



To Study the Recruitment and Retention Issues in the IT Industries

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ABSTRACT

Employee Recruitment and Retention is one of the most difficult difficulties that IT companies in India confront. It has been observed that there is a high demand for skilled IT professionals in Vadodara, India, resulting in technocrats leaving the critical workforce due to the uncertainty of a changing economy, increased competition, and a scarcity of skilled workforce, all of which would have a significant impact on their bottom lines. As a result, effective recruitment and retention strategies, policies, and practices were required. HR Managers in Vadodara's Indian IT sectors must take a holistic approach to identify the causes influencing employee attrition. The current study aims to determine if there is any significant difference in response among IT professionals of Vadodara's Indian IT Companies with respect to the above factors, as well as the reasons for employees leaving the Organization, staying back factors, their attitude toward work, work relationships, and their prioritised basic expectations from the Organization. Based on the results of a survey of 25 IT specialists, it was discovered that there were no major differences between these firms. However, there were considerable differences between these organizations when specific demographic criteria were evaluated, such as total experience, position, and sponsored certification programs. The study's findings are likely to assist these organizations' HR managers in lowering attrition rates by implementing successful retention strategies tailored to their individual needs.

Keywords: Recruitment, Employee Retention, IT sector.

1. INTRODUCTION

Greener pastures are being sought by the organization. In today's world, IT organizations cannot afford to lose their competitive advantage.

"Recruitment is the process of searching for individuals for employment and encouraging them to apply for jobs in the organization," says Edwin B. Flippo. Recruitment is the process of connecting businesses and job seekers. The following are a few definitions of recruitment:

- A method of identifying and attracting qualified job seekers. The procedure begins with the recruitment of new recruits and ends with the submission of their applications. As a result, a pool of applicants is created from which new employees are chosen.
- It is the process of identifying sources of manpower to meet the staffing schedule's requirements and implementing effective strategies to attract that workforce in sufficient numbers to allow for the effective selection of an efficient work force.

The function preceding selection is candidate recruitment, which aids in the creation of a pool of potential employees for the organization so that management can choose the proper job from this pool. The recruitment process' principal goal is to speed up the selection process.

Recruitment is a continual process in which a company tries to build a pool of competent applicants for future human resource needs, even if no specific vacancies exist. Typically, the hiring process begins when a manager issues an employee requisition for a specific or expected vacancy.

RECRUITMENT NEEDS ARE OF THREE TYPES

1. **PLANNED:** the requirements emerging from organizational changes and retirement policies.
2. **ANTICIPATED NEEDS:** Anticipated needs are personnel movements that an organization might anticipate by monitoring patterns in the internal and external environment.
3. **UNPREDICTABLE:** Unexpected needs arise as a result of resignations, fatalities, accidents, and illness.

Purpose & Importance of Recruitment

- Attract and encourage a growing number of people to apply for positions inside the organization.
- Create a candidate talent pool to aid in the selection of the top applicants for the organization.
- Determine the organization's current and future requirements in conjunction with its people planning and job analysis efforts.
- Recruitment is the process of connecting companies and employees.
- Increase the pool of employment candidates for the least amount of money.
- Assist in increasing the selection process' success rate by reducing the number of job applications who are clearly underqualified or overqualified.

- Assist in reducing the likelihood that job seekers who have been hired and selected would quit the company after a short length of time.
- Meet the organization's legal and social duties in terms of worker composition.
- Begin discovering and preparing potential job prospects who will be suitable for the position.
- Increase the efficiency and efficacy of diverse recruiting tactics and sources for all types of job seekers.

Retention

Employee retention is taking steps to persuade employees to stay with the company for as long as possible. Employee retention is a major issue for businesses these days. Employers must hire employees who are informed about the work. However, retention is more crucial than recruitment. There is no shortage of options for a gifted individual. Many organizations are looking for someone with these skills. If a person is dissatisfied with his current job, he may seek out a more suited one.

In today's economy, it is critical for businesses to keep their personnel. Top companies are successful because they cherish their employees and know how to keep them loyal to the company. Employees stay and leave companies for a variety of reasons. It could be for personal or professional reasons. The employer should be aware of these factors and take steps to address them. Organizations are becoming more aware of these factors and are implementing a variety of retention measures.

Importance of Employee Retention

Why is retention so crucial now that so much is being done by companies to keep their employees? Is it only to save money on turnover? The answer is a resounding nay. It is not just the financial cost to a firm that underlines the need of employee retention, but also the need to keep talented individuals from being poached.

The following are some of the ways that employee retention can help a company:

1. **Employee Turnover Costs:** Employee turnover costs a company hundreds of thousands of dollars each year. While it is impossible to properly evaluate the cost of turnover (including hiring costs, training costs, and lost productivity), industry experts frequently use a conservative estimate of 25% of the average employee wage.
2. **Knowledge of the Company:** When an employee quits, he leaves behind valuable information about the company, its customers, current projects, and history (sometimes to competitors). Many hours and dollars have been invested on the employee in the hopes of a future return. The investment is not realized when the employee leaves.
3. **Customer Service Interruptions:** Customers and clients conduct business with a company in part because of the individuals who work there. Relationships are formed that encourage the firm to continue to be sponsored. When an employee leaves, the company's contacts with that person are destroyed, potentially resulting in customer loss.
4. **Employee turnover causes greater turnover:** When an employee leaves, the impact is felt throughout the company. Coworkers are frequently called upon to pick up the slack. For the surviving employees, the unspoken negativity typically intensifies.
5. **Company goodwill:** When attrition rates are low, a company's goodwill is maintained. Increased retention rates encourage future employees to join the company.
6. **Regaining efficiency:** When a person resigns, a significant amount of time is spent in recruiting and training a new employee, resulting in a direct loss of the company that often goes unnoticed. Even after that, you can't guarantee that the replacement employee will perform at the same level of efficiency.

What Makes Employee Leave?

Employees do not leave a company until there is a compelling reason for them to do so. There are a number of factors that contribute to their departure from the company. The most common reasons are as follows:

- **Job isn't what the employee expected:** Job obligations don't always turn out to be what the candidates expected. Job unhappiness is caused by unexpected job responsibilities.
- **Misalignment of work and personality:** A candidate may be qualified for a specific sort of employment that matches his personality. If he is assigned a job that does not fit his nature, he will struggle to perform successfully and will look for reasons to leave.
- **No or limited learning and growth possibilities:** A candidate's employment and career will become stagnant if there are no or limited learning and growth chances in their current position.
- **Lack of appreciation:** If the supervisor does not appreciate the employee's work, he or she becomes demotivated and loses interest in the job.
- **Lack of trust and support from coworkers, seniors, and management:** The most critical factor for an employee to stay on the job is trust. Coworkers, seniors, and management who are unsupportive can make the workplace uncomfortable and difficult to work in.
- **Workplace stress and work-life balance:** Workplace stress can lead to work-life balance, which can lead to employees quitting the company.
- **Remuneration:** Employees may be attracted to other organizations because they offer better compensation packages.
- **New job offers:** An attractive job offer that an employee believes is good for him in terms of job responsibilities, salary, growth and learning, and other factors can cause an employee to quit the company.

1.2 OBJECTIVES OF THE STUDY

- The objective of the study is to find out the recruitment and retention issues in the software industry.
- Policies that the software industry has adopted for recruiting and retaining their employees.
- The study was also conducted to know how the employees working in the software organization felt about their company's recruitment and retention policies.
- Collecting appropriate evaluation measures on recruitment and retention efforts so that the data collected can help an organization to predict the time and budget needed to fill future openings.

2. LITERATURE REVIEW

Recruiting and retaining employees is a challenge in many businesses and across the area. Health care (Buchan 2002) and IT professions are two examples of industries coping with these issues (DeMers 2002). TRB began publishing studies on this topic in 1985 (Special Report 207), and more recently, in 1990, a synthesis, *Innovative Strategies for Upgrading Personnel in State Transportation Departments* (Poister et al. 1990), addressed the growing concern over recruiting and retention challenges.

According to Barney and Wright's (1998) Resource Based View (RBV); Holland, Sheehan, and Cieri (2007), there are three sorts of resources that serve as pillars for the organization. Organization, human, and physical capital are the three types of capital. Human capital is the most important since, due to its uniqueness, it can provide a competitive advantage to the firm.

"Labour turnover is not just a major cash cost but also an intangible cost," according to Lashley and Chaplain (1999). Furthermore, 'retention' and 'turnover' are directly linked to an organization's goodwill and reputation as a potential employer.

Researchers such as Amadasu (2003), Taplin et al. (2003), and Gberegbe (2008) have discovered that if organizations adopt and implement proper employee retention methods, individuals will inevitably stay and contribute to the successful attainment of organizational goals.

In this study, Frankeiss (2008) explored how policies and practices on personnel management, recruitment, and retention rules might help reduce attrition rates. In an Oracle white paper from 2012, it is stated how the greatest strategies for employee retention are to hire the appropriate person in the first place.

According to Kaliprasad (2006), despite an organization's best efforts to bring all of the necessary and required components into play in order to improve employee retention, an employee may still opt to quit the job due to, for example, poor management.

In his study, Ans De Vos et al (2008) found HR managers' and employees' perspectives on retention. Career prospects and financial benefits, according to HR managers, are elements that drive employee retention, but for employees, social atmosphere, job content, and work-life balance are the reasons that cause employee retention.

Deery (2008) proposed techniques and approaches to promote employee retention in his research, such as effective recruitment and training and development procedures, to improve employee satisfaction and retention.

3. RESEARCH METHODOLOGY

Research Design: Descriptive research method is used to study the recruitment and retention strategies in it sector.

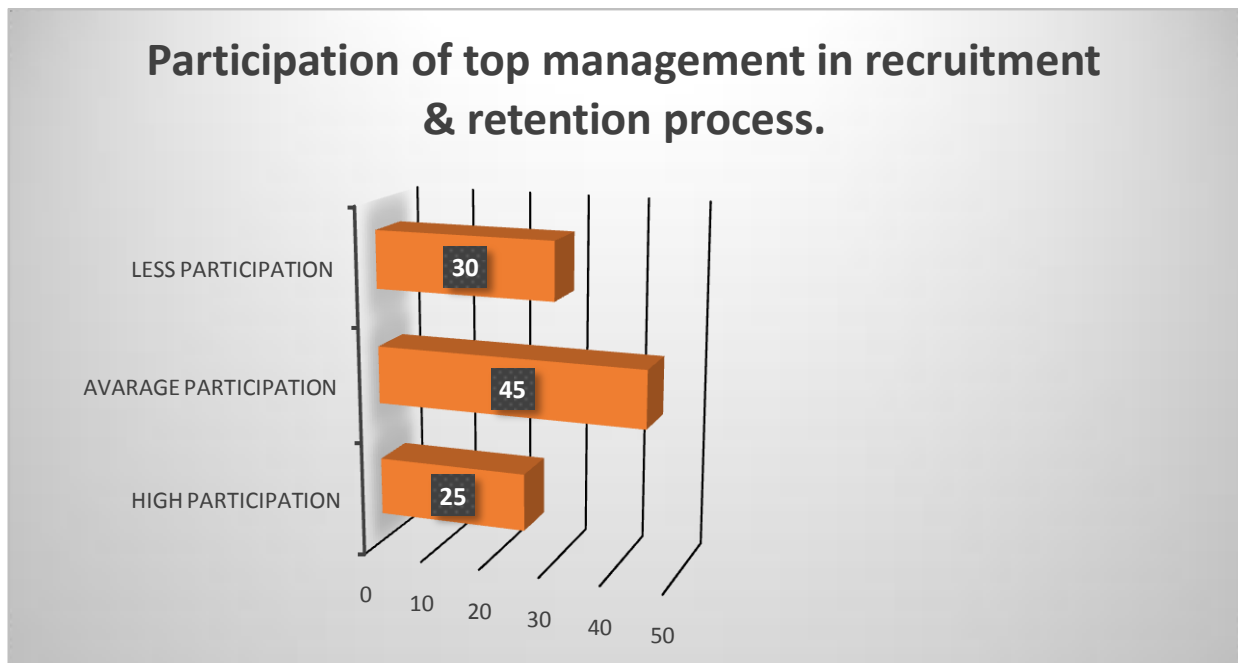
Data collection: Primary data is collected by using the questionnaire which was limited to the IT sectors in the Vadodara city.

Sample Size: 25 Employees

Sampling Technique: Random

Analytical Tool: Graphical Method

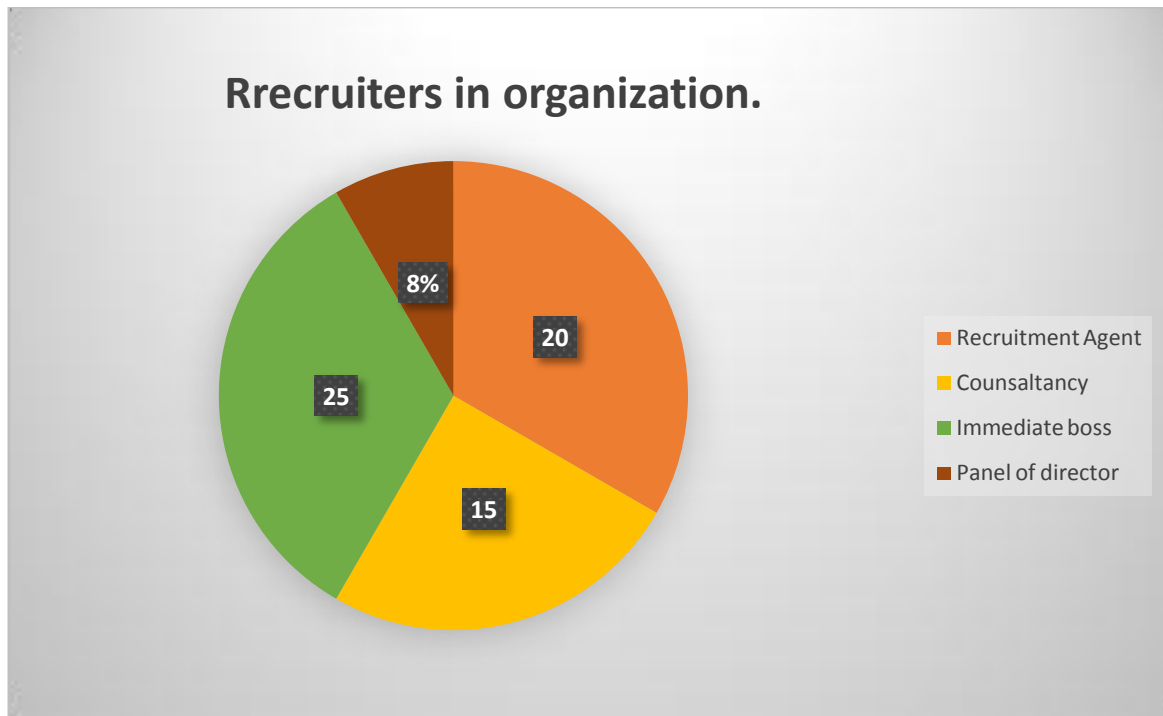
4. DATA ANALYSIS & INTERPRETATION



Interpretation: This chart is stating that Higher level management is taking average part in recruitment & retention process because less interest in these processes.



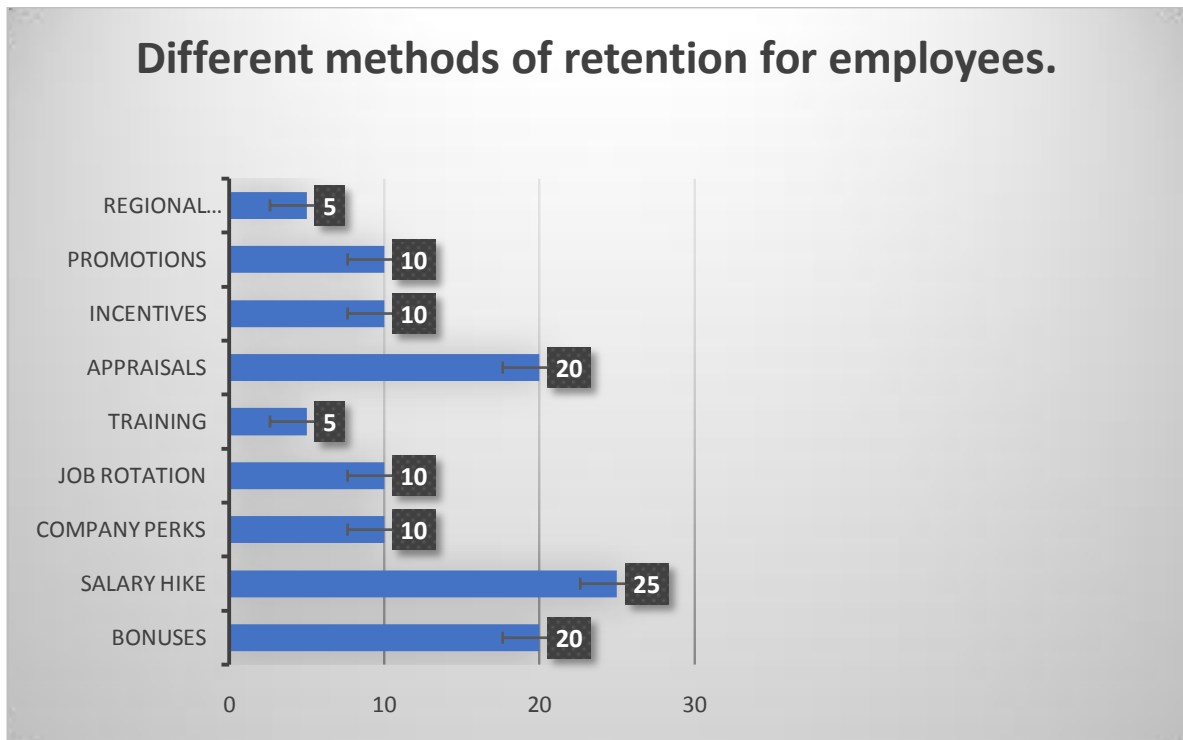
Interpretation: Some employees are aware about the recruitment policy of the organization & some are not aware about that.



Interpretation: Higher level immediate boss are play big role in recruitment process for hiring through the references.



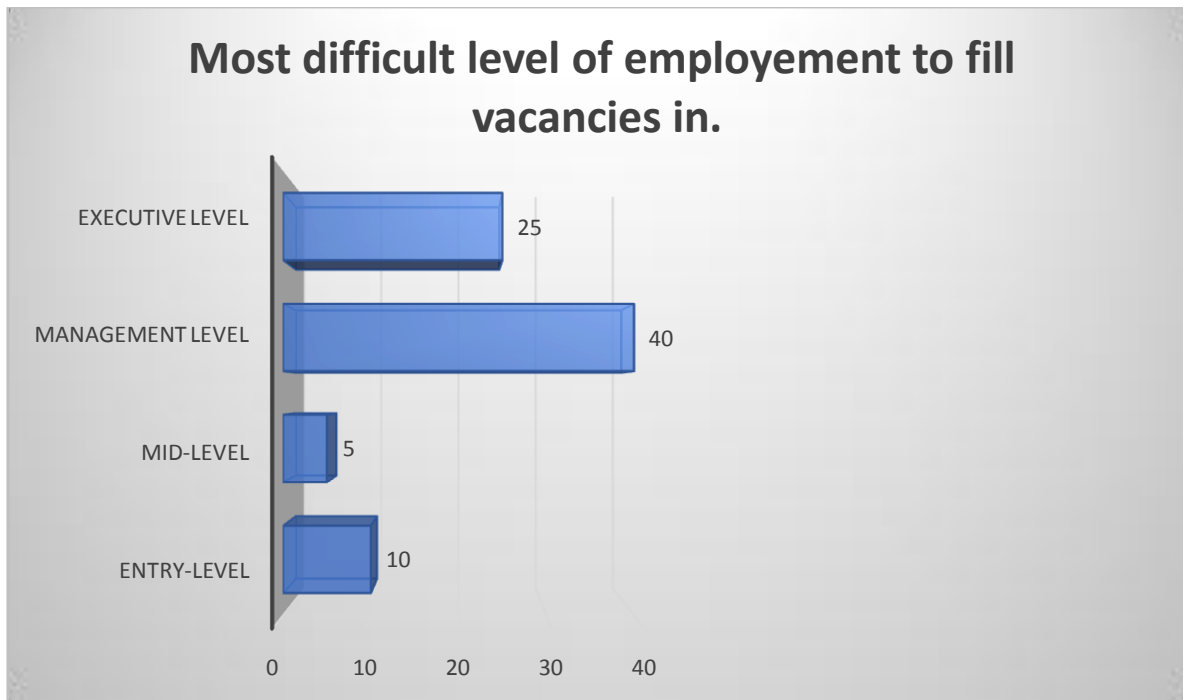
Interpretation: Awareness of retention policy is very less due to lacking in induction process.



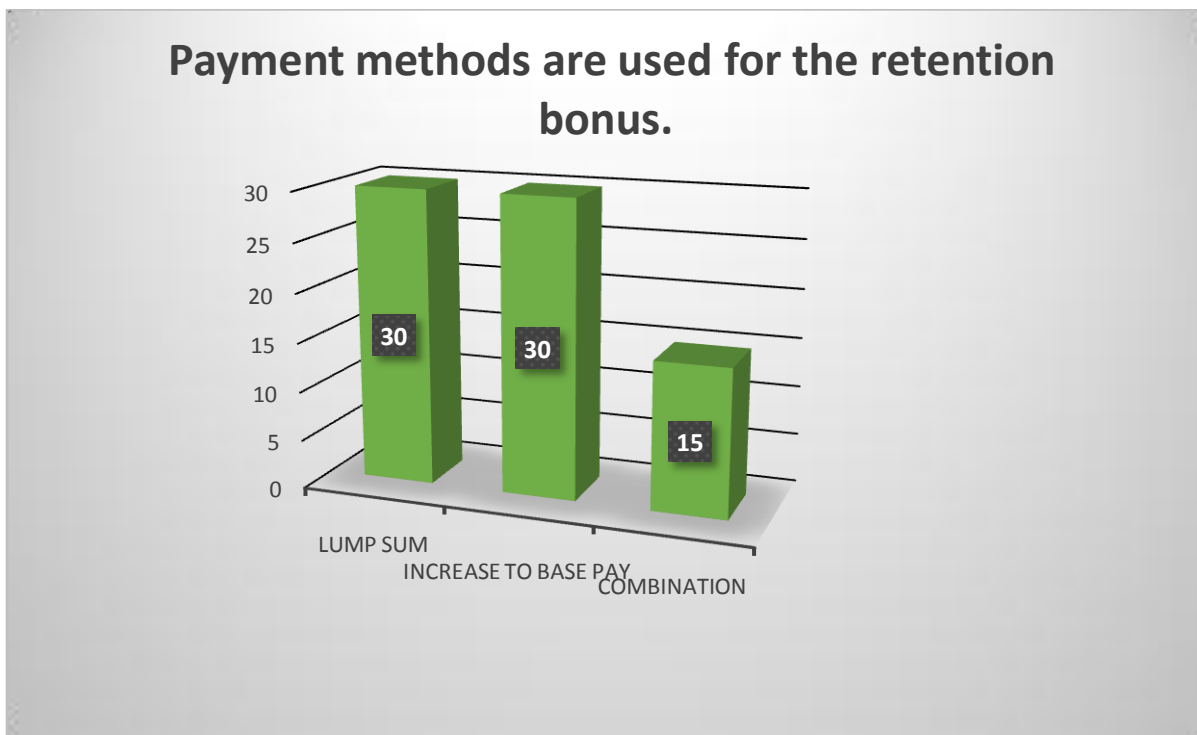
Interpretation: Organisation uses salary hike, appraisals & bonuses to retain their employees because they see monetary rewards motivate the employees more.



Interpretation: Employees are satisfied with the retention policy because they use monetary reward to retain the employees.



Interpretation: Management level employment is most difficult to fill because of the job description & responsibility is unclear to the candidate.



Interpretation: Organisation increase in base pay to retain the employees because it motivates the employees to do their work.

5.FINDINGS

- ❖ The survey consisted of 20 questions aiming to find out some issues concerning the recruitment and retention problems in the software industry.
- ❖ The very first thing we noticed was that in the small companies the top management were highly involved in the recruitment and retention process.
- ❖ Management level employment is most difficult to fill.
- ❖ Most of the employees are aware of the recruitment policy of their organization. While some people said they have no idea of the recruitment policy of their organization.
- ❖ Organisation uses salary hike, appraisals & bonuses to retain their employees.

- ❖ Most of the respondents said that filling vacancies on management level is more difficult in compare to other levels.

6.SUGGESTIONS

Recruitment

- ❖ Attract and encourage more and more candidates to apply in the organisation.
- ❖ Create a talent pool of candidates to enable the selection of best candidates for the organisation.
- ❖ Determine present and future requirements of the organization in conjunction with its personnel planning and job analysis activities.
- ❖ Begin identifying and preparing potential job applicants who will be appropriate candidates Increase organization and individual effectiveness of various recruiting techniques and sources for all types of job applicants.

Retention

- ❖ Hire the right people in the first place.
- ❖ Empower the employees: Give the employees the authority to get things done.
- ❖ Make employees realize that they are the most valuable asset of the organization.
- ❖ Have faith in them, trust them and respect them.
- ❖ Provide them information and knowledge.
- ❖ Keep providing them feedback on their performance.
- ❖ Recognize and appreciate their achievements.
- ❖ Keep their morale high.

7.CONCLUSION

High attrition destroys the value of going offshore. It causes companies to lose knowledge, incur training fees, get caught up in the never-ending cycle of hiring, and fall behind on scheduled projects. Employee recruiting and retention are big issues for IT organizations, so create a work environment where the employees are involved in the development of rewards programs.

Although companies may say they know about all these offshore employee retention strategies, few0020practice them in their captive centers or measure whether their external vendors are practicing them. Why not? Because retention activities are time-consuming. Developing a thorough recruiting process, setting up a career advancement program, and conducting a formal employee satisfaction survey all take time. Unfortunately, it's a "no pain, no gain" situation. Companies are realizing that these programs are worth the effort, as they watch their best employees leave to work for the competition.

By the way, if your employees complain of long hours, inadequate compensation, or an excessive workload, your best employees will leave and only those who are not worth retaining will stay.

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