

# Impact of Job Satisfaction on Employee Retention


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## ABSTRACT

Employee retention has become one of the major concerns for organizations operating in the human resource management sector due to increasing employee mobility and competitive employment opportunities. This study examines the impact of job satisfaction on employee retention at VIBRANT PRO HR PVT LTD, Chennai. The research focuses on major dimensions influencing employee satisfaction such as salary, work environment, career growth opportunities, supervisory support, communication, and work-life balance. A descriptive and correlational research design was adopted for the study. Primary data were collected from employees using a structured questionnaire, while secondary data were gathered from journals, company records, and industry reports. Statistical tools such as percentage analysis, correlation, and regression were used for interpretation. The findings reveal that positive team culture, work-life balance, promotion opportunities, and open communication significantly influence employee retention, whereas dissatisfaction with salary structure and supervisory guidance contribute to turnover intentions. The study concludes that organizations can improve retention by strengthening employee recognition, career development programs, compensation fairness, and supportive leadership practices.

**Keywords:** Job Satisfaction, Employee Retention, Human Resource Management, Work-Life Balance, Organizational Commitment, Employee Engagement.

## 1. INTRODUCTION

In modern organizations, employee retention has emerged as a critical challenge due to rising competition, changing workforce expectations, and increasing turnover rates. Job satisfaction plays a significant role in influencing employees' willingness to remain within an organization. Satisfied employees demonstrate higher productivity, stronger organizational commitment, and reduced turnover intention. In contrast, dissatisfaction related to compensation, workload, limited career opportunities, and poor management practices often leads to employee attrition.

The Human Resource Management (HRM) services industry in India has witnessed rapid growth due to technological advancements, outsourcing practices, and increasing demand for talent acquisition services. Companies operating in this sector depend heavily on skilled employees for effective client service delivery. Therefore, maintaining employee satisfaction becomes essential for ensuring operational stability and organizational growth.

VIBRANT PRO HR PVT LTD is a recruitment and HR consulting company located in Chennai. The company provides services such as recruitment process outsourcing, executive search, contract staffing, overseas recruitment, and background verification. Despite operating in the HR domain, organizations within this sector often face high employee turnover due to stress, workload, and limited work-life balance. The present study focuses on understanding how job satisfaction influences employee retention within the organization. The study identifies key factors affecting satisfaction levels and evaluates their impact on employee retention.

## Objectives of the Study Primary Objective

To examine the impact of job satisfaction on employee retention at VIBRANT PRO HR PVT LTD.

## Secondary Objectives

To assess the level of job satisfaction among employees. To identify factors influencing employee retention.

To analyze the relationship between satisfaction variables and retention. To suggest measures to improve employee retention.

## 2. REVIEW OF LITERATURE

Several researchers have examined the relationship between job satisfaction and employee retention across industries. Al Kurdi et al. (2020) conducted a quantitative study using structural equation modeling and found that employee satisfaction significantly influenced retention intentions. The study revealed that satisfaction explained nearly 45% of the variance in retention.

Aburub (2020) explored employee engagement and retention in dynamic work environments. The findings showed that highly engaged employees were less likely to leave the organization, and communication played a major role in improving retention.

Soenanta et al. (2020) examined organizational commitment and satisfaction effects on turnover intentions. The study concluded that satisfaction negatively influenced turnover intention and positively supported retention. Al Kurdi et al. (2021) focused on communication satisfaction and employee loyalty. Their study highlighted that open communication and trust significantly improved employee retention.

Frontiers Authors (2024) investigated the relationship between engagement, satisfaction, and retention. The study concluded that employee engagement acted as a mediator between satisfaction and retention.

Atlantis Press Team (2024) analyzed job satisfaction dimensions and found that factors such as autonomy, compensation, and recognition significantly affected turnover intentions.

IJFMR Researchers (2025) studied strategic changes and employee satisfaction. Their findings revealed that organizations implementing supportive transition practices experienced improved retention outcomes.

## Research Gap

Most previous studies focused on large organizations and manufacturing sectors, while limited studies have examined small and medium HR service firms in India. There is also limited research addressing how specific satisfaction factors influence retention within recruitment consultancies. Therefore, the present study attempts to fill this gap by focusing on VIBRANT PRO HR PVT LTD.

## 3. RESEARCH METHODOLOGY

The study adopted a descriptive and correlational research design to examine the relationship between job satisfaction and employee retention.

Sources of Data: - Primary Data

Primary data were collected directly from employees using structured questionnaires. Secondary Data

Secondary data were collected from journals, books, company records, websites, and industry reports.

Sample Design

Population Size: 25 employees Sample Size: 21 employees

Sampling Technique: Census sampling method Data Collection Method

A structured questionnaire consisting of demographic and scale-based questions was distributed among employees. The questionnaire used a five-point Likert scale ranging from strongly agreeing to strongly disagree.

## Tools Used for Analysis

The collected data was analyzed using SPSS software. The following statistical tools were used: Percentage analysis  
Correlation analysis Regression analysis Chi-square test Period of the Study

The study was conducted during the year 2026 at the Chennai branch of VIBRANT PRO HR PVT LTD.

## 4. DATA ANALYSIS AND INTERPRETATION DEMOGRAPHIC ANALYSIS

The study reveals that the majority of employees belong to the age group of 20–30 years, indicating a young workforce. Male employees represented 53% of respondents, while female employees constituted 47%, reflecting a balanced workforce.

The Recruitment department accounted for the highest percentage of respondents, followed by Background Verification. Nearly half of the employees had less than one year of experience, indicating high fresh recruitment and possible early-stage attrition risks.

Most employees possessed bachelor's degrees and professional certifications, suggesting a qualified and skill-oriented workforce.

### Satisfaction with Salary and Benefits

The findings show that 46% of employees agreed that they were satisfied with salary, while 24% strongly disagreed. This indicates a significant level of dissatisfaction among a section of employees.

Regarding competitive benefits, 50% of employees agreed that benefits were satisfactory, while 25% disagreed. Although the overall response leaned positively, there remains scope for improvement in compensation practices.

Employees also expressed mixed opinions regarding performance-linked compensation. While 44% agreed that compensation was fairly linked to performance, 28% disagreed, indicating concerns about fairness in reward distribution.

### Work Environment and Team Culture

The physical work environment was viewed positively by most respondents, with 55% agreeing that the workplace was comfortable and well-equipped.

Team culture emerged as one of the strongest positive factors. Around 65% of employees agreed that the organization maintained a supportive and collaborative team culture. Positive interpersonal relationships contributed significantly to employee satisfaction.

Similarly, work-life balance received favorable responses, with 65% of employees agreeing that flexible policies supported balance between personal and professional responsibilities.

### Communication and Career Growth

Open communication and transparency were viewed positively by employees. More than half of the respondents agreed that communication channels within the organization were effective.

Promotion opportunities also received positive feedback, as 62% of employees agreed that career growth opportunities were available within the company. However, some employees expressed dissatisfaction due to inconsistent growth opportunities.

Training and development programs were considered moderately effective, with employees acknowledging the organization's efforts to improve skills for future roles.

### Supervisory Support and Recognition

Supervisory guidance received comparatively lower satisfaction levels. Many employees reported inconsistency in managerial support and feedback.

Recognition practices also showed mixed responses. Although some employees felt appreciated by management, others believed recognition systems lacked consistency.

### Overall Interpretation

The analysis indicates that employee retention at VIBRANT PRO HR PVT LTD is strongly influenced by team culture, work-life balance, communication, and career growth opportunities.

Dissatisfaction with salary, recognition, and supervisory support contributes to turnover intentions.

## 5. FINDINGS AND SUGGESTION

### Major Findings

The organization has a predominantly young workforce.

Team culture and work-life balance are major strengths of the organization. Employees are moderately satisfied with their salary and benefits.

Career growth opportunities positively influence employee retention. Supervisory support and management.

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