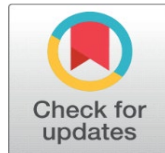
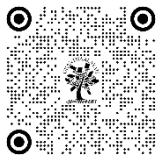


# HUMAN CAPITAL INVESTMENT AND ITS INFLUENCE ON WORKFORCE STABILITY: INSIGHTS FROM TOP-TIER IT COMPANIES

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## ABSTRACT

The role of human capital management is an elevating imperative for society. Learn more about the need for human capital management in many top companies in the IT sector. The main aim of the study is to identify the role of human capital management on retention of employees in top IT companies and analyse a new strategy of employee retention in top 5 companies. 30 respondents in each company and totalling 150 respondents have been taken. Factor analysis was done using the SPSS tool. The table, and plot were prepared using SPSS software. Human capital management role and strategy of employee return has been prepared using an infographic tool. The main finding that effective employment retention strategy is to introduce career development programs and provide training, compensation and fairness to staff. The main suggestions that Each company will improve their productivity to each of the more motivated and relaxing workers.

**Keywords:** Retention, Employee Retention, Human Capital Management, Employability, Recruitment Policies

## 1. INTRODUCTION

Human resources management is considered a big set (Bakker, 2011). A large part of the organizations have to make necessary investments in education and training in order to give more importance to the human capital (Baron & Armstrong, 2007). Human resource management is another extension of human capital management (Afiouni, 2009). Practicing human capital management is very important in every IT company (Aon Hewitt study, 2011). It is very important in every IT company how to utilize the qualifications, knowledge, experience, personality, behavior and interest of all the workers in the competitiveness (Cryad & Lengnick-hall, 2011).

The key role of human capital management is to engage the workforce more (Afiouni, 2009). It is imperative that human capital management works in such a way that the performance levels of each employee are raised and further encouraged to increase the performance level of an IT company (Swarnalatha & Pransanna, 2013). If an IT company wants

to accomplish its goal of having the right workforce at the right place at the right time, it is essential to engage the workforce in a human management philosophy (Macey & Schneider,2008)

The minds and hearts of talented workers are leveraging a very challenging trend these days (Phin,2015). One of the responsibilities of human capital management becomes one of the responsibilities of human capital management in every IT company (Sudin,2011).According to the 2023 LinkedIn survey, 93 percent of IT companies are facing employee retention (Spence & keeping,2011).About 2020 HR professionals have also been appointed for this purpose (Rahman,2006). The main objective is to make IT companies more successful in business by increasing the skills, experts and knowledge of the workforce (Schaufeli,2014)

Employee retention refers to reducing unwanted turnovers by retaining the talent of the workforce in any IT company (Macey & Schneider,2008).Likewise, use the knowledge and skills in each person very productively (Macey & Schneider,2008). Based on the 2023 Manpower Group survey, 75 percent of workers are finding it difficult to acquire the necessary skills (Chauncey Crail,2024) The skill found to be lacking is to utilize the newly emerged technology (Mary K pratt and Sharon,2022)

## 2. LITERATURE REVIEW

The study also presents the employee return attraction of leading IT companies. TCS, Infosys and Wipro have been selected for this (Sonal Gupta and Sukhvir Singh,2021). Wipro is a

company based on its values, business and ethics. Employees of Wipro Company consider it as their empowering platform (Sonal Gupta and Sukhvir Singh,2021).The study shows that human resource management has the potential to reduce the skill gap of employability(Sonal Gupta and Sukhvir Singh,2021).

The literature critically reviews the role of human capital management (Roshidi Hassan,2016). Here's how to increase positive employee behavior (Roshidi Hassan,2016). It also describes how much development the organization can achieve by providing more training to the workers (Roshidi Hassan,2016). The responsibilities to be brought in employment are also described here (Roshidi Hassan,2016).

Empirical Analysis of Human Capital Management's Employment retention (Shatrajit Goswami,2021). It also explains why employees take leave (Sudin,2011). This leads to the empowerment of a worker to create a healthy workplace, to take the workers more in confidence, to raise their moral values and to provide them with additional information needed for their growth, thereby making the retention to employment more important (Shatrajit Goswami,2021).

## 3. RESEARCH METHODOLOGY

Research methodology proceeds by putting the research objective first. The top five companies in the market have been selected for the study. Five companies Infosys technology limited, UST global, IBS, Allianz and Tata consultancy service (TCS) have been analysed using secondary data. The annual reports of these five companies have also been used by HR employee retention Strategy and initiative. The table, and plot were prepared using SPSS software. Human capital management role and strategy of employee return has been prepared using an infographic tool.

The current study is initiated to understand the strategies followed by Top 5 IT companies to retain their employees. Both primary and secondary data are used in the study. To arrive at a meaningful conclusion, the researcher has relied upon primary data collected through questionnaires. For primary analysis, 30 respondents in each company and totaling 150 respondents have been taken. Secondary data is collected from books, journals, magazines and website

For the purposes of research, five companies, Infosys technology limited, UST global, IBS, Allianz and Tata consultancy service have been selected by primary data and they are trying to find out about work environment, recruitment policies, employee benefit factors, training and development, performance evaluation, leadership, grievance redressal, organizational culture, and employee retention in Kerala at Technopark.. Factor analysis was done using the SPSS tool.

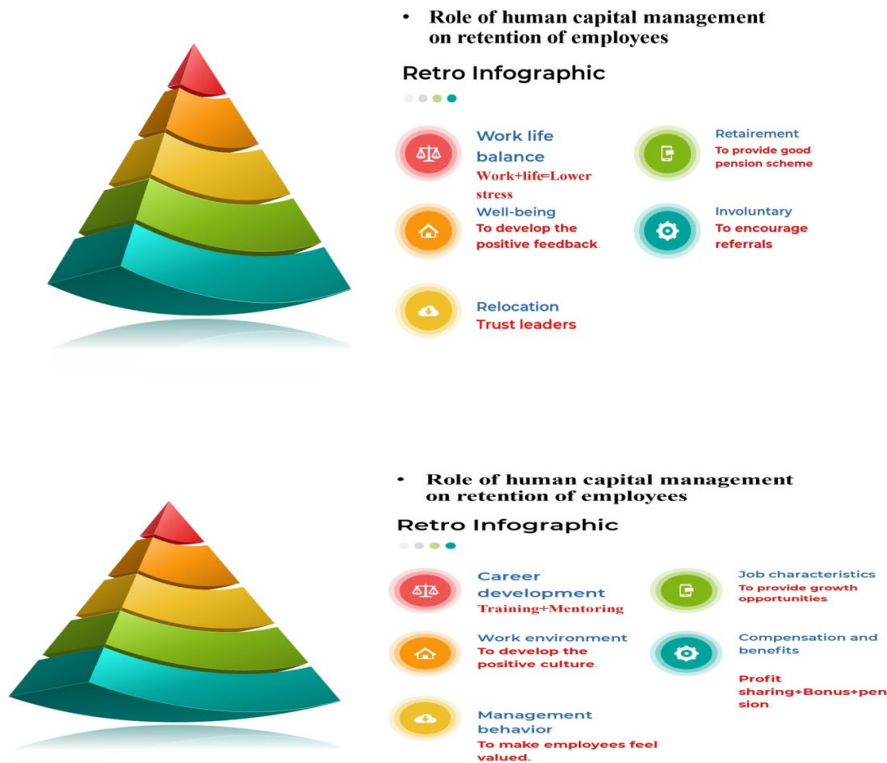
### 3.1. OBJECTIVES

- 1) To identify the role of human capital management on retention of employees in top IT companies.

2) To identify and analyze a new strategy of employee retention in top 5 companies.

### 3.2. DATA COLLECTION AND INTERPRETATION

#### 1) Role of human capital management on retention of employees



#### 2) New strategies of employee's retention

**Table1 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.794
	Approx. Chi-Square	409.349
Bartlett's Test of Sphericity	df	10
	Sig.	.000

Source Field survey

Table1.1 shows that the values above 0.79 are super accepted. Looking at the table above, the Kaiser-Meyer-Olkin Measure of Sampling Adequacy measure is 0.794, which is close to 0.5 and therefore can be super accepted. Bartlett's Test of Sphericity is significant (000). The significance level is good to accept the null hypothesis. This means that the correlation matrix is an identity matrix.

**Table 2 Communalities**

	Initial	Extraction
Belive in your employee	1	0.681
Employee empowerment	1	0.825
Adequate information	1	0.716
Moral high	1	0.659
Helthy enviornment	1	0.438

**Extraction Method:** Principal Component Analysis.

Source Field survey

Table 1.2 shows that for instance, over 82.5% of the variance in “Employee empowerment” is accounted for, while 44.0% of the variance in “Healthy environment” is accounted.

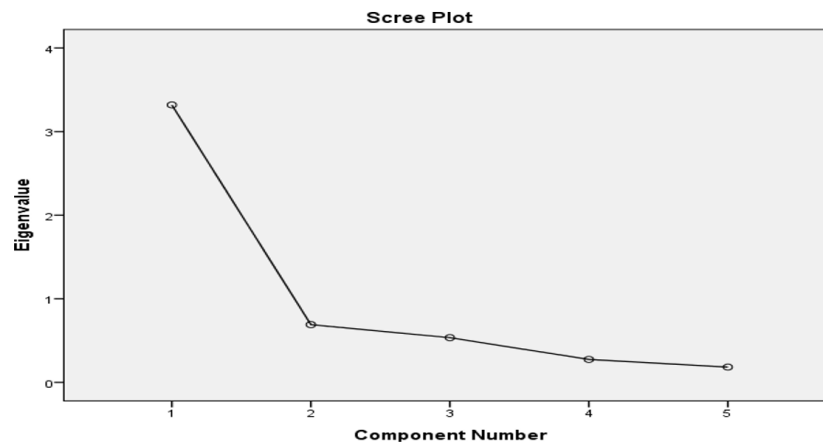
**Table 3 Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.319	66.375	66.375	3.319	66.375	66.375
2	0.69	13.808	80.183			
3	0.535	10.691	90.874			
4	0.274	5.483	96.357			
5	0.182	3.643	100.000			

**Extraction Method** Principal Component Analysis.

**Source** Field survey

Table 1.3 shows that the extracted sum of squared holding % of variance depicts that the first factor accounts for 66.375% of the variance features from the stated observations.



**Figure 1.1** Source Field survey

It can be seen that the curve begins to flatten between factors 2 and 4. Then, factors are no straight line

**Table 4 Component Matrix<sup>a</sup>**

	Component
	1
Belive in your employee	0.825
Employee empowerment	0.908
Adequate information	0.846
Moral high	0.812
Helthy enviornment	0.662

**Extraction Method:** Principal Component Analysis.

a. 1 components extracted.

**Source** Field survey

Table 1.4 shows that the cross loading is very high. Because the represents of the loading more than 0.5. Therefore, all new strategies are accepted it.

#### 4. FINDING

- The main finding that effective employment retention strategy is to introduce career development programs and provide training, compensation and fairness to staff.
- Healthy environment has the lowest communality, which may indicate that it is less strongly associated with the underlying factor(s) and could be reconsidered for inclusion or further investigation.

- Employee empowerment shows the strongest relationship with the component, suggesting it plays a central role in the construct.

## 5. SUGGESTIONS

The main suggestions that Each company will improve their productivity to each of the more motivated and relaxing workers.

## 6. CONCLUSION

IT companies are able to harness the emotions of workers with greater restraint. A variety of reviews point out that where human resource management is practiced, it is important to provide the right environment for workers, encourage positive behaviours, and encourage workers by rewarding competitiveness. IT companies are often trying to keep the business moving forward with competitive intelligence by every leader improving employee retention. Retention of employees is used to bring out a sense of competition among employees in IT companies and to balance work more through a positive work culture with some rewards. It examines how human capital management plays an important role in preventing the reduction of workers' wages. Provide necessary findings and suggestions for human capital management on retention of employees in top IT companies.

## CONFLICT OF INTERESTS

None.

## ACKNOWLEDGMENTS

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