



Identifying and Analyzing Key Determinants of Employee Retention: A Study on Organisational Factors

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Abstract

Employee retention is an integral part of human resource management that aims to keep a stable and motivated staff within an organization. It consists of applying policies and strategies to encourage employees to stay with the organization for an extended duration. Keeping competent employees not only minimizes recruitment and training costs but also maximizes organisational productivity, morale, and performance as a whole. The employee retention study analyses several factors that drive employees stay decisions, including job satisfaction, compensation, career development possibilities, work-life balance, organizational culture, and leadership style. The study also determines some of the challenges organizations may experience when trying to retain high-skilled employees in a competitive labour market. Analytically and descriptively, the research investigates best retention practices such as recognition programs, flexible work conditions, and open communication. The results highlight employee engagement and a healthy work environment as the premier factors for retention in the long run. The research concludes that strategic employee retention makes an important contribution towards organizational prosperity and longevity. The study concludes that a strategic approach to employee retention contributes significantly to organizational success, sustainability, and competitive advantage by foreseeing loyalty, trust, and commitment among employees.

Keywords: Employee retention, job satisfaction, organizational commitment, motivation, work environment, career development, human resource management, employee engagement, loyalty, productivity.

Introduction

Retention of employees is one of the most significant issues faced by organizations in the current competitive business scenario. It means an organization's success in avoiding turnover and maintaining its employees for a longer period of time. With the globalization of trade, technological upgradation, and the growing mobility of employees, retaining experienced and skilled employees has acquired tremendous significance. Employee retention is not just keeping employees from resigning; it is developing a work environment that encourages people to work effectively, be committed, and play their part in the success of the organization. In today's workplaces, where talent is viewed as the most crucial resource, retention is now an essential part of human resource management.

Employee retention is closely related to job satisfaction, organizational commitment, career development, and work-life balance. Workers who are valued, rewarded, and supported tend to remain in their company. Competitive compensation, recognition, career development opportunities, quality leadership, and a favourable work environment all

play a considerable role in affecting the level of retention. Conversely, uninformed management styles, poor communication, restricted career development opportunities, and low pay tend to result in high turnover. High turnover not only adds recruitment and training expenses but also interferes with productivity and decreases overall organizational morale.

Retention of employees is of specific concern since experienced staff brings with them valuable knowledge, skills, and relationships that are crucial to organizational continuity and innovation. Departing employees leave behind intellectual capital, customer trust, and stability in teams for their organizations. Thus, successful retention programs revolve around meeting employees' needs and linking them with organizational objectives. An effective retention strategy focuses on employee engagement, ongoing learning, career growth, and work-life balance. Firms that make an investment in their employees' personal and professional development have greater satisfaction and loyalty levels among employees. The leadership and organizational culture also play a critical role in maintaining employees. Leadership that is positive and

encourages open communication, respect, and positive recognition helps to create feelings of belonging and trust. Also, a healthy workplace culture that emphasizes diversity, cooperation, and ethical values boosts employee morale and minimizes attrition. On the other hand, negative work environments can compel even the most devoted employees to resign. Therefore, human resource departments need to regularly check on workplace satisfaction and formulate policies that ensure inclusivity, justice, and well-being for employees.

In the current scenario, where employees are in high demand of jobs and employees are better informed of their rights and value, organizations are no longer merely required to use conventional retention techniques. They are required to establish an environment of engagement, where employees are engaged mentally and emotionally with their work. Flexible work arrangements, mental health assistance, and the solicitation of employee feedback are cutting-edge methods that help in retention.

Finally, employee retention is a strategic process that extends beyond pay and benefits. It involves the total employee experience, from recruitment to career growth. Those organizations that effectively retain their employees not only attain greater productivity but also build their reputation as employers of choice. Thus, building effective retention strategies is crucial for ensuring long-term organizational stability and development.

Review of Literature

Employee retention has emerged as a major focus in human resource management research due to its direct impacts on organizational performance, productivity, and long-term sustainability. Numerous studies have sought to explain why employees choose to stay or leave organizations, highlighting a variety of psychological, and contextual factors. Herzberg, Mausner, and Snyderman [1959] proposed the two-factor theory, distinguishing between hygiene factors such as salary and work conditions, which prevent dissatisfaction, and motivators like achievement and recognition, which enhance satisfaction and loyalty. Similarly, Maslow's [1943] hierarchy of needs emphasizes that organizations retaining employees effectively are those fulfil both basic and higher-order needs. Mobley's [1977] turnover model provided an important framework explaining how job dissatisfaction leads to thoughts of quitting and eventual turnover, underscoring the significance of managing employee attitudes proactively. Meyer and Allen (1991) introduced the Three-Component Model of Organizational Commitment—ffective, continuance, and normative commitment—explaining that emotional attachment and a sense of obligation play key roles in retention.

Building on this, Mitchell *et al.* (2001) developed the Job Embeddedness Theory, which suggests that employees' decisions to stay are influenced not only by job satisfaction but also by social links, organizational fit, and the perceived sacrifices of leaving. Empirical studies by Griffeth, Hom, and Gaertner (2000) found that job satisfaction, commitment, and perceived employment alternatives are the most consistent predictors of employee turnover. Allen, Shore, and Griffeth (2003) further demonstrated that perceived organizational support enhances employee loyalty, showing that when employees feel valued, their intention to leave decreases significantly. Huselid (1995) confirmed that strategic human resource practices—such as selective recruitment, training, and performance-based rewards—improve retention while

boosting firm performance. Kuvaas (2006) emphasized the significance of developmental feedback and career growth in reducing turnover intentions, suggesting that career-oriented employees remain longer when they perceive clear advancement opportunities. In recent years, flexible work arrangements have also been recognized as crucial for retention. Bloom *et al.* (2015) found that remote and flexible work improved job satisfaction and reduced attrition, especially in knowledge-based industries.

Similarly, Alfes, Shantz, Truss, and Soane (2013) demonstrated that employee engagement mediates the relationship between HR practices and retention, as engaged employees are more emotionally connected to their organizations. Ng, Schweitzer, and Lyons (2010) highlighted generational differences, showing that Millennials and Gen Z employees value personal growth and flexibility more than older generations. Moreover, Steel and Lounsbury (2009) discussed that external labour market conditions, career stage, and occupational mobility moderate the relationship between job satisfaction and turnover. Collectively, these studies reveal that retention is a multifaceted issue influenced by leadership, compensation, work-life balance, and organizational culture. Despite extensive research, gaps remain in understanding how technology, remote work, and cross-cultural differences influence modern retention strategies. Thus, current literature suggests that organizations must adopt an integrated approach that combines motivational, developmental, and cultural factors to build a committed and enduring workforce.

Research Methodology

Statement of the Problem

Employee retention has become a critical concern for organizations in today's competitive business environment. High turnover rates not only disrupt organizational operations but also increase recruitment and training costs, affect morale, and impact overall productivity. Despite organizations implementing various strategies such as competitive compensation, career development programs, and employee engagement initiatives, many still struggle to retain their talented workforce. This indicates that understanding the underlying factors influencing employee retention is essential for sustainable organizational growth.

One of the significant challenges in employee retention is the lack of alignment between employee expectations and organizational offerings. Employees today seek not only financial rewards but also job satisfaction, work-life balance, recognition, and opportunities for career advancement. Organizations often fail to address these non-monetary factors adequately, leading to dissatisfaction and eventual attrition. Additionally, workplace culture, management practices, and leadership styles play a pivotal role in retaining employees. Ineffective communication, limited support from supervisors, and lack of employee involvement in decision-making can further contribute to disengagement and turnover.

Moreover, the dynamic nature of the labour market presents additional challenges. With the increasing availability of alternative employment opportunities, employees are more likely to switch jobs if their current work environment does not meet their personal and professional needs. This situation is further complicated in sectors experiencing skill shortages, where organizations compete intensely to attract and retain qualified personnel.

The problem is exacerbated by insufficient research on the specific retention strategies that are most effective across

different organizational contexts. While general retention practices are well-documented, organizations often face difficulties in tailoring these strategies to their unique workforce demographics, job roles, and organizational culture. This gap in understanding can result in wasted resources and ineffective retention efforts.

Research Gap

- i). **Isolated Focus on Factors:** Most existing studies have analyzed individual factors such as job satisfaction, compensation, career growth, and leadership style separately. However, there is limited research that investigates how these factors interact with one another and collectively influence employee retention. Understanding the combined impact could provide a more realistic view of why employees choose to stay or leave an organization.
- ii). **Limited Contextual Understanding:** Much of the existing literature focuses on large multinational corporations, while small and medium-sized enterprises (SMEs) and public sector organizations are often overlooked. The challenges, motivations, and retention strategies in these sectors differ significantly, creating a gap in understanding retention from a broader organizational perspective.
- iii). **Cultural and Regional Gaps:** Most studies are concentrated in Western contexts, leaving a lack of research in developing countries like India, where cultural values, work ethics, and management practices vary widely. The influence of local culture and regional diversity on employee retention remains underexplored.
- iv). **Lack of Qualitative Insights:** The majority of studies rely heavily on quantitative surveys and statistical analysis. This approach often overlooks employees' personal experiences, emotional connections, and workplace culture, which are crucial in understanding their true reasons for staying or leaving.
- v). **Impact of Technological and Work Changes:** With the rise of digital transformation, remote working, and hybrid job models after the COVID-19 pandemic, employee expectations and retention dynamics have changed drastically. However, limited research has explored how these new work arrangements affect retention.
- vi). **Neglect of Generational and Diversity Factors:** Modern organizations are witnessing a multigenerational workforce. Yet, few studies examine how generational differences, gender diversity, and inclusion policies influence employee loyalty and retention.
- vii). **Short-Term Research Focus:** Many existing studies assess employee retention strategies over short periods. There is a lack of longitudinal research that evaluates how retention practices sustain employee engagement and satisfaction in the long term.
- viii). **Need for Integrated and Practical Approaches:** There is a significant need for comprehensive research that combines both quantitative and qualitative approaches and develops practical, evidence-based frameworks for improving retention across diverse organizational contexts.

Objectives of the Study

- i). Identify key factors influencing employee retention, including job satisfaction, leadership style, compensation, and career development.
- ii). Analyse patterns and trends in employee turnover across

different demographics, departments, and industries.

- iii). Understand employee motivations for staying or leaving an organization through surveys, interviews, and HR data.
- iv). Evaluate the effectiveness of current retention strategies, such as onboarding programs, mentorship, and recognition systems.
- v). Apply analytical tools (e.g., regression analysis, predictive modeling) to uncover root causes of attrition.
- vi). Develop targeted interventions to improve retention among high-risk employee groups.
- vii). Assess the impact of organizational culture and work environment on employee loyalty and engagement.
- viii). Provide actionable recommendations for HR professionals to enhance retention through strategic planning.
- ix). Support long-term organizational growth by reducing recruitment costs and preserving institutional knowledge.
- x). Contribute to academic and practical understanding of employee retention in the field of human resource management.

Types of Research

- i). **Descriptive Research:** Descriptive research on employee retention focuses on understanding the factors that influence employees to stay within an organisation. It involves collecting data through surveys to describe current retention practices, employee satisfaction, and workplace culture. This research helps identify patterns, trends, and relationships between motivation, job satisfaction, and turnover. By analysing these insights, organisations can develop effective strategies to improve employee engagement and reduce attrition rates.
- ii). **Analytical Research:** Analytical research on employee retention examines the underlying causes, relationships and effects of factors influencing employees decision to stay or leave an organisation. It involves interpreting collected data using statistical or comparative methods to understand how variables like salary, leadership, work culture, and growth opportunities impact retention. This research goes beyond description to analyse why retention issues occur, helping organisations make data-driven decisions and design effective policies to enhance employee loyalty and satisfaction.

Research Limitations

- i). **Limited Sample Size:** The study may include only a small number of participants, which limits the generalizability of the findings. A restricted sample cannot accurately represent all employees across departments or organizations. This may lead to biased conclusions about retention factors.
- ii). **Geographical Constraints:** Research conducted within a specific region or organization may not reflect the experiences of employees in other locations. Cultural, economic, and organizational differences can affect retention, making the results context-specific.
- iii). **Time Constraints:** The research might be conducted over a short period, which prevents long-term observation of employee behavior. Employee retention is influenced by dynamic factors, and short-term studies may overlook evolving pattern.
- iv). **Self-Reported Data:** Much of the data in employee retention research comes from surveys or interviews. Respondents may provide socially desirable answers

instead of truthful ones, leading to response bias and inaccurate interpretations.

- v). **Changing Organizational Policies:** Frequent changes in company policies, leadership, or management practices during the study can affect employee opinions. This makes it difficult to maintain consistency and reliability in the collected data.
- vi). **Limited Access to Data:** Researchers may not have full access to confidential HR records or turnover data due to privacy concerns. Incomplete or restricted data can hinder comprehensive analysis and limit research accuracy.
- vii). **Lack of Longitudinal Data:** Most studies use cross-sectional data, capturing only a snapshot in time. Without longitudinal data, it's challenging to understand how retention factors evolve and impact employees over the years.
- viii). **Influence of External Factors:** Economic conditions, job market fluctuations, and industry competition can influence employee retention. These external factors are beyond the researcher's control, making it hard to isolate their effects.
- ix). **Researcher Bias:** The personal beliefs or assumptions of the researcher may unintentionally influence the interpretation of data. This bias can affect objectivity and lead to skewed results or conclusions.
- x). **Limited Theoretical Framework:** Some studies may not be based on strong theoretical models, reducing their academic depth. Without proper theoretical support, findings may lack clarity and fail to contribute meaningfully to existing literature.

Sample and Population Size

The population for this study includes individuals directly involved in employee management and retention practices across mid-sized organizations. This includes:

- i). HR professionals and managers
- ii). Employees with 2+ years of tenure
- iii). Organizational development consultants

A sample size of 42 respondents was selected using snowball

sampling, where initial participants referred others with relevant experience. This method ensured access to knowledgeable individuals and helped build a reliable dataset for analysis.

Snowball Sampling

Snowball sampling—also known as chain-referral sampling—is commonly used in qualitative and exploratory research. It begins with a small group of initial participants (called “seeds”) who meet the study criteria. These individuals are then asked to refer others they know who also fit the criteria. The process continues until the desired sample size is reached or no new participants are found (known as saturation).

Snowball sampling is a non-probability sampling technique where existing participants recruit future participants from their social or professional networks. It's especially useful for accessing hard-to-reach or specialized populations.

Benefits

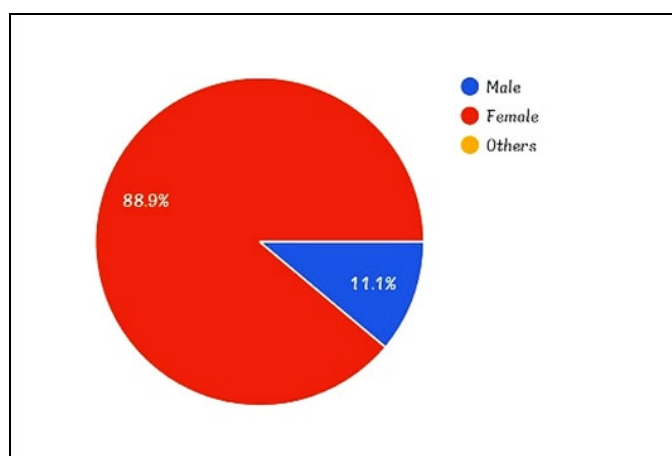
- i). Snowball sampling helps reach employees who are difficult to contact or reluctant to participate.
- ii). It builds trust through peer referrals, encouraging honest and open responses.
- iii). The method saves time and cost by using participant networks for recruitment.
- iv). It is effective for studying sensitive topics like job dissatisfaction or turnover.
- v). It provides rich, diverse insights into employee experiences and retention factors.

Types of Data

- i). **Primary Data:** Primary data for employee retention is collected directly from employees through surveys to understand their satisfaction, motivation, and reasons for staying or leaving the organisation.
- ii). **Secondary Data:** Secondary data is gathered from existing sources such as company records, HR reports, research journals, books, and previous studies to analyze trends, past retention strategies and overall workforce patterns.

Data Analysis

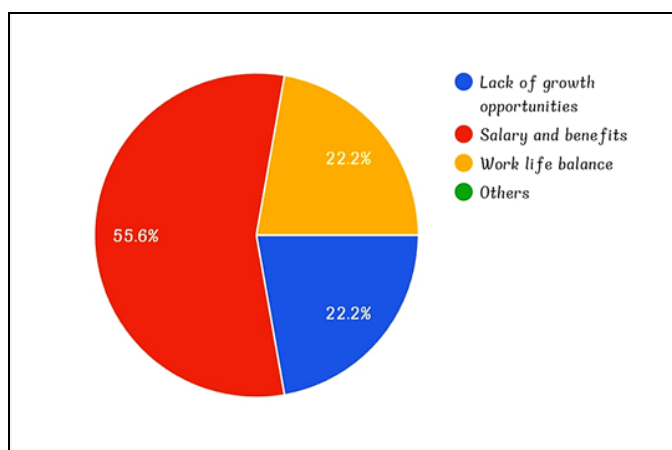
1. Gender of the Respondent



In the study on employee retention, 11% of the respondents were male, while a majority of 88% were female. This indicates that female employees formed the dominant group

in the research sample, suggesting that the findings may reflect more of the perspectives and experiences of women regarding retention factors within the organisation.

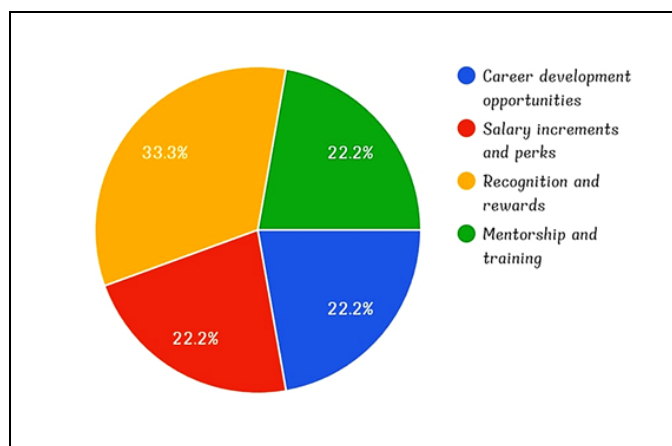
2. Top reasons employee leave an organisation:-



The study reveals that the major reason employees leave an organisation is due to salary and benefits [55.6%], indicating dissatisfaction with compensation packages. Additionally, 22.2% of employees cited lack of growth opportunities, reflecting limited career advancement, while another 22.2%

mentioned work-life balance issues, showing the need for flexible schedules and supportive work environments. These findings highlight key areas organisations must address to improve employee retention.

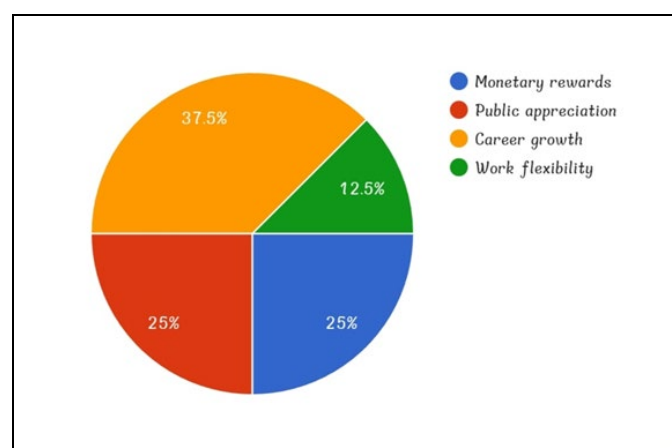
3. Steps to improve employee retention:-



The study shows that recognition and rewards (33.3%) are considered the most effective step to retain employees, emphasizing the need to acknowledge their contributions. Career development opportunities (22.2%), salary increments

and perks (22.2%), and mentorship and training (22.2%) are equally important, highlighting the role of professional growth, fair compensation, and skill enhancement in improving employee satisfaction and reducing turnover.

4. Interpretation



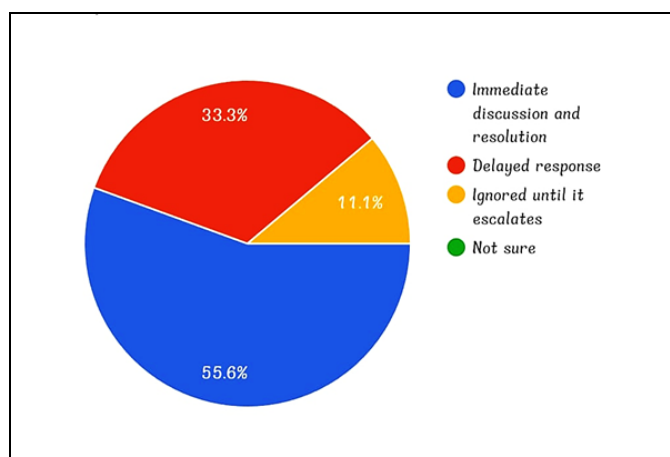
The study shows that the majority of employees (37.5%) value career growth as the most meaningful form of

recognition, reflecting their desire for long-term advancement. Monetary rewards (25%) and public appreciation (25%) are

equally valued, highlighting the importance of both financial and social acknowledgment. A smaller portion, 12.5%, prefer

work flexibility, indicating that adaptable work options also play a role in employee satisfaction and retention.

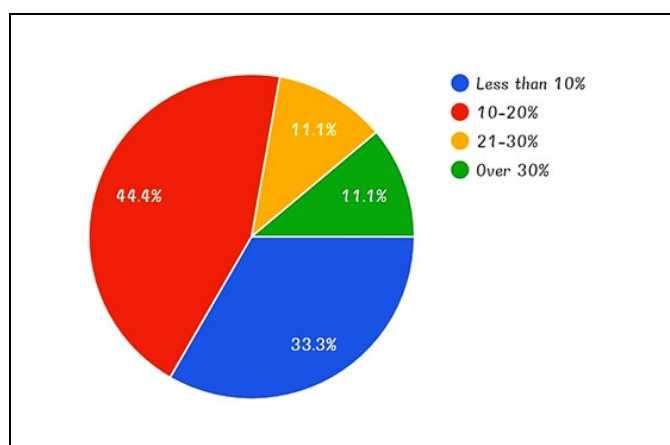
5. Addressing employee dissatisfaction:-



The study indicates that a majority of employees (55.6%) prefer immediate discussion and resolution of their concerns, emphasizing the importance of prompt communication. 33.3% experience delayed responses, which can reduce

morale and engagement. A smaller portion, 11.1%, report that issues are ignored until they escalate, highlighting the negative impact of neglecting employee grievances on retention and overall workplace satisfaction.

6. Average employee turnover rate:-



The study indicates that 44.4% of employees experience a turnover rate of 10–20%, making it the most common range. 33.3% reported a turnover rate of less than 10%, while both 21–30% and over 30% turnover rates were observed in 11.1% of cases each. These findings highlight moderate employee attrition, suggesting organizations need targeted strategies to reduce turnover and improve retention.

Findings of the Study

- i). **Gender Distribution:** The majority of respondents were female (88%) compared to male (11%), indicating that the study mainly reflects the perspectives of female employees.
- ii). **Reasons for Leaving:** The primary reason for employee attrition was salary and benefits (55.6%), followed by lack of growth opportunities (22.2%) and work-life balance issues (22.2%).
- iii). **Steps to Improve Retention:** Employees value recognition and rewards (33.3%) most, along with career development (22.2%), salary increments and perks (22.2%), and mentorship and training (22.2%) as key retention strategies.

iv). **Types of Recognition:** The preferred forms of recognition were career growth (37.5%), monetary rewards (25%), public appreciation (25%), and work flexibility (12.5%).

v). **Addressing Dissatisfaction:** A majority (55.6%) expect immediate discussion and resolution of concerns, while 33.3% experience delayed responses and 11.1% feel issues are ignored until escalation.

vi). **Employee Turnover Rate:** Most organizations reported a turnover rate of 10–20% (44.4%), followed by less than 10% (33.3%), and 21–30% or over 30% (11.1% each), indicating moderate attrition levels.

Suggestions

- i). **Enhance Salary and Benefits:** Since salary and benefits were the main reason for leaving (55.6%), organizations should review compensation structures regularly and offer competitive packages to retain talent.
- ii). **Provide Career Development Opportunities:** Employees value career growth (37.5%) and professional development. Implement training programs, promotions, and skill-enhancement opportunities to encourage long-

term commitment.

- iii). **Implement Recognition and Reward Programs:** Recognition and rewards (33.3%) significantly influence retention. Regularly acknowledge achievements through awards, bonuses, and public appreciation to motivate employees.
- iv). **Strengthen Mentorship and Training:** Offering mentorship programs and continuous training (22.2%) helps employees feel supported and invested in, enhancing loyalty and reducing attrition.
- v). **Ensure Prompt Resolution of Grievances:** Since 55.6% prefer immediate discussion of issues, establish transparent grievance handling mechanisms to address concerns quickly and effectively.
- vi). **Promote Work-Life Balance:** Address work-life balance concerns (22.2%) by offering flexible work schedules, remote options, and wellness programs to reduce burnout and improve retention.
- vii). **Monitor Employee Turnover:** Regularly track turnover rates (10–20% most common) and identify patterns to proactively implement retention strategies in high-risk areas.
- viii). **Tailor Recognition Approaches:** Different employees value different forms of recognition. Combine career growth, monetary rewards, public appreciation, and flexible work options to meet diverse needs.
- ix). **Encourage Open Communication:** Maintain open channels for feedback, suggestions, and performance discussions to make employees feel valued and heard.
- x). **Develop a Positive Organizational Culture:** Foster a supportive, inclusive, and motivating workplace environment where employees feel engaged and committed to the organization.

Conclusion

The study on employee retention reveals that organizations face several challenges in retaining talented employees, with salary and benefits emerging as the primary reason for attrition. Other significant factors include lack of career growth opportunities and work-life balance issues. The research highlights that recognition, career development, mentorship, and prompt grievance resolution play a crucial role in influencing employee satisfaction and loyalty. Female employees formed the majority of respondents, indicating that retention strategies may need to address their specific expectations and concerns.

The findings also show that employees value career growth and recognition more than monetary rewards alone, suggesting that organizations should adopt a holistic approach to retention. Turnover rates mostly fall within the 10–20% range, reflecting moderate attrition levels. Addressing employee dissatisfaction through immediate discussions and timely resolution of issues is essential to maintain morale and engagement.

Overall, improving compensation, providing opportunities for professional development, implementing effective recognition programs, fostering mentorship, and promoting work-life balance can significantly enhance retention. Organizations that prioritize these areas can reduce turnover, strengthen employee commitment, and create a positive workplace culture, ultimately contributing to higher productivity and sustainable growth.

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