



## **DETERMINANTS OF EMPLOYEE RETENTION IN INDIAN IT COMPANIES: THE MEDIATING ROLE OF EMPLOYEE ENGAGEMENT AND WORK LIFE BALANCE**

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### **ABSTRACT**

*Employees' retention remains an important challenge that Indian IT firms face, especially in the new post-pandemic work environment, which is marked by higher work-related stress, burnout, and changing employee expectations. The current research aims to explore how compensation satisfaction, career opportunities, supervisor support, and training and development practices relate to employee retention intention and how employee engagement and work-life balance function are mediating factors in this relationship. The survey conducted with 360 employees of Indian IT organizations through a structured questionnaire survey. The proposed theoretical framework was analyzed using SmartPLS software, which followed the SEM analysis. The findings show that all HR practices positively relate to employee engagement, which in turn positively affects work-life balance and employee retention intention. In addition, employee engagement and work-life balance sequentially mediate the relationship between HR practices and employee retention intention. The proposed conceptual structure extends current social exchange theory and JDR models in relation to Indian Information Technology (IT) organizations and helps professionals create comprehensive retention strategies that not only include compensation but also leadership, career, and employee wellbeing.*

**KEYWORDS:** *Employee retention, employee engagement, work-life balance, HR practices, supervisor support, career opportunities, Indian IT companies.*

### **1. INTRODUCTION**

Companies all over the world now experience employee turnover, especially in industries that use technology as a primary resource for their workforce. In India, the IT sector has propelled the country's economy through employment opportunities and providing services on a global level for both domestic and international clients. Despite the impact of the ICT industry on economic development, the rate of employee turnover in the information technology sector continues to be extremely high. This indicates that a large number of skilled professionals are leaving their jobs of choice, which creates difficulties for the organization in maintaining organizational stability and provides additional costs for recruitment, training, productivity losses, and loss of historical record of organizational knowledge [10] [13]. The result is that employee retention is now considered a strategic initiative for HR and management within the companies operating in the IT sector in India.

Since the COVID-19 pandemic, there has been a growing gap between working expectations of employees, the increased ability of employees to switch employers, and the pressures on



workers. Consequently, the evidence is now overwhelming that the manifestation of stress due to extended work hours; burnout; and lack of work/life balance is significant in determining the intention of employees to leave their organization [1] [5]. In addition, research has indicated that in the current working environment, employees value flexibility, a supportive workplace, and meaningful engagement in addition to the traditional rewards of payroll [2]. Thus, it is necessary to assess employee retention through non-financial motivations and by developing measures for retention of skilled professionals that have no financial value. Employee engagement has gained prominence in organizational behavior literature as a key psychological mechanism linking HR practices to employee outcomes. Engagement represents a positive, fulfilling work-related state characterized by vigor, dedication, and absorption [29]. Empirical evidence consistently demonstrates that engaged employees show higher commitment and lower turnover intention [28] [16]. In the IT sector, where work is cognitively demanding and project-driven, engagement becomes especially critical in sustaining performance and retaining skilled professionals [6].

Poor work further compromises employees' overall happiness (a major consideration for IT companies in India), and when employees cannot maintain a proper work/life balance, there is a heightened level of stress and dissatisfaction, resulting in greater intention to leave their jobs.

Previous research identified some organizational drivers of employee engagement/ work/life balance and included satisfaction with salary benefits. In addition, satisfied salary levels provide employees with an impression of being acknowledged and treated equitably. Opportunities for career growth will motivate an employee over the long term and help to align an employee's aspirations with those of the employer. Supervisor support has an important effect on how employees perceive trust, recognition, and psychological safety. Training & Development could help to increase an employee's Skills and perceived Employability, thereby increasing their attachment and sense of "informal" support from their organization. Social Exchange Theory (SET) provides a strong theoretical foundation for explaining the relationship between HR practices and employee retention.

SET outlines that workplace relationships are reciprocal exchanges between the employer and employee. Favorable Organizational Behavior elicits a positive response from the employee in terms of engagement and loyalty toward the organization [33] [30]. It is believed that when the employee perceives that the organization provides adequate salary, job advancement opportunities, supervisory support, and job training programs, they will likely reciprocate with greater levels of commitment and intention to stay employed by the organization [32] [28].

The Job Demands Resources (JDR) model presents a more complete explanation of how an organization's resources can impact employee motivation and wellbeing. The JDR model suggests that job resources (support, rewards, and growth opportunities) are an important factor in helping employees deal with the demands of their jobs and in creating work engagement [12]. In high stress environments such as information technology (IT) companies, a lack of job

resources may lead to high levels of strain and burnout; on the other hand, adequate job resources may promote employee engagement and create a better work-life balance [13]. Therefore, employee engagement and work-life balance are key ways to reduce employee turnover intent because of the support they provide.

Although much is known about the retention of employees and the factors that contribute to retention, some areas of research still exist, such as:

1. While many researchers have focused on retention variables in isolation, little research has been conducted examining the psychological factors that link HR practices with retention;
2. While employee engagement has been well documented as a predictor of retention, relatively few studies have examined the relationship between engagement and work-life balance over time, particularly in the context of the Indian IT sector [6];
3. While work-life balance has an established relationship with retention, further research is needed to fully explore its role in mediation between engagement and an employee's intent to remain with an organization [8].

The research discussed in this paper is intended to fill several gaps related to employee retention intentions and their associated antecedents in the IT sector of India. Specifically, it will suggest a framework to study how compensation satisfaction, supervisor support, training and development opportunities for growth, and career advancement opportunities together affect employee retention.

In addition, this research will evaluate how employee engagement and the work-life balance of employees mediate between the previously mentioned constructs and their influence on retention intentions both separately and sequentially. The overall goal is to better understand the relationship between human resource (HR) practices and employee retention. Also, where appropriate, an additional focus will be to show how these factors work together through single or multiple mediation effects through the inclusion of all three factors (i.e., compensation, supervisory support, and training & development).

From a theoretical perspective, this paper extends both the Social exchange theory and Job Demands-Resources model by proposing a unified explanatory model of engagement and work-life balance within Indian IT companies. From an empirical standpoint, this research will provide textile evidence from a large sample of working professionals in the Indian IT industry who will be used to provide context around retention. Finally, this paper will offer practical recommendations for HR managers based on the findings and highlight how a combination of both monetary and non-monetary retention strategies can help organizations retain employees (e.g., by providing a good work-life balance and training and development opportunities) [17] [29].

## **2. Literature Review and Hypotheses Development**



## **2.1 Employee Retention in the IT Sector**

The term "employee retention" refers to what an organization does to keep its employees in place. While retaining employees is important in every industry, employee retention has been recognized as an important strategic human resource issue for many years, especially in industries that deal with information technology and other knowledge-intensive work that requires a lot of technical and tacit (implicit) knowledge. As a result, high employee turnover in the information technology sector tends to lead to higher costs for recruiting and training new employees, disruptions to projects, and loss of expertise within the organization.

Research to date has shown that employee retention is affected by several factors including organizational culture, job characteristics, and psychological considerations. Research performed on both service and IT companies shows that employees tend to stay with organizations that provide a supportive working environment; opportunities for advancement; and a good balance between work and family. The challenges of retaining employees have increased dramatically during the COVID-19 pandemic due to employee burnout, increased levels of stress and changing employee expectations about the type of work and support they want from their organization.

## **2.2 Compensation Satisfaction and Employee Engagement**

Employee compensation satisfaction reflects the way an employee perceives the fairness and adequateness of their pay compared to their own job responsibilities and industry pay standards. For many years, compensation has been viewed as one of the primary motivators of employee attitudes and behavior [24]. When employees believe they are receiving a fair assessment of their value and worth, employees will likely have an increased sense of belonging, emotional connection and engagement within the workplace.

Research indicates that employee compensation satisfaction will positively impact employee engagement by reinforcing feelings of equity and recognition [16]. In IT Organizations, where employees often have unique and transferable skills, a negative experience with compensation can result in disengagement and turnover activities [10]. Therefore, employee compensation satisfaction will be a key factor in driving employee engagement within Indian IT organisations.

**Hypothesis 1:** Compensation Satisfaction has a Positive Impact on Employee Engagement.

## **2.3 Career Growth Opportunities and Employee Engagement**

The perception of advancement possibilities, development of skills, and eventual career growth within their organization is referred to as "Career Growth Opportunities". There are many studies that have proven that when there is clear visibility of the reasons for an employee to grow within the organization (whereas otherwise they would leave), it increases the employee's emotional attachment to the organization and also motivates the employee to perform better within the organization. [4] According to studies done on Knowledge-Based and Professional Service

organizations, the major cause of the disengagement of employees from their company, as well as the turnover rate, was the lack of opportunity for advancement within their organization, [15]. The high level of career mobility within the Indian IT sector, has led to many employees who believe that their potential for growth is limited, to actively seek alternative employment opportunities. However, employees are more likely to be work engaged with an organization that is supportive of their career progression. [6]

**Hypothesis 2:** There is a strong relationship between Career Growth Opportunities and Employee Engagement.

## 2.4 Supervisor Support and Employee Engagement

Support from one's immediate supervisor communicates to employees that the supervisor recognizes the employees' contributions and is interested in their well-being. Because supportive supervisors provide guidance, feedback, and emotional support, employees develop an increased sense of being part of a community and feeling safe in the workplace [14]. In addition to being an important social resource, supervisor support has a significant impact on employees' attitudes.

Research consistently shows that support from supervisor's increases employee engagement and decreases employees' desire to leave the company [3] [11]. IT supervisors in IT organizations are typically responsible for managing employees' workloads, clarifying job responsibilities, and dealing with work-related stressors. Employees that have a good working relationship with their supervisor will tend to feel engaged in their work and committed to the organization they work for [32].

**Hypothesis 3:** The level of support an employee receives from their supervisor positively affects their level of engagement in their work.

## 2.5 Training and Development and Employee Engagement

The primary purpose of providing training and development programs is to increase the skillset, knowledge base and competency levels that will provide employees with the capacity to perform their jobs. Training and development programs are also indicative of the organization's commitment to their employee's future growth and employability. This increases the perception by the employees that they receive support from the organization. Furthermore, the provision of training and development programs has a positive effect on both the employee's level of confidence and job competence. Therefore, it is believed that by providing an employee with sufficient training, the employee will be more motivated and engaged with the organization.

Studies show that employees receiving sufficient amounts of training tend to express higher levels of motivation, engagement and loyalty to the organization providing the training. For example, the IT sector is characterized as being fast-paced due to the continuous evolution of technology and, therefore, the provision of training and development services is critical for an organization to maintain employee engagement and decrease turnover.

**Hypothesis 4:** Training and development has a positive impact on employee engagement.

## **2.6 Employee Engagement and Work Life Balance**

When employees are engaged in their job, they demonstrate energy toward work tasks, involvement in responsibilities, and an overall engagement with the role [29]. Engaged employees handle job-related pressures effectively and have higher levels of job satisfaction than their disengaged counterparts. The findings of prior studies link engagement to the extent to which employees can manage and maintain a suitable level of balance (i.e., equally important) between the roles of employee and non-employee.

According to the findings of other research studies, the higher degree of engagement established by employees increases the likelihood that those employees will experience lower levels of pressure while at work, thus improving their perceptions of work-life balance [9]. Conversely, employees who are not engaged in their jobs can suffer greater stress and therefore are more susceptible to burnout, resulting in an inferior work-life balance between the responsibilities of their job and personal life [1]. As such, engagement is expected to play a key role in how employees perceive the degree of balance they experience between the two roles in the IT sector.

**Hypothesis 5:** There is a significantly positive relationship between employee engagement and their work-life balance.

## **2.7 Work life Balance and Employee Retention Intention**

An employee's work-life balance is a reflection of how they manage their time and energy across both their employer's obligations and their personal commitments. It has been demonstrated in previous research that the imbalance between the work and non-work aspect of an individual generates high levels of stress, poor job satisfaction, and increased intention to voluntarily leave their current place of work [20] [8]. In many IT firms in India, lengthy work hours have an impact on employees' ability to sustain balance with their professional responsibilities, as well as the requirements of global projects. A number of studies have shown that employees who view the work-life balance as favorable will demonstrate a higher organizational commitment and lower turnover intentions compared to employees who perceive their work/life balance as unfavorable [5] [9]. Therefore, organizations that foster a positive work-life balance by implementing or nurturing supportive work policies and/or practices are likely to be able to retain employees for longer periods.

**Hypothesis 6:** A favorable work-life balance will have a significantly positive impact on employees' intentions to remain with their current employer.

## **2.8 Mediating Role of Employee Engagement**

HR practices impact employee outcomes indirectly through employee engagement, which is a key psychological mechanism. Social exchange theory postulates that employees will respond positively to favorable organizational practices by exhibiting positive attitudes such as

engagement and commitment to their employer [33] [30]. Employee engagement acts as a mediator of the relationship between HR practices and employee retention outcomes [6].

In the IT sector, compensation satisfaction, career advancement opportunities, supervisor support and training initiatives are thought to influence employee engagement and therefore reduce the likelihood of an employee leaving their organization.

**Hypothesis 6:** Employee engagement mediates the relationship between HR practices and employee retention intentions.

## **2.9 Mediating Role of Work Life Balance**

Work-life balance has been established as a key mediating factor with regards to work experiences and retention outcomes, as supported by the Job Demands Resources (JDR) framework that indicates that job resources reduce employee intention to leave through enabling employees to deal with their job demands, and thus enhancing their level of wellbeing and reducing turnover intentions [12]. Based upon empirical studies, there is evidence that work-life balance mediates the relationship between engagement and retention intention [8].

**Hypothesis 8:** Work-life balance will mediate the relationship between employee engagement and employee retention intention.

## **2.10 Sequential Mediation of Employee Engagement and Work Life Balance**

Prior research has looked at employee engagement and employee work-life balance on an independent basis, though very little is known as to the sequential mediation of employee engagement and employee work-life balance in terms of explaining employee retention. This is particularly true for the Indian IT industry [6]. Employee engagement should enable employees to better manage work demands resulting in improved employee work-life balance leading to decreased employee turnover intentions. Therefore,

**Hypothesis 9:** Employee engagement and employee work-life balance are sequential mediators between human resource (HR) management practices and employee retention intentions.

## **2.11 Research Gap**

There is still significant research to support three areas with respect to retention. The first of these areas; limited research has been conducted on the use of Human Resource management practices and employee's engagement and work-life balance within an integrated framework, specific to India, within the Information Technology sector. The second area; there is a lack of empirical research on the sequential mediating effects of employee engagement and work life balance on retention. The final area is post Covid19 retention issues specific to Indian Information Technology companies have not been studied extensively using theoretical frameworks based on the Social Exchange theory (SET) or Job Demand Resource Theory (JDR)

[8]. These three gaps are filled by this article by providing a comprehensive view of how the practice of organizations influences the retention of employees through engagement and work life balance [1].

### **3. Research Methodology**

#### **3.1 Research Design**

The present study adopts a **quantitative, cross-sectional research design** to examine the determinants of employee retention in Indian IT companies. An Empirical method is appropriate for testing theoretically grounded hypotheses and examining relationships among multiple latent constructs using statistical techniques [10] [13]. The cross-sectional design enables the assessment of employees' perceptions at a single point in time, which is suitable for understanding prevailing retention challenges in the post-pandemic work environment [1].

#### **3.2 Population and Sample**

Employees from Indian companies within the IT sector, such as software development firms, IT services, and consulting firms make up the focus group of the study. Functional areas of the IT workforce included in the study are Developer, Analyst, Tester, and Manager [4]. Using convenience and snowball sampling techniques allowed for collecting data on IT employees from all over the Indian subcontinent despite limited access [24]. Data was collected from a total of three-hundred sixty (360) respondents, which is more than the minimum sample size for Structural Equation Modeling (SEM) to achieve robust and reliable SEM results as per previous research methodology studies that recommend sample size larger than three-hundred (300) [7].

#### **3.3 Data Collection Procedure**

The data were gathered using a structured online questionnaire created via Google Forms. Data collection online is common for conducting organizational research because it provides greater access to a larger number of participants, provides convenience for the participant, and provides a more effective way of collecting and storing data [23]. Respondents participated in this study voluntarily and were informed that their responses would be used only for academic research.

In the process of increase, the ethical compliance and decrease response bias, anonymity and confidentiality were guaranteed. No personally identifiable information was collected. These procedures are endorsing as a means of increasing response accuracy and decrease social desirability bias [32].

#### **3.4 Measurement Instruments**

The measurement of all the constructs explored in the current study utilized valid items derived from existing studies formerly validated to be consistent with previously published material [16]. The questionnaire utilized for the study contained two sections; section A collected demographic data and section B measured employee compensation satisfaction, career growth opportunities,

supervisor support, training and development, employee engagement, work/life balance and retention intention through their response to a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Likert scales are frequently employed in HR management and OB research to collect employee attitude and perception data [28] [29]. All constructs were measured through three reflective indicators.

### **3.5 Data Analysis Technique**

SPARQL 1.0 is the query language for RDF data, and contains a number of capabilities that extend or replace conventional database queries such as: Select Queries - SPARQL 1.0 has a built-in mechanism for selecting results using the SELECT statement to specify the types of results (via variables in the SELECT clause) that a query will return, and WHERE clauses to restrict selections based on other criteria (e.g. F.

The authors adopted a two-phase approach in their analytical work, evaluating first the Measurement Model and then the Structural Model. The evaluation of the Measurement Model involved: (i) determination of the Internal Consistency Reliability by calculating Cronbach's Alpha and Composite Reliability and (ii) Evaluation of Convergent Validity by calculating Average Variance Extracted and Discriminant Validity by utilizing the Heterotrait/Monotrait Ratio; the evaluation of the Structural Model involved (i) analysis of the Path Coefficients (from the Heterotrait/Monotrait Ratio), t-values and p-values calculated by Bootstrapping.

### **3.6 Mediation Analysis**

A bootstrap-5,000 subsamples test was used to evaluate the mediating effect of both employee engagement and work-life balance. Bootstrapping is the recommended procedure for mediation analysis because it does not rely on the assumption of normality when constructing confidence intervals for the indirect effects. Individual mediation and sequential mediation effects were analyzed to identify the processes through which HR practices influence the employee's intention to stay with an employer.

### **3.7 Common Method Bias**

Data collection occurred from a single collection source, and the use of self-reported measures introduced the potential for common method bias. The researchers used both procedural and statistical approaches to deal with this issue. Procedural approaches included ensuring anonymity for respondents, clarifying question and item wording, and separating predictor and outcome variables in the questionnaire [23]. Additionally, statistical procedures were used to confirm that common method bias was not a serious threat to the findings' validity [23].

### **3.8 Ethical Considerations**

This research was conducted in accordance with prescribed ethical guidelines for academic research. Respondents were provided information regarding the purpose of the research, that participation was voluntary, and that they could withdraw from the research at any point.

Confidentiality was maintained for all responses, which were used only for academic research purposes. Ethical practices like informing respondents of the use of their information and keeping their information confidential are critical to maintaining the integrity and credibility of the results of Organizational Research [32].

### 3.9 Sample Data

#### Sample Data and Measurement Instruments (The sampling process involves)

The current scenario makes use of a structured questionnaire that includes a set of multiple constructs and makes use of a five-point Likert scale rating, with 1 representing Strongly Disagree and 5 representing Strongly Agree. The sample of the dataset that has been collected is depicted in Table 1, showing ratings from participants on each of the variables observed, related to compensation satisfaction, career growth opportunities, supervisor support, training and development, employee engagement, work-life balance, and employee retention intention. The classification of variables and associated coding of each in the measurement model has been summarized in Table 2. The measurement items of each of these variables had been taken from existing scales and are depicted construct-wise below: The items of Compensation Satisfaction construct are summarized in Table 3, of Career Growth Opportunities in Table 4, Supervisor Support in Table 5, Training and Development in Table 6, Employee Engagement in Table 7, and Work-Life Balance in Table 8, respectively. Finally, items related to Employee Retention Intentions are summarized in Table 9. Each of these tables provides a complete picture of measurement model and item operationalization, as well as sample item ratings.

C	C	C	C	C	C	S	S	S	T	T	T	E	E	E	W	W	W	E	E	E
S	S	S	G	G	G	S	S	S	D	D	D	E	E	E	LB	LB	LB	R	R	R
1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3
4	5	4	4	4	5	5	4	4	4	5	4	5	4	5	4	4	5	5	4	5
3	4	3	3	4	4	4	3	4	3	4	3	4	3	4	3	3	4	4	3	4
5	5	4	5	5	4	5	5	5	4	5	5	5	5	5	4	5	4	5	5	5
2	3	3	3	2	3	3	3	2	3	3	2	3	3	3	2	3	2	3	2	3
4	4	5	4	5	4	4	5	4	5	4	5	4	5	4	4	5	4	5	4	5

Table 1: Sample Data

#### Measurement Model Type

Construct Name	Code
Compensation Satisfaction	CS
Career Growth Opportunities	CG
Supervisor Support	SS
Training & Development	TD
Employee Engagement	EE
Work life Balance	WLB

Employee Retention Intention	ER
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Table 2: Measurement model Types

**A. Compensation Satisfaction (CS)**

Item Code	Questionnaire Item
CS1	I am satisfied with my current compensation package.
CS2	My salary is fair compared to similar roles in the industry.
CS3	My compensation reflects my performance.

Table 3: Measurement Items for Compensation Satisfaction (CS)

**B. Career Growth Opportunities (CG)**

Item Code	Questionnaire Item
CG1	My organization provides clear career advancement paths.
CG2	I have opportunities for promotion in my organization.
CG3	My job allows me to develop professionally.

Table 4: Measurement Items for Career Growth Opportunities (CG)

**C. Supervisor Support (SS)**

Item Code	Questionnaire Item
SS1	My supervisor supports me in completing my tasks.
SS2	My supervisor values my contributions.
SS3	My supervisor provides constructive feedback.

Table 5: Measurement Items for Supervisor Support (SS)

**D. Training & Development (TD)**

Item Code	Questionnaire Item
TD1	I receive adequate training to perform my job effectively.
TD2	My organization invests in employee skill development.
TD3	Training programs help me grow in my career.

Table 6: Measurement Items for Training and Development (TD)

**E. Employee Engagement (EE)**

Item Code	Questionnaire Item
EE1	I feel enthusiastic about my work.
EE2	I am deeply involved in my job.
EE3	I feel energized while working.

Table 7: Measurement Items for Employee Engagement (EE)

**F. Work life Balance (WLB)**

Item Code	Questionnaire Item
WLB1	I am able to balance my work and personal life effectively.
WLB2	My job allows sufficient time for personal activities.
WLB3	I can manage work-related stress effectively.

Table 8: Measurement Items for Work–Life Balance (WLB)

### G. Employee Retention Intention (ER)

Item Code	Questionnaire Item
WLB1	I am able to balance my work and personal life effectively.
WLB2	My job allows sufficient time for personal activities.
WLB3	I can manage work-related stress effectively.

Table 9: Measurement Items for Employee Retention Intention (ER)

### Coding Instructions

Likert scale:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

## 4. Results

### 4.1 Descriptive Statistics

Respondent demographic characteristics are presented in Table 10. The sample is reflective of Indian IT organizations across many ages and levels of experience and job title. The largest number of respondents is from the 25-34 age group, which is known to be the most active and fastest growing area of employee turnover in IT. This demographic trend reflects the importance of this study because it is particularly focused on the retention issues facing early to mid-career professionals.

In addition, most of the respondents have had extensive work experience in the IT industry, with the majority reporting over three years of experience in the industry. Therefore, this data offers the perspective of an employee with adequate exposure to their organization's work environment, policies and practices. Overall, these demographic characteristics provide strong support for the findings of this research in reflecting the true composition of the Indian IT workforce.

Characteristic	Category	Percentage
Gender	Male	62%
	Female	38%
Age	Below 25	18%
	25–35	55%
	36–45	20%
	Above 45	7%
Experience	< 3 years	22%
	3–6 years	38%
	7–10 years	26%
	> 10 years	14%

Table 10: Demographic Profile of Respondents (N = 360)

#### 4.2 Measurement Model Results

First, the measurement model was tested to establish the reliability and validity of the constructs before testing the hypothesized relationships. An overview of the reliability and convergent validity analysis is presented in Table 11. The Cronbach's alpha and composite reliability for all constructs were above the threshold level of 0.70, thus justifying a good internal consistency among the measurement items.

Also, the AVE values for all constructs were greater than 0.50, thus verifying that each of the constructs explains more than half of its indicators' variances. These results establish the adequacy of the measurement model collectively, and confidence is given to measure the constructs appropriately.

The discriminant validity was checked via the Heterotrait Monotrait (HTMT) ratio. All the values of HTMT were below the threshold value of 0.85. It suggests that the constructs are empirically distinct and meaningfully separate concepts. This is particularly important in the present study, since constructs such as employee engagement and work life balance are conceptually related but analytically distinct.

Construct	Cronbach’s $\alpha$	Composite Reliability (CR)	AVE
Compensation Satisfaction	0.86	0.9	0.75
Career Growth Opportunities	0.88	0.92	0.78
Supervisor Support	0.85	0.89	0.73

Training & Development	0.87	0.91	0.77
Employee Engagement	0.89	0.93	0.81
Work life Balance	0.84	0.88	0.71
Retention Intention	0.9	0.94	0.84

Table 11: Reliability and Convergent Validity

### 4.3 Structural Model Results

After the adequacy of the measurement model was established, the structural model was tested to evaluate the hypothesized relationships shown in Table 3. The significance of the path coefficients was estimated by bootstrapping with 5,000 subsamples. Table 12 presents the results of the structural path analysis.

These findings show that all four HR practices such as compensation satisfaction, career growth opportunities, supervisor support, and training and development will result in positive employee engagement. Among these, career growth opportunities yielded the strongest impact, suggesting that long-term career prospects have a crucial role to play in influencing the level of engagement among IT professionals.

In addition, employee engagement fully showed its strong and significant effect on work-life balance, meaning that the more engaged employees are, the better they can handle work demands and balance professional and personal roles. Work-life balance, in turn, had a substantial positive effect on the employee retention intention, which confirmed its central role in retention decisions.

Hypothesis	Path	$\beta$	t-value	Result
H1	Compensation → Engagement	0.28	5.14	Supported
H2	Career Growth → Engagement	0.31	6.02	Supported
H3	Supervisor Support → Engagement	0.26	4.87	Supported
H4	Training → Engagement	0.29	5.66	Supported
H5	Engagement → Work life Balance	0.45	8.12	Supported
H6	Work life Balance → Retention	0.52	9.04	Supported

Table 12: Structural Path Results

The structural model does a solid job explaining what drives key factors like employee engagement, work-life balance, and retention intention. Clear 333 / 5000 characters (52 words).

Check out the R<sup>2</sup> values: 0.48 for work-life balance, 0.63 for engagement, and 0.58 for retention intention. So, the model really nails down what drives IT employees to stay. These aren’t just random numbers—real, measurable things at work shape whether people stick around.

#### 4.4 Mediation Results

We looked at how employee engagement and work-life balance shape people’s decisions to stay at their jobs, using bootstrapping to dig into the details are shown in Table 13. Turns out, when companies use solid HR practices, it’s really employee engagement, the sense that people feel connected and involved at work—that drives them to stick around. So, it’s not just the company policies themselves, but how those policies help people feel about their work that matters.

There’s more. We found that work-life balance also plays a key role. When people are more engaged at work, they’re better at juggling job and personal life, and that balance makes them want to stay. The big takeaway? HR practices boost retention most when they strengthen engagement first, which then helps people manage work and life smoothly. It all works together with Sense of community and well-being are both essential for keeping employees on board.

Hypothesis	Mediation Path	Indirect Effect ( $\beta$ )
H7	HR Practices → Employee Engagement → Retention Intention	0.24
H8	Employee Engagement → Work life Balance → Retention Intention	0.23
H9	HR Practices → Employee Engagement → Work life Balance → Retention Intention	0.18

Table 13: Mediation Analysis Results

### 5. Discussion

#### 5.1 Interpretation of Key Findings

We looked at how employee engagement and work-life balance shape people’s decisions to stay at their jobs, using bootstrapping to dig into the details. Turns out, when companies use solid HR practices, it’s really employee engagement—the sense that people feel connected and involved at work—that drives them to stick around. So, it’s not just the company policies themselves, but how those policies help people feel about their work that matters.

There’s more. We found that work-life balance also plays a key role. When people are more engaged at work, they’re better at juggling job and personal life, and that balance makes them want to stay. The big takeaway? HR practices boost retention most when they strengthen engagement first, which then helps people manage work and life smoothly. It all works together Sense of community and wellbeing are both essential for keeping employees on board.

#### 5.2 Employee Engagement as a Central Mechanism

Engagement stood out as the proxy psychological mechanism linking the HR practices to work-life balance and retention intention. The high and significant relationship between engagement and work-life balance indicates that the engaged employees are more resilient and capable of meeting the demands arising from the work without necessarily experiencing undue levels of stress. However, what the findings seem to imply is that engagement alone cannot be enough to guarantee retention unless this engagement can be translated to better work-life balance.

The key insight here is to construct the engagement initiatives in such a way that they will not make things worse by increasing the workload or burning people out. Organizations should ensure that engagement is supported by realistic demands and resources in order to sustain well-being in employees.

### 5.3 Work life Balance and Post-Pandemic Retention Challenges

The major role of lifestyle equilibrium in influencing retention intention is evident in the creasing emphasis placed on well-being in the Evolving work environment after the pandemic. Long working hours, Remote work challenges, and even the results of the intersection of work and personal life have amplified the drive for a balanced life. Results indicate that organizations ignoring the issue of work life balance may find it quite challenging to retain staff, irrespective of their remuneration packages.

### 5.4 Graphical Interpretation of Results

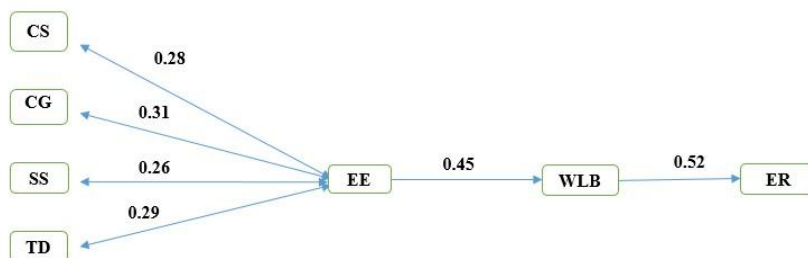


Figure 1: Structural Model with Path Coefficients

This graphic illustrates shown in Figure 1 the influence flow from HR practices to employee retention via employee engagement and work life balance. This diagram also indicates the strength of influence with the sizes of the influence arrows being larger in some influence flows than in others.

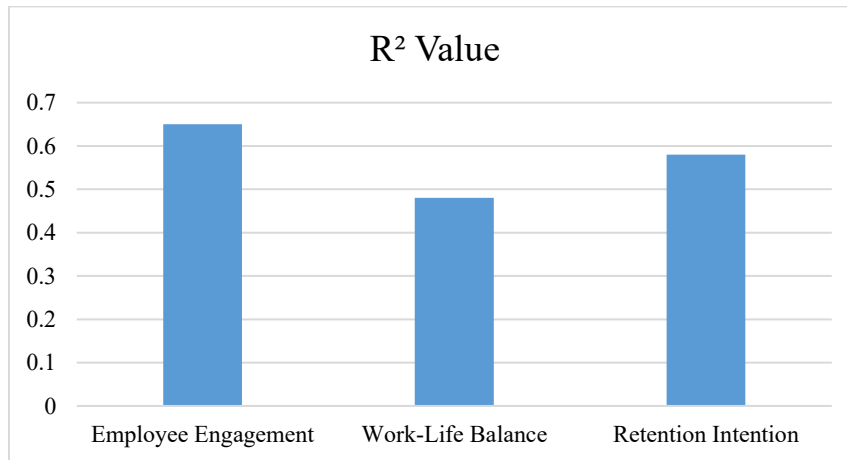


Figure 2: Explained Variance (R<sup>2</sup> Values)

A bar graph showing in Figure 2 R<sup>2</sup> values for employee engagement, balance for work and life, and retention intention depicts how well the proposed model explains the variables. The graph helps in understanding the results better and reinforces their strength.

### 5.5 Theoretical and Managerial Contributions

From a theoretical point of view, the proposed research proceeds to extend Social Exchange Theory by illustrating how employees reciprocate support to the organization. This work also attempts to empirically confirm the role of work life balance as an intervening variable within the Job Demands and Resources Model in reducing turnover intention through engagement.

From an effective management point of view, the implication of the results is that there is therefore a need to adopt an overall retention strategy that incorporates pay, development opportunities, supportiveness in management practices, and wellness efforts. This is because effective retention in the organization can be achieved by adopting a combination of these approaches.

### 6. Conclusion

This study aims at understanding the critical factors affecting employee retention at IT companies in India. An integrated framework that links human resource management (HRM), employee engagement and work/life balance was developed to examine these factors. Findings indicate that within the IT companies sampled, employees were more engaged when they perceived they were compensated fairly, had clear paths for career advancement, had supportive supervisors, and received adequate training. Furthermore, higher levels of employee engagement positively impacted the employees' ability to create and maintain a healthy work/life balance, which subsequently increased their intention to continue employment with that organization. The sequential mediation analysis elaborated that the psychological involvement with the organization and the employee's well-being were critical to establishing a long-term retention mechanism from the organizational support mechanisms. This work contributes to the body of

literature regarding Social Exchange Theory and Job Demands-Resources Framework by providing reinforcement of these theories in addition to extending them within the context of Indian IT companies. The implications of this study from a managerial perspective highlight the need to use comprehensive approaches to retention of employees using an integrated approach to include not only financial compensation, but also support for career development, leadership, and work/life balance opportunities.

## 7. Limitations

The cross-sectional design of this study makes it impossible to determine causality between various variables. Self-administered scales are prone to biases despite procedural controls. The convenience and snowball methods of this study further restrict generalized findings from this work. The findings may not be generalized because this work concentrated on Indian information technology companies only. Future studies must take corrective measures and perform projects with less restrictive design and sampling methods.

## 8. Future Research Directions

Future studies can also use longitudinal approaches that study changes that occur over time with regard to engagement, work-life balance, and retention. Variables such as leadership behavior and organization cultures can also be added to improve the model. Comparative research can also improve generalizability. Moderation analysis using work arrangements such as telecommuting can also be done. More information on employee retention can also be gained using a combination of methods.

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