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A Study on Relationship Between Employee Satisfaction and Retention

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ABSTRACT: This study investigates the relationship between employee satisfaction and employee retention within organizational settings. Employee satisfaction, a critical factor in workforce stability, encompasses various dimensions including work environment, compensation, career development opportunities, and management practices. The research employs quantitative methods, utilizing survey data collected from employees across multiple sectors to examine how satisfaction levels influence an employee's intention to remain with their employer. Statistical analyses, including correlation and regression, reveal a significant positive relationship between overall satisfaction and retention rates. The findings suggest that higher employee satisfaction is strongly associated with increased retention, highlighting the importance for organizations to invest in satisfaction-enhancing strategies to reduce turnover and maintain a committed workforce. This study provides valuable insights for human resource professionals and organizational leaders seeking to improve retention through targeted employee engagement initiatives.

KEYWORDS: Relationship between employee satisfaction and retention

I. STATEMENT OF THE PROBLEM

This study aims to examine the relationship between employee satisfaction and retention by identifying the primary factors contributing to job satisfaction and their direct effects on employees' intentions to remain with an organization. By understanding these dynamics, organizations can develop targeted strategies to improve employee satisfaction, reduce turnover, and enhance overall organizational performance.

SCOPE OF THE STUDY

This study explores the relationship between employee satisfaction and retention, focusing on how various factors of job satisfaction influence employees' decision to remain with an organization. The research will assess key satisfaction determinants such as compensation, work-life balance, job security, career growth opportunities, organizational culture, and management support.

OBJECTIVES OF THE STUDY

- To identify the welfare measures which leads to employee satisfaction and retention

II. REVIEW OF LITERATURE

- **Price, J. L. (1977).**
The Study of Turnover.
Price's work is one of the foundational texts in turnover research, and it categorizes turnover into two major types: voluntary and involuntary. He identifies factors such as organizational commitment, job satisfaction, and external job opportunities as major predictors of turnover. His framework laid the groundwork for later research that would continue to explore the psychological and organizational aspects of turnover.
- **Mobley, W. H. (1977).**
Intermediate Linkages in the Relationship Between Job Satisfaction and Employee Turnover.



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Mobley explores the cognitive and psychological processes involved when an employee is dissatisfied with their job and decides to leave. He outlines a model in which dissatisfaction leads to thoughts of quitting, which in turn leads to job search behaviour, and ultimately to turnover. Mobley emphasizes the need for early interventions in organizations to address dissatisfaction before it escalates to turnover.

III. RESEARCH METHODOLOGY

DATA COLLECTION METHODS

A. Primary Data

Primary data is collected through questioner.

B. Secondary Data

Secondary data is collected through Research papers, Online articles, Journals, etc.,

C. Sampling Method

Convenient sampling method is used in this project.

D. Tools Used

Ranking method is used in this.

E. Limitations of Study

1. The limit is only for the 110 respondents.
2. The statistical tools used to analyze the data have their own limitations

IV. RANK ANALYSIS

RANK ANALYSIS	MEAN	RANK
[SALARY]	2.55	4
[WORK STRESS]	2.13	1
[CAREER GROWTH]	2.41	3
[WORK]	2.60	5
[ENVIRONMENT]	2.35	2

(SOURCE: PRIMARY DATA)

INTREPRETATION

The rank analysis using Karl Pearson test from the above table, the analysis shows that work stress (mean = 2.13) and environment (mean = 2.35) are the most positively rated factors. Career growth (mean = 2.41) reflects



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moderate satisfaction. However, salary (mean = 2.55) and work (mean = 2.60) are rated lowest, indicating concerns in these areas. The organization should prioritize improving compensation and job engagement based on these findings.

V. FINDINGS

Employees are most satisfied with work stress (2.13) and environment (2.35), while salary (2.55) and work (2.60) are the least satisfying. Focus should be on improving pay and job engagement to boost overall satisfaction.

VI. SUGGESTIONS

Key issues include 52% citing lack of career growth, 55% unhappy with work-life balance, and 60% feeling underappreciated—suggesting a need for development, flexibility, and recognition. While 72% rate health and safety positively, 58% report high stress and 46% find grievance systems lacking. Addressing these concerns with better communication, support, and feedback can improve satisfaction and retention.

VII. CONCLUSION

Survey data shows 64% of respondents are male, 53% aged 21–25, and 44% cite work life balance as a key reason for staying. ANOVA indicates significant satisfaction differences in nature of work ($p = 0.047$) and career growth ($p = 0.037$). Despite 60% planning to stay 2–3 years, 57% have considered leaving, highlighting retention concerns.

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