Forum for Empirical Scholarship Vol. 9 No. 3, 2021 pp. 223-240
37. Lohana Juariyah, Tulus Hendra Wardana, et al., 2020, Factors Analysis of Employees' Intention to Stay in Chemical Manufacturing, ICIEHI
38. Nomahaza Mahadi et al, 2020, Determinant Factors for Employee Retention: Should I Stay?, International Journal of Academic Research in Business and Social Sciences Vol. 10, No. 4.