

# Factors That Influence on Employee Retention

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**Abstract-** Employee retention has emerged as a critical concern for organizations across various sectors in today's competitive business environment. Retaining skilled employees ensures continuity, reduces recruitment costs, and supports long-term organizational growth. This article explores the key factors that influence employee retention, including work-life balance, job satisfaction, career advancement opportunities, leadership effectiveness, and organizational culture. A well-structured employee retention strategy not only enhances employee morale but also contributes to overall productivity and performance. Through a combination of literature review and data analysis, this study aims to identify the most influential factors that encourage employees to remain with their organization for longer periods.

**Keywords-** Employee Retention, Job Satisfaction, Work-Life Balance, Leadership Support, Organizational Culture, Compensation and Benefits, Retention Factors.

## I. INTRODUCTION

In the dynamic landscape of modern business, retaining talented employees has become a vital component of organizational success. High employee turnover leads to increased recruitment and training costs, reduced operational efficiency, and disruption in team dynamics. Consequently, understanding the factors that drive employee retention is essential for human resource management.

Employee retention refers to the ability of an organization to keep its employees over a period of time. It is influenced by a variety of factors such as compensation, job satisfaction, work-life balance, opportunities for professional growth, and the quality of management and leadership. Organizations that prioritize these aspects often experience lower attrition rates and higher levels of employee engagement.

This article seeks to investigate the core elements that contribute to employee retention and to provide insights that can guide HR professionals and organizational leaders in developing effective retention strategies. By identifying and addressing these factors, businesses can foster a stable and

motivated workforce, which is key to achieving sustainable growth.

## II. REVIEW OF LITERATURE

Frye et al. (2020)

Found that a working environment that is considered by the employees to be pleasant, Positively influences their overall job satisfaction. The same goes for the actual quality of the Workplace, that seems to have quite similar effects on employee job satisfaction, when it is Perceived as desirable and enjoyable.

Singh et al. (2019)

This review analyses the impact of employee engagement on retention in the IT industry. The Authors suggest that employee engagement is a critical factor in retaining talent in the IT sector.

Patel et al. (2018)

This study examines the relationship between work-life balance and employee retention in the Healthcare industry. The authors find that work-life balance is a significant predictor of employee Retention in the healthcare sector.

Adeyinka et al. (2017)

This study examines the impact of leadership style on employee retention in Nigerian banks. The results show that transformational leadership style has a significant positive effect on Employee retention.

## OBJECTIVES OF THE STUDY

### PRIMARY OBJECTIVE

- To understand Factors that influence employee retention.

### SECONDARY OBJECTIVE

- To identify the key factors influence on employee Retention
- To analyse the impact of work life balance and job satisfaction on employee retention.
- To evaluate the role of leadership support in employee retention

### III. RESEARCH METHODOLOGY

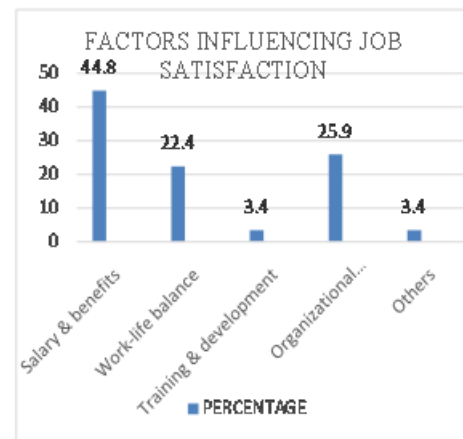
The study adopts a descriptive research design using a census survey method, where data was collected from the entire population of employees within the organization to ensure comprehensive and accurate results. A structured questionnaire was used as the primary tool to gather quantitative data on various factors influencing employee retention, such as job satisfaction, work-life balance, career growth, compensation, leadership, and organizational culture. Both closed-ended and Likert scale-based questions were included to capture employee opinions. The collected data was analysed using statistical tools like Microsoft Excel and SPSS to derive meaningful insights and support the development of effective employee retention strategies.

### IV. DATA ANALYSIS

#### PERCENTAGE ANALYSIS

#### FACTORS INFLUENCING JOB SATISFACTION

PARTICULARS	PERCENTAGE	NO OF RESPONSE
Salary & benefits	44.8	26
Work-life balance	22.4	13
Training & development	3.4	2
Organizational relationships	25.9	15
Others	3.4	2
<b>TOTAL</b>	<b>100</b>	<b>58</b>



#### INTERPRETATION

From the data, it is evident that the majority of employees (44.8%) consider salary and benefits as the key factor influencing retention, followed by organizational relationships (25.9%) and work-life balance (22.4%), while training & development and other factors are given less priority.

#### CHI-SQUARE

#### JOB POSITION AND PREFERRED RETENTION FACTORS

#### HYPOTHESIS

- Null Hypothesis ( $H_0$ ): There is no significant relationship between job position levels and preferred retention factors.
- Alternative Hypothesis ( $H_1$ ): There is a significant relationship between job position levels and preferred retention factors.

#### OBSERVED FREQUENCIES

Job Position	Salary & Benefits	Work-Life Balance	Training & Development	Organizational Relationships	Others
First Line Managers	26	13	2	15	2
Mid Line Managers	25	25	0	0	0
Senior Level Managers	9	0	0	0	0

**EXPECTED FREQUENCIES**

Job Position	Salary & Benefits	Work-Life Balance	Training & Development	Organizational Relationships	Others
First Line Managers	29.74	18.84	0.99	7.44	0.99
Mid Line Managers	25.64	16.24	0.85	6.41	0.85
Senior Level Managers	4.62	2.92	0.15	1.15	0.15

**Chi-Square Statistics:**

- Chi-Square Value ( $\chi^2$ ): 33.44
- Degrees of Freedom (df): 8
- P-Value: 0.0001

**INTERPRETATION**

Since the p-value is less than 0.05, we reject the null hypothesis. This indicates a significant relationship between job position levels and preferred retention factors. Different managerial levels have varying preferences regarding salary, work-life balance, and organizational relationships.

**CORRELATION****CORRELATION BETWEEN LEADERSHIP SUPPORT AND SUPERVISOR RELATIONSHIP****HYPOTHESIS**

Null Hypothesis ( $H_0$ ): There is no significant correlation between leadership support and supervisor relationship.

Alternative Hypothesis ( $H_1$ ): There is a significant positive correlation between leadership support and supervisor relationship.

$X_i$	$Y_i$	$(X_i - \bar{X})$	$(Y_i - \bar{Y})$	$(X_i - \bar{X})(Y_i - \bar{Y})$	$(X_i - \bar{X})^2$	$(Y_i - \bar{Y})^2$
5	5	1.155	0.828	0.957	1.334	0.686
4	4	0.155	-0.172	-0.027	0.024	0.030
3	3	-0.845	-1.172	0.090	0.714	1.373
2	2	-1.845	-2.172	4.007	3.404	4.718
1	1	-2.845	-3.172	9.024	8.093	10.063
Total	1			14.951	13.569	16.870

Correlation coefficient  $[r] = 0.989$

Degree of freedom  $[df] = 3$

$P < 0.001$

**INTERPRETATION**

Since  $p < 0.001$ , the correlation is statistically significant. You can reject the null hypothesis and conclude that Leadership Support is significantly correlated with Supervisor Relationship.

**ANOVA****HYPOTHESIS**

- Null Hypothesis ( $H_0$ ): There is no significant difference in employee opinion across various factors influencing work-life balance and the changes they consider important for retention.
- Alternative Hypothesis ( $H_1$ ): There is a significant difference in employee opinion across various factors influencing work-life balance and the changes they consider important for retention.

**ANOVA Table**

Source of Variation	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11.865	4	2.966	4.007	0.007
Within Groups	39.238	53	0.740		
Total	51.103	57			

**INTERPRETATION**

Since the significance value (p-value) is 0.007, which is less than 0.05, the null hypothesis ( $H_0$ ) is rejected. It shows

that there is a significant difference in employee opinion regarding the factors influencing retention. Therefore, it is concluded that factors like career growth, salary & benefits, work environment, leadership support, and recognition play an important role in retaining employees.

## V. FINDINGS

- Mid-line managers make up the highest percentage (43.1%) of managerial roles, followed closely by first-line managers (41.4%).
- Salary and benefits are the top retention factor for 44.8% of employees, highlighting compensation as a key motivator.
- 58.6% of employees are satisfied with their job, and 19% are highly satisfied, showing a generally positive satisfaction level.
- There is a significant relationship between job position levels and preferred job satisfaction factors, with different managerial levels showing varying preferences for salary, work-life balance, and organizational relationships.
- The correlation is statistically significant. You can reject the null hypothesis and conclude that Leadership Support is significantly correlated with Supervisor Relationship.
- The null hypothesis is rejected, indicating a significant difference in employee opinions regarding retention factors. Career growth, salary & benefits, work environment, leadership support, and recognition are key factors in retaining employees.

## VI. SUGGESTIONS

- Improve career advancement pathways to retain skilled employees over the long term.
- Strengthen compensation and benefits to remain competitive in the industry.
- Enhance training programs with more hands-on and practical learning opportunities.
- Foster supportive leadership and mentoring to ease employee transitions.
- Promote flexible work arrangements to support better work-life balance.
- Create a transparent feedback and recognition system to boost employee morale
- Encourage regular employee engagement activities to maintain high satisfaction.
- Strengthen organizational culture through open communication and inclusive policies.
- Ensure clarity in job roles and expectations to reduce role confusion.

- Address employee concerns promptly to build trust and organizational loyalty.

## VII. CONCLUSION

Employee retention is a critical factor in ensuring organizational stability, productivity, and long-term success. This study highlights that key elements such as job satisfaction, opportunities for career growth, supportive leadership, balanced work-life integration, and a positive organizational culture significantly influence employees' decisions to remain with an organization. By understanding and addressing these factors, organizations can reduce turnover rates, improve employee engagement, and create a loyal and committed workforce. Implementing targeted retention strategies based on these insights can lead to sustained growth and a competitive advantage in today's dynamic business environment.

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