

EMPLOYEE RETENTION STRATEGIES IN INFOSYS, WIPRO AND TCS: A COMPARATIVE VIEW

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Abstract

The hyper-competitive Indian business environment is experiencing an intensifying fight for knowledge workers, the key to enhancement of productivity in which rests on designing ways and means to retain key performers in the organisation. This becomes more pertinent in the IT industry, which has embraced the modern corporate culture of quick career advancement and has thrown open multiple job opportunities, thus experiencing a steady rise in mobility among IT professionals. As there are many IT companies, employees have an option of switching over their jobs very frequently. Varying trends of employee turnover, both voluntary and involuntary, have exposed IT organizations. In order to control employee turnover as a strategic concern, the right retention strategy would need to dually ensure meeting the aspirations of employees and, at the same time, enhancing their productivity. In this scenario, this research paper follows a line of investigation on the key retention strategies adopted by leading Indian IT companies Infosys, Wipro and TCS.

Keywords: Employee, Retention, Strategy, Information Technology, Employee Turnover.

Introduction

High employee turnover, as a consequence of quick career advancement and multiple job opportunities, has come to be known as a negative "spill-over effect" of industrial growth (Sahu and Gupta, 1999). Presently, a major portion of youngsters, especially fresh engineers are taking their careers into IT sector. As there are many IT companies, employees have an option of switching over their jobs very frequently. Employees are considering good working condition, challenging projects, perks and a decent salary package and also expecting support for their higher studies from their employees. When employees feel uncomfortable, they start searching for a new job, and most often they get the job of their choice. In such a scenario, organizations face a lot of trouble, as a high turnover rate may lead to under productivity. To avoid such situations, organization have to adapt retention strategies to make employees stay for sufficient period in which the employee is able to contribute and perform. An important concern here is which strategy or strategies should be adapted, which works well with all the employees. This is an ambiguous question, as every individual is different and is motivated by different job and personal factors. In this scenario, this research paper follows a line of investigation on the key retention strategies which can work well for all employees of IT Sector.

IT Sector in India

The Information technology industry in India has gained a huge acknowledgement and has become a brand identity as a knowledge economy due to its IT and ITES sector. The IT-ITES industry has two major components: IT Services and business process outsourcing (BPO). The growth in the service sector in India has been led by the IT-ITES sector, contributing substantially to increase in GDP, employment, and exports. The sector has increased its contribution to India's GDP from 1.2% in FY1998

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