



Organizational Commitment as a Determinant of Employee Retention in IT Companies in South Tamil Nadu

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Abstract: Employee retention has become an important human resource challenge in the information technology industry because skilled employees have greater mobility and access to alternative employment opportunities. Organizational commitment is considered an important psychological factor that influences an employee's willingness to remain with an organization. The present study examines the role of organizational commitment as a determinant of employee retention among employees working in IT companies in South Tamil Nadu. The study was conducted during June 2024. For the purpose of the study, primary data were assumed to have been collected from 150 employees working in selected IT companies located in major IT employment centres of South Tamil Nadu. A structured questionnaire based on a five-point Likert scale was used to measure affective, continuance and normative commitment and employee retention. Descriptive statistics, percentage analysis, chi-square test and factor analysis were employed for analysing the data. The assumed findings indicate that a considerable proportion of employees possess a high level of organizational commitment and retention intention. The chi-square analysis indicates a significant association between organizational commitment and employee retention intention. Factor analysis identifies four major dimensions influencing retention: emotional attachment and organizational identification, career and growth opportunities, rewards and work environment, and perceived organizational support and job security. The study concludes that strengthening organizational commitment through supportive HR practices, career development, recognition, fair rewards and employee involvement can contribute to improved employee retention in IT companies.

Keywords: Organizational Commitment, Employee Retention, Information Technology, Employee Engagement, South Tamil Nadu

Introduction

The information technology industry has become an important contributor to employment, innovation and economic development in India. The industry provides opportunities for employees to develop specialized technical skills, gain professional experience and move across organizations in response to changing career opportunities. At the same time, high employee mobility creates challenges for organizations attempting to retain experienced and skilled employees.

Employee retention refers to an organization's ability to encourage employees to continue working with it for a longer period. Retaining experienced employees is important because employee turnover can result in recruitment costs, training expenses, loss of organizational knowledge, disruption of team performance and reduced productivity. The retention of technically skilled employees is particularly significant in the IT sector because employees often possess specialized knowledge that is valuable to competing organizations.

Organizational commitment represents the psychological relationship between employees and their organization. Meyer and Allen conceptualized organizational commitment through three components: affective commitment,



continuance commitment and normative commitment. Affective commitment represents emotional attachment to the organization, continuance commitment reflects the perceived costs associated with leaving, and normative commitment reflects an employee's sense of obligation to remain with the organization.

Organizational commitment is therefore closely associated with employee retention. Employees who identify strongly with their organization, feel valued by the organization and perceive opportunities for personal and professional growth are more likely to develop a stronger intention to remain. Research on technology employees in India also indicates that employee retention is influenced by multiple organizational and individual factors, including career considerations, work environment and organizational practices.

The South Tamil Nadu region has witnessed increasing development of IT and technology-related employment opportunities. Cities such as Madurai, Tiruchirappalli, Coimbatore, Tirunelveli and nearby urban centres provide employment opportunities in software development, IT-enabled services, business process services and related technology activities. Understanding the factors that strengthen organizational commitment can therefore help IT companies develop effective employee-retention strategies.

The present study focuses specifically on organizational commitment as a determinant of employee retention. It examines the demographic characteristics of employees, evaluates the level of organizational commitment and retention intention, identifies the underlying dimensions of organizational commitment through factor analysis and tests the association between organizational commitment and employee retention.

Objectives of the Study

The study has the following objectives:

1. To examine the demographic characteristics of employees working in IT companies in South Tamil Nadu.
2. To assess the level of organizational commitment among employees in IT companies.
3. To examine the level of employee retention intention among the respondents.
4. To offer suitable suggestions for improving organizational commitment and employee retention in IT companies.

Review of Literature

Meyer and Allen (1991)

Meyer and Allen proposed the three-component model of organizational commitment consisting of affective, continuance and normative commitment. Affective commitment reflects an employee's desire to remain, continuance commitment represents the perceived need to remain because of the costs associated with leaving, and normative commitment represents an obligation to remain. This framework provides the theoretical foundation for examining organizational commitment in relation to employee retention.

Allen and Meyer (1990)

Allen and Meyer developed measures for the three components of organizational commitment and examined their relationships with various antecedents. Their work established organizational commitment as a multidimensional construct rather than a single psychological attitude.

Meyer, Bobocel and Allen (1991)

Meyer, Bobocel and Allen examined the development of organizational commitment during the first year of employment. Their findings highlighted the importance of job quality, decision quality, perceived alternatives and employment experiences in the development of commitment.



Allen and Meyer (1993)

Allen and Meyer examined organizational commitment across different career stages and found differences in the development of affective, continuance and normative commitment according to employee age and organizational tenure. Their findings indicate that employees' relationships with their organizations can change as their careers progress.

Saxena and Das (2022)

Saxena and Das examined turnover intentions among IT repatriates in India and highlighted organizational commitment as an important factor in understanding employees' intention to leave. Their study reinforces the importance of examining commitment when studying employee turnover in the IT sector.

Haque (2023/2024)

Haque conducted an integrative review of literature relating to retention of technology employees in India. The review covered 72 studies published between 2010 and 2022 and identified both reasons for leaving and explanations for staying as important perspectives in employee-retention research.

Monica and Reddy

A study of IT professionals in Chennai examined factors associated with employee retention and organizational commitment. The study identified factors such as pay, job characteristics, employee support and work-life balance as relevant to organizational commitment and retention among technology employees.

Singh et al. (2023)

Singh and colleagues examined employee retention in the Indian IT sector and considered job satisfaction and work environment as important aspects of employee retention. Their study demonstrates the continuing importance of organizational and workplace conditions in retaining IT employees.

Prakash, Raja and Vishnu Kumar (2025)

A recent review of employee retention in the IT sector emphasizes recognition, compensation, work environment and job autonomy as important retention-related factors. Although conducted after the present study period, the review provides further support for examining organizational practices alongside commitment when understanding employee retention.

Research Gap

Existing research has extensively examined employee retention, organizational commitment, job satisfaction, compensation, work environment and career development. However, several gaps can be identified.

First, a substantial part of the available literature focuses on large metropolitan IT centres such as Chennai, Bengaluru, Hyderabad and other major technology hubs. Comparatively less empirical attention has been given to IT employees working in South Tamil Nadu.

Second, previous studies have frequently examined employee retention through individual variables such as compensation, job satisfaction, work environment, career development and work-life balance. There is a need to examine organizational commitment as an integrated determinant of retention.

Third, the three dimensions of organizational commitment— affective, continuance and normative commitment— are not always examined together in regional IT-sector studies.

Fourth, there is limited region-specific evidence combining demographic analysis, chi-square analysis and factor analysis to identify the underlying dimensions associated with employee retention.



The present study attempts to address these gaps by examining organizational commitment and employee retention among IT employees in South Tamil Nadu using multiple statistical techniques.

Research Methodology

Research Design : The study adopts a descriptive and analytical research design. The descriptive component examines the demographic characteristics and levels of organizational commitment and employee retention. The analytical component examines the relationship between organizational commitment and employee retention and identifies the underlying factors influencing retention.

Period of Study : The period of study is June 2024.

Area of the Study : The study covers selected IT companies and technology-oriented organizations located in South Tamil Nadu, with respondents considered from major employment centres such as Madurai, Tiruchirappalli, Coimbatore and Tirunelveli.

Population of the Study : The population consists of employees working in IT companies, software organizations, IT-enabled services and technology-related organizations in South Tamil Nadu.

Sample Size : For the purpose of the empirical analysis, a sample of **150 employees** was assumed.

Sampling Technique : A convenience sampling technique was adopted because of the accessibility of IT employees and the practical limitations involved in collecting responses from employees across different organizations.

Sources of Data : Primary data were assumed to have been collected through a structured questionnaire. Secondary information was obtained from books, journal articles, research papers and relevant academic sources.

Research Instrument : The questionnaire consisted of two major sections. The first section collected demographic information. The second section measured organizational commitment and employee retention using a five-point Likert scale ranging from:

- 1 – Strongly Disagree
- 2 – Disagree
- 3 – Neutral
- 4 – Agree
- 5 – Strongly Agree

Variables Studied

Organizational commitment was examined through affective commitment, continuance commitment and normative commitment. Employee retention was measured through intention to remain, willingness to continue with the organization, organizational loyalty and reduced intention to leave.

Statistical Tools Used

The following statistical tools were used:

- Percentage analysis
- Descriptive statistics
- Chi-square test
- Factor analysis

Analysis and Interpretation

Demographic Profile of Respondents

Table 1: Gender-wise Classification of Respondents

Gender	No. of Respondents	Percentage
Male	92	61.33
Female	58	38.67
Total	150	100.00

The table shows that 61.33 per cent of the respondents are male and 38.67 per cent are female. Thus, male employees constitute the majority of the respondents.

Table 2: Age-wise Classification of Respondents

Age Group	No. of Respondents	Percentage
Below 25 years	38	25.33
25–35 years	61	40.67
36–45 years	34	22.67
Above 45 years	17	11.33
Total	150	100.00

The table indicates that 40.67 per cent of the respondents belong to the 25–35 years age group. This is followed by respondents below 25 years at 25.33 per cent. Respondents aged 36–45 years constitute 22.67 per cent, while 11.33 per cent are above 45 years. The results indicate that the sample is predominantly composed of employees in the early and middle stages of their careers.

Table 3: Educational Qualification

Qualification	No. of Respondents	Percentage
Undergraduate	44	29.33
Postgraduate	72	48.00
Professional/Technical Qualification	29	19.33
Other Qualification	5	3.34
Total	150	100.00

The table shows that nearly half of the respondents, 48.00 per cent, possess postgraduate qualifications. Undergraduate-qualified respondents account for 29.33 per cent, while 19.33 per cent possess professional or technical qualifications. This indicates that the IT workforce represented in the study is highly qualified.

Table 4: Monthly Income of Respondents

Monthly Income	No. of Respondents	Percentage
Below ₹25,000	22	14.67
₹25,001–₹50,000	51	34.00
₹50,001–₹75,000	42	28.00
₹75,001–₹1,00,000	22	14.67
Above ₹1,00,000	13	8.66
Total	150	100.00

The findings reveal that 34.00 per cent of respondents earn between ₹25,001 and ₹50,000 per month. Another 28.00 per cent earn between ₹50,001 and ₹75,000. The results indicate that most respondents belong to the middle-income categories.

Table 5: Work Experience

Experience	No. of Respondents	Percentage
Below 2 years	36	24.00
2–5 years	57	38.00
6–10 years	35	23.33
Above 10 years	22	14.67
Total	150	100.00

The table indicates that 38.00 per cent of the respondents have 2–5 years of work experience. Employees with less than two years of experience constitute 24.00 per cent, while 23.33 per cent have 6–10 years of experience. Employees with more than 10 years of experience constitute 14.67 per cent.

Table 6: Designation of Respondents

Designation	No. of Respondents	Percentage
Software/Technical Executive	51	34.00
Senior Executive/Developer	44	29.33

Team Leader	27	18.00
Manager	18	12.00
Others	10	6.67
Total	150	100.00

The table reveals that technical executives and developers form the largest group of respondents. This is followed by senior executives/developers and team leaders. The representation of employees at different organizational levels provides a broad perspective on organizational commitment and retention.

Table 7: Type of Employment

Employment Type	No. of Respondents	Percentage
Permanent	121	80.67
Contract	19	12.66
Temporary/Other	10	6.67
Total	150	100.00

The majority of respondents, 80.67 per cent, are permanent employees. This indicates that the assumed sample primarily represents employees who have an established relationship with their organizations.

Level of Organizational Commitment

Table 8: Level of Organizational Commitment

Level	No. of Respondents	Percentage
Low	25	16.67
Moderate	58	38.66
High	67	44.67
Total	150	100.00

The table shows that 44.67 per cent of respondents possess a high level of organizational commitment, while 38.66 per cent possess a moderate level. Only 16.67 per cent report a low level of organizational commitment.

The result indicates that the majority of respondents demonstrate moderate to high commitment towards their organizations.

Level of Employee Retention Intention

Table 9: Employee Retention Intention

Retention Intention	No. of Respondents	Percentage
Low	33	22.00
Moderate	52	34.67
High	65	43.33
Total	150	100.00

The table indicates that 43.33 per cent of respondents have a high intention to remain with their present organization. A further 34.67 per cent have a moderate retention intention, while 22.00 per cent report a low retention intention. Overall, the findings suggest a favourable retention tendency among the respondents.

Chi-Square Analysis

Association between Organizational Commitment and Employee Retention

H₀: There is no significant association between organizational commitment and employee retention intention among IT employees.

H₁: There is a significant association between organizational commitment and employee retention intention among IT employees.

Table 10: Chi-Square Test of Association

Organizational Commitment	Low Retention	Moderate Retention	High Retention	Total
Low	18	12	5	35
Moderate	10	25	10	45
High	4	15	51	70
Total	32	52	66	150

Chi-square value: 57.207

Degrees of freedom: 4

p-value: 0.000

Level of significance: 5 per cent

The calculated chi-square value of 57.207 is statistically significant at the 5 per cent level. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted. It is concluded that there is a significant association between organizational commitment and employee retention intention. The distribution also shows a

clear pattern: employees with high organizational commitment are substantially more concentrated in the high-retention category. This supports the proposition that stronger organizational commitment is associated with greater willingness to remain with the organization.

Factor Analysis

Factor analysis was conducted to identify the underlying dimensions of organizational commitment and employee retention.

Variables Included

The analysis considered 18 statements covering emotional attachment, organizational identification, career development, compensation, work environment, recognition, organizational support, job security and intention to remain.

KMO and Bartlett's Test

Table 11: KMO and Bartlett's Test

Test	Value
Kaiser-Meyer-Olkin Measure	0.861
Bartlett's Test of Sphericity – Approx. Chi-square	1128.436
Degrees of Freedom	153
Significance	0.000

The KMO value of 0.861 indicates that the sample is adequate for factor analysis. Bartlett's test is statistically significant at the 5 per cent level, indicating that the correlation matrix is appropriate for factor extraction.

Rotated Factor Matrix

Table 12: Factor Loading and Dimensions

Variables	Factor 1	Factor 2	Factor 3	Factor 4
I feel emotionally attached to my organization	0.821			
I am proud to be associated with my organization	0.804			
Organizational goals are important to me	0.776			
I identify strongly with my organization	0.751			
I have opportunities for career advancement		0.824		
Training improves my career prospects		0.801		
My organization supports skill development		0.769		
Promotion opportunities encourage me to stay		0.742		



Compensation is competitive			0.817	
Rewards encourage me to continue			0.793	
Work environment is comfortable			0.765	
Work-life balance is satisfactory			0.738	
My organization values employee contributions				0.824
Management provides adequate support				0.801
I feel secure in my current job				0.774
I am consulted in important decisions				0.751
I intend to continue working here				0.732
I would recommend this organization as a workplace				0.716

Interpretation of Factors

Factor 1 – Emotional Attachment and Organizational Identification

The first factor has high loadings on emotional attachment, pride, identification and acceptance of organizational goals. This factor may be termed **Emotional Attachment and Organizational Identification**. It represents the affective dimension of organizational commitment.

Factor 2 – Career Development and Growth Opportunities

The second factor consists of career advancement, training, skill development and promotion opportunities. It may be termed **Career Development and Growth Opportunities**. Employees are more likely to remain when they perceive that the organization provides opportunities for professional advancement.

Factor 3 – Rewards and Work Environment

The third factor includes competitive compensation, rewards, work environment and work-life balance. It may be termed **Rewards and Work Environment**. These factors influence employees' overall assessment of the attractiveness of remaining with the organization.

Factor 4 – Organizational Support and Job Security

The fourth factor includes organizational support, recognition, job security and employee participation. It may be termed **Organizational Support and Job Security**. The factor indicates that employees' perception of support and security can contribute substantially to retention.

Total Variance Explained

Table 13: Total Variance Explained

Factor	Eigenvalue	Percentage of Variance	Cumulative Percentage
Factor 1	5.18	28.78	28.78

Factor 2	3.21	17.83	46.61
Factor 3	2.19	12.17	58.78
Factor 4	1.73	9.61	68.39

The four extracted factors together explain 68.39 per cent of the total variance. Factor 1 accounts for the largest proportion of variance at 28.78 per cent, followed by Factor 2 at 17.83 per cent. Factor 3 explains 12.17 per cent and Factor 4 explains 9.61 per cent. Thus, the four-factor solution provides a meaningful representation of the variables included in the study.

Major Findings

The major findings of the study are as follows:

1. Male employees constitute 61.33 per cent of the respondents, while female employees account for 38.67 per cent.
2. The largest age group is 25–35 years, representing 40.67 per cent of the sample.
3. Nearly half of the respondents, 48.00 per cent, possess postgraduate qualifications.
4. The largest income group consists of employees earning ₹25,001–₹50,000 per month.
5. Employees with 2–5 years of experience constitute the largest group at 38.00 per cent.
6. Permanent employees represent 80.67 per cent of the respondents.
7. About 44.67 per cent of respondents possess a high level of organizational commitment, while 38.66 per cent possess a moderate level.
8. About 43.33 per cent of respondents have a high intention to remain with their current organization.
9. The chi-square analysis reveals a statistically significant association between organizational commitment and employee retention intention.
10. Employees with high organizational commitment show a considerably higher concentration in the high-retention category.
11. Factor analysis identifies four major dimensions: emotional attachment and organizational identification; career development and growth opportunities; rewards and work environment; and organizational support and job security.
12. The four factors collectively explain 68.39 per cent of the total variance.
13. Emotional attachment and organizational identification constitute the most influential extracted factor.
14. Career development and growth opportunities form the second major dimension, indicating the importance of professional advancement in retaining IT employees.
15. Rewards, work environment, organizational support and job security also contribute significantly to employees' retention-related attitudes.

Suggestions

Based on the findings, the following suggestions are offered:



Strengthen Employee-Organization Relationships

IT companies should develop practices that create emotional attachment and organizational identification. Employees should understand organizational goals and feel that their individual contributions are meaningful.

Provide Career Development Opportunities

Organizations should establish transparent career-development pathways. Regular training, certification programmes, mentoring and internal promotion opportunities can encourage employees to develop their careers within the organization rather than seeking opportunities elsewhere.

Improve Recognition and Reward Systems

Employee contributions should be recognized through both financial and non-financial rewards. Performance-based incentives, appreciation programmes and timely recognition can improve employees' perceptions of organizational value.

Promote Work-Life Balance

IT companies should provide flexible work arrangements wherever operationally feasible. Reasonable workloads, leave support, flexible schedules and employee well-being programmes can reduce dissatisfaction and strengthen retention.

Improve Organizational Support

Managers should maintain open communication with employees and provide support when employees encounter professional or personal challenges. Employees who feel supported by their managers are more likely to develop positive organizational attitudes.

Strengthen Job Security

Organizations should communicate clearly regarding employment expectations, career paths and performance standards. Greater transparency can reduce uncertainty and improve employees' confidence in their future with the organization.

Encourage Employee Participation

Employees should be given opportunities to provide suggestions and participate in decisions affecting their work. Participation can strengthen organizational identification and make employees feel valued.

Conduct Periodic Retention Surveys

IT companies should periodically assess employee commitment, satisfaction and intention to leave. Early identification of dissatisfaction can help HR managers intervene before employees decide to leave.

Conclusion

The study titled “**Organizational Commitment as a Determinant of Employee Retention in IT Companies in South Tamil Nadu**” examines the relationship between organizational commitment and employee retention among IT employees. The assumed empirical results demonstrate that organizational commitment is significantly associated with employees' intention to remain with their organizations.

The findings indicate that employees with high organizational commitment are more likely to demonstrate high retention intention. The chi-square analysis provides statistical evidence of a significant association between organizational commitment and employee retention. The factor analysis further identifies four major dimensions that contribute to retention-related attitudes: emotional attachment and organizational identification, career



development and growth opportunities, rewards and work environment, and organizational support and job security.

The results suggest that employee retention cannot be achieved solely through monetary compensation. IT organizations need to create an environment in which employees feel emotionally connected, professionally supported, fairly rewarded and secure. Career development and recognition are particularly important for employees in a technology-oriented and competitive employment environment.

For IT companies in South Tamil Nadu, strengthening organizational commitment can therefore become an important component of their employee-retention strategy. Organizations that invest in career development, employee involvement, recognition, work-life balance, supportive leadership and transparent HR practices are more likely to develop a committed workforce and reduce employee turnover.

The study is limited by its assumed sample and the cross-sectional nature of the research design. The statistical results presented in this article are therefore suitable as an **academic model/draft based on assumed data**, and they should be replaced with actual survey results before the article is submitted for publication as an empirical study.

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