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A study on retaining talent in the IT sector with reference to indium software (India) private limited, Chennai

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Abstract

Employee retention has become a critical issue in the fast-growing Information Technology (IT) sector, where constant innovation, high competition, and evolving skill demands lead to frequent employee turnover. This study, titled “Retaining Talent in the IT Sector with Reference to Indium Software (India) Private Limited, Chennai,” examines the main factors influencing employee retention and evaluates the effectiveness of the company’s human resource strategies. Indium Software, known for its employee-centric culture and focus on continuous learning, serves as a strong example of how effective HR practices impact satisfaction, engagement, and loyalty. Using a descriptive research design and data collected from employees, the study reveals that career advancement, recognition, and work-life balance are the most significant factors in retaining talent. The findings emphasize that successful retention requires not only financial incentives but also personal growth opportunities, wellness initiatives, and supportive leadership to ensure long-term organizational stability and employee commitment.

Keywords: Employee retention, IT industry, human resource practices

Introduction

The Information Technology (IT) sector is one of the most dynamic and rapidly evolving industries, driving global innovation and digital transformation. In India, it plays a vital role in economic development and employment generation, but it also faces major challenges in managing and retaining skilled professionals. Employee retention-the ability of an organization to keep its talented workforce engaged and committed-has become a crucial factor for organizational success, especially in an environment characterized by intense competition, continuous technological change, and abundant job opportunities. Frequent employee turnover increases recruitment costs, disrupts workflow, and affects productivity, making it essential for IT companies to adopt effective strategies that promote satisfaction, growth, and loyalty among employees. This study, therefore, focuses on Indium Software (India) Private Limited, Chennai, to analyze the key factors influencing employee retention and to explore how organizational culture, leadership, and human resource practices contribute to building a stable, motivated, and future-ready workforce.

Objectives

- To identify the key factors influencing employee retention at Indium Software.
- To assess the effectiveness of the company’s retention strategies.
- To suggest suitable measures to improve employee retention and enhance job satisfaction.

Limitations

- The study was done with a small number of employees from the Chennai branch only.
- It focuses on one company, so the results cannot be applied to all IT firms.
- The research was completed in a short time, which limited detailed analysis.
- Some employees may not have given honest answers in the questionnaire.

- The IT industry keeps changing, so the findings may not stay the same in the future.
- Only a few factors like salary, leadership, and job satisfaction were studied.
- The study covered only the Chennai branch, not other locations of the company.
- The data were collected once, not over a long period, so changes over time were not studied.

Review of literature

- **Shruthi Menon (2024):** She studied the challenges of employee retention in the IT sector after the COVID-19 pandemic. She found that employees now value health, flexibility, and job security more than before. Companies that offer hybrid work options, wellness programs, and supportive leadership were able to retain more employees.
- **Anjali Mehta (2023):** She examined how leadership style affects employee commitment and job satisfaction. Her study showed that transformational leaders—those who inspire and guide their teams—help create trust, motivation, and loyalty among employees. Supportive leadership greatly reduces employee turnover.
- **Robert Thomas (2023):** He researched how employee recognition programs influence morale and retention. He found that regular and meaningful appreciation makes employees feel valued, which increases their motivation and decreases the chance of leaving the organization.

Research Methodology

The study used a descriptive research design to identify the factors influencing employee retention at Indium Software (India) Private Limited, Chennai. The research was based on both primary and secondary data. Primary data were collected through structured questionnaires distributed to employees using a simple random sampling method, while secondary data were gathered from company records, reports, and online sources. The total population of the study was 135 employees, and data were collected from a sample of 81 respondents. The study was conducted over a period of two months, from May 2025 to July 2025. Data analysis was done using SPSS software, applying tools such as Simple Percentage Analysis, Chi-Square Test, ANOVA, T-Test, and One-Sample Kolmogorov-Smirnov Test to test the hypotheses. The Cronbach's Alpha value of 0.736 confirmed the reliability of the questionnaire, showing that

the data collected were consistent and suitable for analysis.

Data Collection

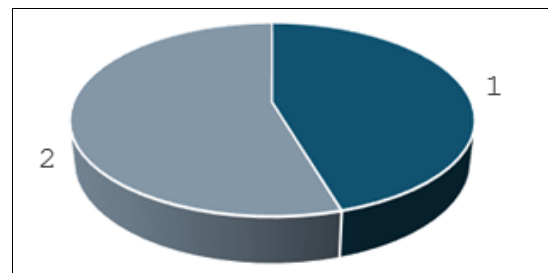
- **Primary Data:** These were collected directly from employees of Indium Software, Chennai, through a Google Form questionnaire containing open- and close-ended questions.
- **Secondary Data:** These were taken from company records, journals, reports, and websites related to employee retention and HR practices.

Data analysis and interpretation

Data analysis helps to understand the collected information clearly. In this study, data were analyzed using SPSS software with tools like Percentage Analysis, Chi-Square, ANOVA, and T-Test to find factors affecting employee retention at Indium Software.

Table 1: Gender of the respondents

S. No.	Gender	Frequency	Percentage (%)
1	Male	64	77.1
2	Female	17	22.9
	Total	81	100

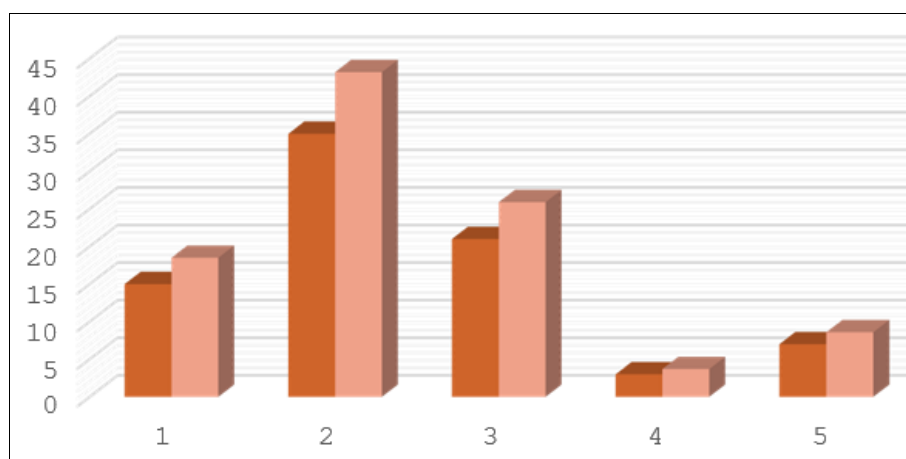


Interpretation

Most of the respondents are male (77.1%), while female respondents account for 22.9%. This shows that the IT workforce at Indium Software is mainly male, though female participation is growing.

Table 2: Most Common Reason Employees Leave IT Companies

S. No.	Reason	Frequency	Percentage (%)
1	Low Compensation	15	18.5
2	Limited Career Growth	35	43.2
3	Work Pressure	21	25.9
4	Better External Opportunities	3	3.7
5	Others	7	8.6
	Total	81	100



Interpretation

The table shows that limited career growth (43.2%) is the main reason employees leave IT companies, followed by work pressure (25.9%) and low compensation (18.5%). This highlights the importance of career development opportunities in employee retention.

T-Test

Relationship between Gender and their opinion towards HR practices improve productivity

Test Type	Calculated Value	df	Significance	Result
T-Test	15.223	80	0.0000	Significant

Interpretation

The T-Test results show that the significance value (0.000) is less than 0.05, which means there is a significant relationship between gender and their opinion towards HR practices improving productivity. This indicates that male and female employees may have different views about how HR practices influence productivity at Indium Software.

Findings

- Most of the employees are male, showing that the company has more male workers than female.
- Many employees are below 30 years of age, showing that the workforce is young.
- Most of the respondents have less than 5 years of experience in the company.
- The main reason employees leave the company is limited career growth, followed by work pressure and low salary.
- Employees said that work-life balance is very important for job satisfaction and retention.
- There is a strong link between HR practices and productivity, showing that good HR policies help employees stay and perform better.

Suggestions

- The company should provide more career growth opportunities through promotions and skill development programs.
- Work-life balance can be improved by offering flexible working hours or remote work options.
- Salary and benefits should be reviewed regularly to match employee performance and market standards.
- The company should conduct training and motivation programs to enhance employee skills and confidence.
- Employee recognition and reward systems should be strengthened to appreciate good performance.
- Regular feedback and communication between management and employees should be encouraged to build trust and reduce misunderstandings.

Conclusion

The study on “Retaining Talent in the IT Sector with Reference to Indium Software (India) Private Limited, Chennai” shows that employee retention depends on factors like career growth, work-life balance, recognition, and fair salary. Most employees are young and expect good opportunities to learn and grow. The research found that strong HR practices help improve satisfaction and reduce turnover. Therefore, companies should focus on creating a

positive work environment, offering development programs, and maintaining open communication to retain talented employees and achieve long-term success.

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