An Insight on Effectiveness of Generic Retention Strategies through Branding, Engaging and Developing Talented Employees – With Reference to Information Technology Industry

Dr. Usman Mohideen K S,

Assistant Professor,
Department of Management Studies,
Sri Sai Ram Engineering College, Chennai, India.

Dr. B Venkateswara Prasad,

Associate Professor,
Department of Management Studies,
Sri Sai Ram Engineering College,
West Tambaram, Chennai, India.

Dr. R Suresh,

Associate Professor,
Department of Management Studies,
Sri Sai Ram Engineering College,
West Tambaram, Chennai, India.

ABSTRACT

The object of the study is to assess the impact of employer branding, employee engagement and training on employee retention in specific to information technology industry. This descriptive study is done through formalised structure questionnaire and data collected from 348 respondents across the different countries. The respondents were identified from different information technology companies using convenience sampling. The validity and reliability of the data was established using Confirmatory factor analysis and Cronbach's Alpha. Mean and Standard Deviation, Correlation and Regression analysis were used to analyse the collected data. The mean score for statements in considered variables are found to be above average and thus indicates contribution towards retention. Through correlational analysis it is found that there is a positive correlation between considered independent variables and dependent variable. It is also found that employee engagement has high impact on retention, followed by training and employer branding. The structural equation model is formulated and found to be fit.

Keywords: Employee Retention, Employer Branding, Employee Engagement, Training and Development, Information Technology Industry.

INTRODUCTION:

The growth of global IT industry has gone to zenith in last few decades and thus creating mammoth employment opportunities. Though there is a partnering treatment to the employees, still every IT company faces the problem of high turnover. Gone are the days where retention was purely based on lucrative package but what more influence retention strategies are non- monetary strategies formulated and implemented by the companies. This paper examined the critical practices adopted by HR department in various global company across globe. The independent variables considered for study are Employer branding, Employee Engagement and Training and Development and dependent variable is Employee Retention. Employer branding is a positive attitude of existing employees towards the company. Employee Engagement is the level of commitment and involvement an employee possess towards the company. Training and Development is the process of enhancing knowledge to prepare for better prospects. Employee retention is a complex multi-dimensional process through which

employees are made to stay in the company.

LITERATURE REVIEW:

Ahmad and Bakar (2003), in the study titled "The association between Training and Organizational Commitment among White collar workers in Malaysia", they found that training, support for training and motivation to learn are positively correlated with overall commitment thus leads to retention.
Scott Brum (2007), in the research paper titled "What Impact Does Training have on Employee Commitment and Employee Turnover?", an effective training program in an organization lead to greater employee commitment and retention. There is direct relationship between training and retention.
Julia Christensen Hughes and Evelina Rog (2008), in the research titled "Talent Management: A Strategy for improving employee recruitment, retention and engagement within hospitality organizations" authors expressed that employee engagement enhances retention rates.
Benjamin Balbuena Aguenza and Ahmad Puad Mat Som (2012), in the research titled "Motivational Factors of Employee Retention and Engagement in Organizations", authors says that certain factors are crucial in influencing decision of employees to leave or stay in the organization. These strategies are design of employee's interest such as; value proposition, give constructive point of view on employee performance on regular basis, implement flexibility programs in terms of work life balance, build a culture of engagement.
Jehanzeb, Rasheed, and Rasheed (2013), in the article titled "Organizational Commitment and Turnover Intentions: Impact of Employee's Training in Private Sector of Saudi Arabia" authors concluded that training increases organizational commitment and retention.

NEED FOR THE STUDY:

Table 1: Revenue generated by Global IT companies

Year	Revenue (in Billion Euro)
2005-2006	814
2006-2007	862
2007-2008	918
2008-2009	969
2009-2010	971
2010-2011	1045
2011-2012	1093
2012-2013	1135
2013-2014	1187
2014-2015	1251
2015-2016	1302
2016-2017	1357
2016-2017	1498
2017-2018	1734

Thus it necessitates to study effectiveness of retention strategies to maintain the revenue of global IT companies. Attrition cost to company at great extent thus reduces revenue of an organization. This study limits the retention strategies to employer branding, employee engagement and training and development.

OBJECTIVES OF THE STUDY:

To assess the relationship between Employer Branding and Employee Retention.
To evaluate the relationship between Employee Engagement and Employee Retention.
To compute the level of relationship between Training and Development and Employee Retention.
To assess the significant prediction power of independent variables on dependent variable.
To identify the good fit of overall model for employee retention.

RESEARCH METHODOLOGY:

For this descriptive study the respondents were identified through convenience sampling. The companies across

globe were selected based on market value size. A total sample of 348 respondents were taken and structured questionnaire administered through survey monkey tool to the employees of select company. The instrument consists of 80 statements and 5 demographic details. The demographic details are Age, Gender, Marital Status, Experience and Qualification. Out of 80 statements 20 related to employer branding, 20 related to employee engagement, 20 related to training and development and 20 related to employee retention. The statement ranges from 5 being Strongly Agree to 1 being Strongly Disagree.

FINDINGS AND DISCUSSION:

Descriptive Analysis: Out of 348 respondents 26.72% belongs to age group less than <25, 32.18% falls under 25-30 age group and remaining are more than 30 years of age. 40.51% were female and remaining are male. 58.62% of the respondents are in relationship and remaining are single. 41.67% have less than 4 years of experience, 32.18% have 4-7 years of experience and remaining have more than 7 years of experience.

Cronbach's Alpha: Cronbach's Alpha for Employer Branding, Employee Engagement, Training and Development and Employee Retention are 0.717, 0.735, 0.742 and 0.835 respectively.

CONFIRMATORY FACTOR ANALYSIS:

Table 2: Indicators for variables comprising the model

Indices	Employer Branding	Employee Engagement	Training and Development	Employee Retention	Suggested value
Goodness of Fit Index (GFI)	0.976	0.908	0.937	0.945	>0.90 (Hu and Bentler, 1999)
Adjusted Goodness of Fit Index (AGFI)	0.920	0.901	0.917	0.921	>0.90 (Hair et al. 2006)
Normed Fit Index (NFI)	0.905	0.923	0.993	0.964	> 0.90 (Daire et al., 2008)
Comparative Fit Index (CFI)	0.998	0.999	0.996	0.946	≥ 0.90 (Hu and Bentler, 1999)
Root Mean Square Residual (RMR)	0.057	0.049	0.039	0.031	< 0.08 (Hair et al. 2006)
Root Mean Square Error of Approximation (RMSEA)	0.023	0.035	0.032	0.023	< 0.08 (Hair et al. 2006)

Mean and Standard Deviation: Mean and Standard Deviation for Employer Branding is 3.79 and 1.01, for Employee Engagement 3.78 and 0.99, for Training and Development 3.98 and 0.96 and for Employee Retention 3.78 and 1.08.

Karl Pearson Correlational Analysis: Employee Retention have a significant positive correlation with Employer Branding, Employee Engagement and Training and Development with a correlation score of 0.753, 0.703 and 0.747 respectively. Thus there is a significant relationship between considered independent variables and dependent variable.

Regression Analysis: Multiple Regression analysis was conducted by taking Employee Retention as Dependent variable (Y) and Employer Branding (X1), Employee Engagement (X2) and Training and Development (X3). The regression equation was formulated as $Y = 0.723 + 0.178X1 + 0.281X2 + 0.398X3$, According to the equation taking all the factors constant at zero, impact on employee retention will be 0.723. Thus, for employees, for whom not practicing considered strategies such as Employer Branding, Employee Engagement and Training and Development will have severe impact on employee retention. Considered Strategies explain approximately 72%. 72% value of R^2 and F value (735.02) in regression analysis shows that the model has predictive power. 72% value of R^2 indicates that considered independent factors influences employee retention at good level. The slope of independent variables exhibits information pertaining to implication purposes. The slope of employee engagement is 0.398, which means a change in employee retention is 0.398 when employee engagement increase by 1. Similarly for employee retention changes by 0.178 when employer branding increases by 1 and when training and development increases by 1 it leads to 0.281 changes in employee retention. It means that all the

independent variables are significant on employee retention. Employee Engagement (0.398) have more influence than Training and Development (0.281) on employee retention. Among the considered independent variables, Employer Branding (0.178) has least effect on employee retention. Thus all the independent variables have a significant prediction of Employee Retention.

Structural Equation Model:

Table 3: Model Fit Summary

Indices		Suggested value
CMIN/DF	4.654	<5.00 (Marsh and Hocevar, 1985)
Goodness of Fit Index (GFI)	0.928	>0.90 (Hu and Bentler, 1999)
Adjusted Goodness of Fit Index (AGFI)	0.916	>0.90 (Hair et al. 2006)
Normed Fit Index (NFI)	0.957	> 0.90 (Daire et al., 2008)
Comparative Fit Index (CFI)	0.933	≥ 0.90 (Hu and Bentler, 1999)
Root Mean Square Residual (RMR)	0.051	< 0.08 (Hair et al. 2006)
Root Mean Square Error of Approximation (RMSEA)	0.039	< 0.08 (Hair et al. 2006)

From the above table it is found that the CMIN/DF value is 4.654 which less than 5.00 which indicates model is perfectly fit (Marsh and Hocevar, 1985). The Goodness of Fit Index (GFI) value and Adjusted Goodness of Fit Index (AGFI) value are 0.928 (>0.90 (Hu and Bentler, 1999)) and 0.916 (>0.90 (Hair et al. 2006)) respectively which represent the model is a good fit. The calculated Normed Fit Index (NFI) value is 0.957 (> 0.90 (Daire et al., 2008)) so model is fit and Comparative Fit Index (CFI) value is 0.933 (>0.90 (Hu and Bentler, 1999)) and thus model is perfectly fit. It is found that Root Mean Square Residual and Root Mean Square Error of Approximation (RMSEA) value are 0.051 and 0.039 which indicates it is perfectly fit (< 0.08 (Hair et al. 2006)). This model was developed using Analysis of Moment. The model is fit to ensure the employee retention in information technology industry. In this model Employer Branding, Employee Engagement, Training and Development are Independent variable and Employee retention is Dependent variable and e1 is an error term residual.

Figure 1: Structural Equation Model for Employee Retention
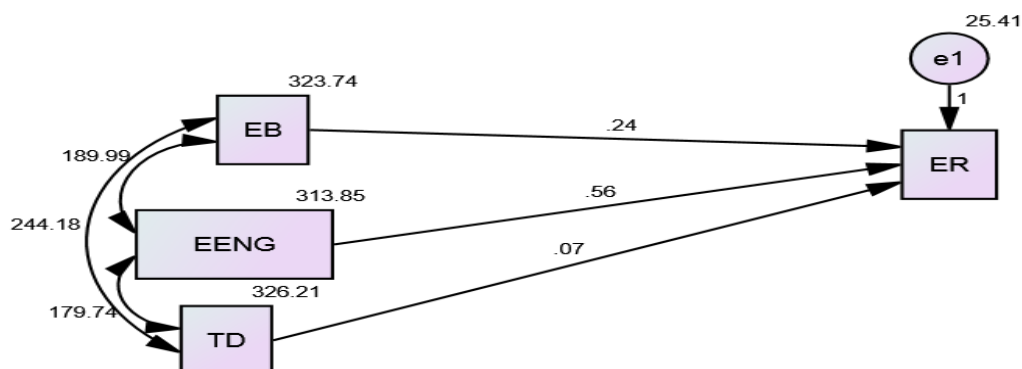
CONCLUSION:

The descriptive study examines the effect of considered impact of employer branding, employee engagement and training and development on employee retention. Reliability and validity of the data estimated through cronbach's alpha and confirmatory factor analysis, all the indices are found to falls within the suggested value. The study indicates that employee retention have positive correlation with employer branding, employee engagement and training and development. Through regression it is also found that employee engagement have more significant prediction power of employee retention and then followed by training and development and employer branding. The structural equation model for employee retention in information technology industry is formed and found to be fit.

REFERENCES:

Abeer Imam (2014). Impact of Employee Engagement in Retaining Employees through Mediating Effect on Job Satisfaction, *Journal of Applied Environmental and Biological Sciences,* Vol 4, Issue 12, pp: 1-15.

Ahmad, K.Z, Bakar, R.A., (2003). The association between training and Organizational Commitment among White collar workers in Malaysia. *International Journal of Training and Development* 7930, pp: 166–185.

Annelize Botha, Mark Bussin & Lukas De Swardt (2011). An employer brand predictive model for talent attraction and retention, *SA Journal of Human Resource Management,* 9(1), Art # 388, pp: 1-12.

Anvari, R. et al., (2010). Personal Needs Assessment Approach in Strategic Training and Affective Commitment. *International Journal of Business and Management,* 5 (7), pp: 144-157.

Atif, A., Ijaz-Ur-Rehman, Abdul Nasir, & Nadeem, S. (2011). Employee retention relationship to training and development: A compensation perspective. *African Journal of Business Management*, 5(7), pp: 2679-2685.

Balakrishnan, C, Masthan, D & Chandra, V (2013). Employee Retention through Employee Engagement – A Study at An Indian International Airport, *International Journal of Business and Management Invention,* Volume 2, Issue 8, pp: 09-16.

Benjamin Balbuena Aguenza & Ahmad Puad Mat Som (2012). Motivational Factors of Employee Retention and Engagement in Organizations, *International Journal of Advances in Management and Economics,* Volume 1, Issue 6, pp: 88-95.

Bhatla (2007). Talent Management and Employer Branding Retention battle Strategies, *Icfaian Journal,* November, 2008, pp.54-55.

Jalal Hanaysha (2016). Examining the effects of Employee Empowerment, Teamwork and Employee Training on Organizational Commitment, *Procedia – Social and Behavioural Sciences,* 229, 2016, pp: 298-306.

Jehan zeb, K., Rasheed, A., & Rasheed, M. F. (2013). Organizational commitment and turnover intentions: Impact of employee's training in private sector of Saudi Arabia. *International Journal of Business and Management,* 8, p. 79.

Julia Christensen Hughes & Evelina Rog (2008). Talent Management: A Strategy for improving employee recruitment, retention and engagement within hospitality organizations, *International Journal of Contemporary Hospitality Management,* vol.20, Issue 7, pp: 743-757.

Karnica Tanwar & Asha Prasad (2016). Exploring the Relationship between Employer Branding and Employee Retention, *Global Business Review*, 17(3S), pp: 186S – 206S.

Khawaja Jehanzeb, Anwar Rasheed & Mazen F Rasheed (2013). Organizational Commitment and Turnover Intentions: Impact of Employee's Training in Private Sector of Saudi Arabia, *International Journal of Business and Management*, Vol. 8, No.8, pp: 79-90.

Maitri Shah. (2011). Talent Retention through employer branding, *Journal of Marketing and Communication*, 16(3), pp: 30-33.

Neeti Leeka Chhabra & Aparna Mishra. (2008). Talent Management and Employer Branding: Retention battle Strategies, *The ICFAIAN Journal of Management Research,* 7(11), pp: 50-61.

Nurul Ezaili Alias, Norzanah Mohd Noor & Roshidi Hassan (2014). Examining the Mediating Effect of Employee Engagement on the Relationship between Talent Management Practices and Employee Retention in the Information Technology (IT) Organizations in Malaysia, *Journal of Human Resources Management and Labour Studies,* Vol.2, No.2, pp: 227-242.

Scott Brum (2007). What Impact Does Training have on Employee Commitment and Employee Turnover? Brum – Training and Employee Commitment, *Schmidt Labour Research Center Seminar Research Series,* pp: 1-13.