

**UNLOCKING THE KEY TO EMPLOYEE RETENTION:
THE INFLUENCE OF JOB SATISFACTION IN THE IT SECTOR IN CHENNAI CITY**

B. Deepapriya, Research Scholar, PG & Research Department of Commerce, Guru Nanak College (Autonomous), (Chennai). deepapriyab89@gmail.com

Dr. J. Mahalakshmi, Assistant Professor & Research Supervisor, PG & Research Department of Commerce, Guru Nanak College (Autonomous), (Chennai). jmahalakshmi@gmail.com

Abstract

This study explored the job satisfaction of IT workers in Chennai and if it influences their length of service. It sought to determine whether job satisfaction and employee retention are related, and on the basis of the results, make recommendations for how to increase retention. In order to do this, 200 IT workers were selected at a convenient sampling technique to respond and asked to complete surveys about their level of job satisfaction. SPSS software was then used to examine the data. To investigate the relationships between job satisfaction and employee retention, hypotheses were developed. Overall, the study discovered a favorable correlation between job satisfaction and employee retention.

Keywords: *Employee Retention, Job Satisfaction, IT Sector.*

Introduction

Employee retention is crucial in today's tough corporate environment since turnover results in expensive hiring and training costs. In management, there is a great deal of research on the relationship between job satisfaction and retention. An organization's competitive edge, production, and efficiency are all directly impacted by employee retention. It entails motivating staff members to remain late or finish a project. Despite its difficulties, retention is advantageous to the company and the employee. Job satisfaction encourages commitment and growth, which in turn encourages workers to stay on board. Workers depart for both personal and professional reasons, but contentment encourages consistency and stability in companies. Retention is equal to satisfaction.

Objectives

- i. To assess employee retention through the examination of job satisfaction factors.
- ii. To investigate the relationship between employee retention and job satisfaction among IT sector employees.
- iii. To provide recommendations for enhancing employee retention strategies based on the research outcomes.

Scope of the study

- The study only focuses on the Information Technology (IT) industry, which includes startups, corporations, and IT companies that are based in Chennai.
- The study looks at elements such as work environment, remuneration, opportunities for professional progression, work-life balance, and recognition to determine the level of job satisfaction among IT workers in Chennai.

- This study concentrates on the perspectives of the employees and might not include organizational management's points of view.

Need for the study

The necessity for this study comes from the urgent difficulties confronting Chennai's IT sector, which is marked by high turnover rates and severe rivalry for talent. Given the enormous costs associated with recruiting and training new employees, knowing the impact of job satisfaction on retention is critical for firms looking to reduce turnover and maintain a stable workforce. This study intends to give actionable insights into the factors influencing job satisfaction and retention in Chennai's IT industry, which can inform strategic retention initiatives and improve the overall sustainability and performance of companies in the sector.

Limitations of the study

- When attempting to determine job happiness objectively, subjectivity might limit the reliability and accuracy of the data acquired.
- The research on staff retention and job satisfaction in Chennai's IT sector may be limited by time and resources.
- The generalizability of research findings is limited due to the variability of factors influencing job satisfaction and retention across different industries, geographical locations, and organizational cultures.

Review of literature

Ikechukwu Emmanuel Irabor et al (2019) This study aimed at how job satisfaction affects retention in public versus private organisations among IT professionals. In contrast to private IT sectors, overall job satisfaction has no significant effect on retention in public IT sectors. Data from 252 IT professionals were analysed using Spearman's rank correlation coefficient. According to the findings, job satisfaction correlates positively with retention in both public and private IT organisations, but job satisfaction with aspects such as coworkers, leadership, promotions, and nature of work has no influence on retention.

Cuong Nguyen (2021) determined how job satisfaction, employee performance, and training and development affect young hire retention. It concentrated on people who were acquainted with factors that contribute to young workers' retention in companies or Vietnamese university students majoring in economics. The researchers employed a quantitative methodology, specifically Multiple Linear Regression, to examine data obtained from 351 participants via an extensive questionnaire. This study offers insightful information on young employee retention in Vietnamese organisations, which adds to the ongoing conversation in this area.

Radha Krishna Murthy & Itikela Shyam Sundar (2021) identified the influences on turnover intentions among employees in the Indian IT sector. It seeks to understand the causes of turnover intentions and their impact on employee retention by investigating a variety of factors. Using responses from 500 employees collected via mail, the study aims to uncover the underlying drivers of turnover intentions in the IT industry and assess the factors influencing employee retention. With an excellent reliability coefficient of 0.892 and strong internal validity demonstrated by consistently high inter-item

correlation, the study's findings are significant. Additionally, human resource factors emerge as having the greatest influence on turnover intentions, emphasizing their critical role in shaping employee retention strategies in the IT sector.

Andrea Valéria Steil et al (2022) This study looked into how job satisfaction affects retention in public versus private organisations among IT professionals. In contrast to private IT sectors, overall job satisfaction has no significant effect on retention in public IT sectors. The study emphasizes the importance of salary satisfaction in retaining professionals in both sectors. Data from 252 IT professionals were analysed using Spearman's rank correlation coefficient. According to the findings, job satisfaction correlates positively with retention in both public and private IT organisations, but job satisfaction with aspects such as coworkers, leadership, promotions, and nature of work has no influence on retention.

Donita L. Alambra et al (2024) The study looks at the complex relationship between work satisfaction and employee retention in the context of business process outsourcing (BPO) companies. The study employs a quantitative approach and a descriptive design to investigate various factors influencing work satisfaction and retention strategies. With 208 participants from two major BPO firms, the study discovered that demographic criteria such as age, gender, salary, and years of service were not significant predictors of retention tactics. These findings suggest that enhancing job satisfaction could improve the effectiveness of retention tactics.

Abdullahi Muhammad Barau et al. (2024) The study investigates how career progression possibilities and work-life balance affect employee retention at banks in Bauchi. The examination used a cross-sectional research strategy with a sample size of 182 participants. The findings demonstrated a strong and significant association between career progression possibilities and employee retention, as well as work-life balance and retention. With composite reliability confirming these findings, the study suggests that employers target and implement measures that promote career progression and work-life balance to improve employee retention.

Research methodology

The study is designed as a descriptive one using the survey method. Both primary and secondary data were used to ensure the study came well.

Primary Data: Primary data were collected from 200 respondents through a structured questionnaire covering employees in the IT sector in Chennai. Convenient sampling was used for selecting the sample respondents from the population.

Secondary Data: Apart from primary data the secondary data is being collected through text books, records of public sector banks, journals from libraries, and academic reports used for this study.

Data analysis

Table 1

Particulars	Demographic profile	Frequency	Percentage
Age	21- 30	112	56
	31- 40	59	29.5
	41- 50	21	10.5
	Above 50	8	4
Gender	Male	160	80
	Female	40	20
Educational Qualification	Diploma	34	17
	UG	78	39
	PG	76	38
	Professional	12	6
Experience	Less than 5 years	112	56
	6 – 10 years	46	23
	11- 15 years	27	13.5
	More than 15 years	15	7.5
Designation	Trainee	66	33
	IT Analyst	52	26
	Assistant Consultant	35	17.5
	Consultant	28	14
	Senior Consultant	19	9.5
Salary	Less than 20,000	96	48
	20,000 – 30,000	63	31.5
	30,000 – 40,000	33	16.5
	Above 40,000	8	4

Inference: The table shows the demographic profile of the respondents in the IT Sector.

Age: Where the Most of the respondents seem to be 21 - 30 years and 29.5% from 31 – 40 years.

Gender: 80% respondents are Male, the rest of 20% are Female.

Educational Qualification: The majority of 39% of respondents are from U.G and 38% are Post Graduated.

Experience: The Experience of respondents of 56% are from less than 5 years and 23%% from 6 to 10 Years.

Designation: 33% employees belong to Trainees. 26% employees belong to IT Analysts. The least 9.5% employees are Senior Consultant.

Salary: The Salaries of respondents are 48 % from less than Rs.20,000, 31.5% from Rs.20,000 – Rs. 30,000, just 4% respondents from above Rs.40,000.

Table 2

Association between Gender, Age, Experience and Employee Retention on Job Satisfaction

		Value	df	Asymp.Sig. (2 Sided)
Pearson Chi-Square	Gender	.180a	1	.671
	Age	39.103a	3	.000
	Experience	59.051a	3	.000

Inference

Gender: The above table indicates that the p-value associated with this statistic is 0.671, which is more than the typical significance level of 0.05. Therefore, we accept the null hypothesis. There is no evidence to suggest a significant association between Gender and Job Satisfaction.

Age: The above table indicates that the p-value associated with this statistic is 0.000, which is less than the typical significance level of 0.05. Therefore, we reject the null hypothesis. There is evidence to suggest a significant association between the Age and Retention on Job Satisfaction.

Experience: The above table indicates that the p-value associated with this statistic is 0.000, which is less than the typical significance level of 0.05. Therefore, we reject the null hypothesis. There is evidence to suggest a significant association between the two variables.

Table 3

Anova on Opinion of Employee Retention on Job Satisfaction Factors with Designation

	Sum of Square	df	Mean Square	F	Sig.
Between Groups	1.352	1	1.352	.520	.472
Within Groups	514.968	198	2.601		
Total	516.320	199			

Ho: Null Hypothesis

H1: Alternate Hypothesis

Calculated Value = .520

Level of Significance = 1(198)

Sig. = .472

Inference

The p-value (Sig.) is 0.472, which is greater than the significance level 0.05. We would fail to reject the null hypothesis, suggesting that there is no significant difference in retention on job satisfaction related to department-wise employees among groups.

Table 4

Job Satisfaction Factors of Employee Retention

Job Satisfaction Factors	Mean	Std. Deviation
Level of job security in my company is good	2.925	.877
I am satisfied with the salary offered by the company.	3.515	.719
My company gives good health prospects	3.260	.773
Good Promotion on opportunities	3.250	.739
Paid leaves like maternity, paternity, sick, sabbatical leave facilities are available.	2.940	.891
Good balance between personal & professional.	3.105	.942
Supportive & Quality Supervision.	3.090	.985
Have flexibility in work load decisions.	2.450	.911
I want to stay with my company because the job description matches my skills, experience and education.	2.520	.903
I want to stay with my company because there is career advancement for me.	2.760	.961

Inference

We can interpret from the available data it is clear that the highest aspect of interference with mean score is 3.515 employees are satisfied with their salary. The least aspect of inference with mean score is flexibility in work load decisions. The average mean of 3.105 shows that the respondents have positively taken the statement of work and personal balance.

Findings

- There is no substantial indication of a link between Gender and Job Satisfaction Retention.
- Age has shown a significant correlation with Job Satisfaction Retention.
- Experience has been found to have a notable impact on Job Satisfaction Retention.
- No significant variance in Job Satisfaction Retention has been observed across different designations among employees.
- Salary ranks as the foremost factor influencing employee retention in terms of job satisfaction.
- The level of flexibility in workload is relatively limited.

Suggestions

- Offer opportunities for ongoing learning and skill development, mentorship programmes, and career paths that value and reward experience.
- Ensure fairness and equality across departments when it comes to job satisfaction retention.
- Maintain a positive and inclusive work environment for all employees by monitoring and addressing any disparities in workload, recognition, or opportunities for growth.
- Investigate options like remote work possibilities, flexible work schedules, and workload management tools to encourage a positive work-life balance and raise employee job satisfaction.

Conclusion

These results suggest that companies in the IT sector should give competitive pay packages, lots of opportunities for professional growth, and flexibility in managing workloads top priority. It is also advised to implement programmes that recognise employees regardless of their designation, create age-inclusive policies, and advance gender equality in order to improve overall job satisfaction and retention rates. In conclusion, IT sector organizations can create retention strategies that are successful in the long run and increase productivity by addressing the key factors found in the study. These strategies can also improve employee satisfaction and work environment, which in turn lowers turnover rates.

References

1. Alambra, D. L., Dimaguila, R. A. E., Maria Del Carmen, G., Molina, B. A. B., Navidad, V. B., & Sayas, R. V. Job Satisfaction and Retention of Employees in Business Process Outsourcing Company. Multidisciplinary International Journal of Research and Development, Volume: 03 / Issue: 03 / 2024 ISSN: 2583-0406
2. Barau, A. M., Abba, M. T., Liman, J. A., & Misau, A. M. Effect of Career Advancement Opportunity and Work-Life Balance on Employee Retention in Nigeria. International Journal of Innovative Science and Research Technology ISSN No: -2456-2165. Volume 9, Issue 1, January 2024
3. Radha Krishna Murthy and Itikela Shyam Sundar, Effectiveness of Factors Influencing Employee Retention in Information Technology Sector - Indian Scenario International Journal of Management (IJM), 12(4), 2021, pp. 431-439. <http://iaeme.com/Home/issue/IJM? Volume=12 Issue=4>
4. IRABOR, I. E. & OKOLIE, U. C. (2019). "A Review of Employees' Job Satisfaction and Its Affect on Their Retention." Annals of Spiru Haret University. Economic Series, 19(2), 93-114, doi: <https://doi.org/10.26458/1924>
5. Nguyen, Cuong, The Impact of Training and Development, Job Satisfaction and Job Performance on Young Employee Retention (May 1, 2020). Available at SSRN: <https://ssrn.com/abstract=3930645> or <http://dx.doi.org/10.2139/ssrn.3930645>
6. Steil, A. V., Bello, J. da S. A., Cuffa, D. de, & Freitas, A. F. de. (2022). Job satisfaction and employee retention by public and private IT organizations. Revista De Administração Da UFSM, 15(2), 354–369. <https://doi.org/10.5902/1983465968850>