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**Assessing the Role of Employee Engagement in Reducing Employee Turnover**

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**Abstract**

In today's competitive environment, retaining talented employees is essential. High turnover disrupts workflow, raises recruitment costs, and threatens organizational stability and growth. This study examines the relationship between employee engagement—the emotional and psychological connection employees have with their organization—and retention. It hypothesizes that highly engaged employees are more likely to stay, contribute positively, and foster a supportive workplace culture.

Using a mixed-methods approach, surveys and interviews across industries measured engagement levels and retention intentions, supplemented by secondary data from organizational reports and literature. Findings show a strong positive correlation between engagement and retention. Key engagement factors—effective communication, career advancement, supportive leadership, and recognition—significantly influences employees' decisions to stay. Conversely, disengagement leads to dissatisfaction and higher turnover.

The study emphasizes making engagement central to human resource strategies. Encouraging inclusion, supporting growth, and recognizing achievements enhances loyalty and reduces attrition. In a competitive, digital business landscape, engagement-driven retention is crucial for long-term organizational success.

**Keywords:** Employee Engagement, Employee Retention, Workforce Management, Organizational Commitment, Job Satisfaction, Leadership, Talent Management, Human Resource Strategies, Employee Motivation, Turnover Reduction.

**Introduction**

Organizations are currently facing increasing pressures to attract, develop, and retain the best talent, Particularly during these changing times, retaining employees truly poses one of the most acute challenges, since talented professionals today are always likely to have several offers and choices to consider. Turnover affects workflow adversely and additionally costs heavily in terms of finances, morale, and productivity. The increasing desire among organizations for sustainability and competitiveness shows that employee engagement has a significant role in retaining human capital. Employee engagement, unlike job satisfaction or employee happiness, is the emotional and intellectual investment that employees make in relation to their jobs, their company, and most importantly, their overall workplace. These are energetic, committed, and passionate employees who devote time, effort, and dedicated labor toward the goals and values of the company. They are most likely to apply discretionary effort, innovative thinking, and remain with the organization during high-stress periods because of their commitment.

Currently, employee engagement is closely associated with organizations seeking sustainability and competitiveness, since understanding what employees need in order to stay engaged is critical for maximizing retention. On the contrary, disengaged employees are prone to high absenteeism, reduced productivity, and eventual resignation. Engagement is not merely about satisfaction or happiness; it involves deep emotional and intellectual attachment to the organization.

The aim of this research is to study the direct and indirect association between employee engagement and employee retention. The study will analyze the impact of different levels of

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engagement—recognition, leadership participation, career advancement, work-life balance, and company culture—on an individual’s intention to remain with his or her employer.

Furthermore, the research will highlight successful engagement strategies that organizations can adopt to develop a loyal and stable workforce. Human resources are the most valuable assets of any organization. With increasing competition across industries, retaining experienced and high-performing talent has become essential. At the same time, employees’ aspirations are evolving rapidly; individuals seek meaningful work, personal growth, and diverse work environments.

Through this study, we aim to contribute to the existing body of knowledge by identifying key factors that link engagement and retention, and by offering practical recommendations to employers striving to build a committed, motivated, and sustainable workforce.

## Review Of Literature

**Shaik Shamshuddin, Chirra Baburao, Haniefuddin Shaik, YVVVSSS Vara Prasad (2025) –** This chapter explores the integration of Green Human Resource Management (GHRM) and digital intelligence to enhance employee engagement and retention in sustainable workplaces. It examines how eco-friendly policies and digital tools contribute to organizational commitment, reduce turnover, and foster productivity. By aligning environmental initiatives with human resource strategies, companies can cultivate loyalty, drive innovation, and build a positive corporate culture.

The chapter highlights key drivers, including psychological safety, employee well-being, and value alignment, that contribute to meaningful engagement. Through a comprehensive review of literature and case studies, it underscores the role of digital platforms in promoting sustainability practices and monitoring performance. Overall, the chapter provides valuable insights for organizations seeking to balance employee satisfaction with long-term sustainability goals, reinforcing the importance of GHRM in modern business environments.

**Alfred Presbitero, Yuka Fujimoto, Weng Marc Lim (2025) –**

Given the rise in cultural diversity in workplaces due to increased globalization and hyperconnectivity, organizations worldwide are seeking effective ways to attract and retain multicultural talent. This research examines the interaction between cultural intelligence, inclusive leadership, and employee engagement in shaping retention outcomes.

The study emphasizes that employees from diverse cultural backgrounds are more likely to remain with organizations that foster inclusivity, fairness, and mutual respect. It discusses how culturally intelligent leadership practices enhance trust, collaboration, and psychological safety, thereby strengthening employees’ emotional attachment to the organization.

By integrating cross-cultural management strategies with engagement initiatives, the research provides practical recommendations for building inclusive workplaces that support diversity while improving organizational performance. The findings contribute to the broader understanding of how multicultural workforce management influences employee engagement and long-term retention between an employee’s cultural intelligence (CQ) and a supervisor’s CQ, investigating how this interaction impacts work engagement and the intention to stay within multicultural work groups. Drawing on work engagement literature and leader-member exchange (LMX) theory, we conducted two empirical studies. Study 1 (170 matched data) reveals that employee’s CQ positively influences work engagement, with this relationship moderated by the supervisor’s CQ. Study 2 (161 matched data) validates these findings while also demonstrating how work engagement influences employee’s intention to stay. Taken collectively, our research advances theory and practice by elucidating the synergistic value of fostering both employees’ and supervisors’ CQ—i.e., the “double CQ”—for enhancing engagement and retention in multicultural work groups.

**Sameh Abdelhay (2024) –**

This paper examines how HR analytics can be utilized to improve employee retention in Egyptian corporations, with employee engagement acting as a mediating factor strengthened by

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organizational culture. In today's business environment, many companies rely on data generated through HR analytics to predict employee turnover, understand workforce behavior, and design targeted retention strategies.

The study emphasizes that engaged employees—those who are satisfied, committed, and emotionally connected to their organization—are less likely to leave. Therefore, enhancing engagement becomes central to retention strategies. Organizational culture plays a critical moderating role by ensuring that data-driven HR practices are implemented within a supportive and adaptable environment. Using survey data collected from HR professionals across various sectors in Egypt, the study proposes a model explaining how HR analytics influences employee retention through engagement, with culture reinforcing this relationship. The findings suggest that HR managers and business leaders must integrate HR analytics with engagement initiatives and cultivate a positive organizational culture to ensure long-term employee commitment and organizational stability.

**Charubhavesh Goyal (2023) –**

This study highlights employee engagement as a crucial determinant of organizational success. Employee engagement is defined as the degree of involvement, enthusiasm, and commitment an employee has toward their organization and its values. The research focuses on assessing engagement levels in the private banking sector and IT/ITeS companies, identifying the factors contributing to engagement, and analyzing its impact on employee retention.

Employee engagement is described as a work-related state of mind characterized by three dimensions: vigor, dedication, and absorption. The study adopted a quantitative research approach and used a structured questionnaire based on the Utrecht Work Engagement Scale (UWES) to measure engagement levels among employees.

The findings aim to provide insights into how engagement influences employees' intentions to remain with their organizations. By identifying key engagement drivers in banking and IT-ITeS sectors, the study offers practical recommendations for improving retention through targeted engagement strategies. The study assesses the level of energy and mental resilience during work, as well as the sense of meaning, inspiration, pride, challenge and focus on work. The author has majorly focused on the identification of the impact of the factors of the employee engagement on the retention of the employees in the two types of industries organization ie, Banking industry and the IT companies' employee. In both industries examined in the study, the common demographic profile of employees includes individuals aged **25–35 years**, with **post-graduation** as the predominant educational qualification. The majority fall within the salary range of **Rs. 15,000–Rs. 30,000**, have a **tenure of 2–5 years**, and possess **below 5 years of total work experience**. These characteristics indicate that a significant proportion of the workforce consists of early-career professionals who are in the growth and skill-development phase of their careers. This highlights the importance of structured engagement and career advancement initiatives to retain such employees.

**Malik et al. (2024) –**

Malik and colleagues (2024) conducted a study in the hospitality industry to examine the relationship between HR practices, leadership style, employee engagement, and talent retention. The findings reveal that HR practices aligned with the **Ability–Motivation–Opportunity (AMO) framework** significantly enhance employee engagement.

The AMO framework emphasizes:

- **Ability** – Developing employees' skills and competencies through training and development.
- **Motivation** – Encouraging performance through rewards, recognition, and supportive leadership.
- **Opportunity** – Providing employees with chances to participate, contribute, and grow within the organization.

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The study further found that **transformational leadership** strengthens the impact of AMO-based HR practices. Leaders who inspire, mentor, and support employees foster higher engagement levels, which in turn improves talent retention.

Overall, the research suggests that hospitality organizations can enhance employee retention by integrating AMO-driven HR strategies with transformational leadership practices, thereby creating a more engaged and committed workforce.

## Objectives Of The Study

- To Investigate The Correlation Between Employee Engagement And Employee Retention
- To Determine The Drivers Of Employee Engagement
- To Investigate Employee Attitudes Towards Engagement Programs In The Company
- To Propose Effective Employee Engagement Strategies To Enhance Retention
- To Review The Impact Of Organizational And Demographic Factors On Engagement And Retention.

## Research Methodology

This Research Adopts A Descriptive And Analytical Research Design Using A Quantitative Technique. The Process Which Includes Data Collection In The Form Of Structured Questionnaires That Is Used For Statistical Analysis And Interpretation Leads To Conclusion Development. The Selection Method Provides Accuracy And Reliability To The Research Study. The Research Gathers Data From Various Sources In Order To Examine The Influence Of Employee Engagement Toward Employee Retention. The Success Of The Project Relies On Having Appropriate Research Methods.

## Data Collection

### Primary Data

The researcher gathers first-hand data directly from workers in different industries to learn how worker engagement affects their choice to stay with their present organization. Information is collected using structured questionnaires and individual interviews, targeting engagement practices and their effects on retention behavior. Employees in sectors such as IT, education, healthcare, and manufacturing are covered in the research, and they share details about their experiences in relation to motivation, recognition, leadership, and job satisfaction. The aim is to assess whether employee engagement will make workers more loyal, productive, and less likely to leave their jobs. Key valuation includes

- Job satisfaction
- Recognition and rewards
- Leadership and managerial support
- Career development opportunities
- Work-life balance
- Communication and feedback
- Employee involvement in decision-making
- Trust and transparency within the organization

### Secondary Data

Researchers collected secondary data from academic journals, research reports, books, reliable websites, and industry reports that were on employee engagement and retention trends across different industries. Previous studies investigating the relationship between organizational commitment, job satisfaction, and motivational techniques offered useful information for the validation of the primary research findings. Literature on human resource practices, leadership impact, and employee commitment also complemented the framework for examining how levels of engagement influence employee retention.

## Tools For Datacollection Correlation

**Null Hypothesis (H0):** There is no considerable correlation between employee engagement factors and employee retention intention.

**Alternate Hypothesis (H<sub>1</sub>):** There is a strong correlation between employee engagement drivers and employee retention intention

Correlations

		Employee Engagement Factors	Employee Retention Intention	Leadership and Organizational Support
Employee Engagement Factors	Pearson Correlation	1	-.093	.031
	Sig.(2-tailed)		.190	.664
	N	200	200	200
Employee Retention Intention	Pearson Correlation	-.093	1	-.033
	Sig.(2-tailed)	.190		.646
	N	200	200	200
Leadership and organizational support	Pearson Correlation	.031	-.033	1
	Sig.(2-tailed)	.664	.646	
	N	200	200	200

**Interpretation:**

The correlation between employee engagement determinants and employee retention intent is positive ( $r=0.093$ ) with  $p$ -value of  $0.190$  showing that there is no significant relationship. Moreover, there is a lack of relationship between leadership, and organization support are weakly related to engagement ( $r=0.031$ )

And retention ( $r=-0.033$ ) as  $p$ -values are higher than  $0.05$ . The results indicate that there is no relationship between the variables that is statistically significant.

**Result**

Research Shows That High Employee Engagement Is An Antecedent To Employed Education, Job Satisfaction, And Emotional Bonding To The Company, All Of Which Lead To Increased Employee Retention. Engaged Employees Feel Appreciated, Supported, And Until Now In Tune With Organizational Goals-Thereby Greatly Reducing The Chances Of Leaving. Businesses That Hold Positive Engagement Approaches Have Been Found To Have Less Turnover Among Their Staff, As Employees Are 41% More Likely To Remain Within The Organization Long-Term And 59% Less Likely To Search For Alternative Employment. Engagement Drivers Also Affect Retention Directly And Are Positively Enhanced Through Career Growth, Feedback, Reward, And Collaborative Leadership. Engaged Employees Are Loyal, In Still Strength In Their Own Jobs, Are Satisfied, And Will Perform Above-Average Productivity Levels.

**Discussion**

Engaged employees are more likely to stay with an organization compared to their less-engaged peers across diverse organizational contexts. Enhanced emotional attachment, motivation, and alignment with the organization's target significantly reduce the intent of engaged employees to leave. In such organizations where an engagement culture is actively fostered through open communication, recognition, opportunities for growth, and endorsement by leadership, attrition rates are lower. As per a recent study released in the Harvard Business Review, high-employee-engagement organizations saw a 24% rise in employee retention. Research also shows that when workers are made to feel valued and included in decision-making, their organizational allegiance gets strengthened and turnover is less likely. The psychological effect of engagement on workers is also significant. The Gallup State of the Workplace report observes that workers who are actively disengaged or not engaged tend to look for other opportunities, citing career development and lack of appreciation. Employee engagement significantly affects their intention to remain in the organization as compared to less engaged employees

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engaged employees possess increased emotional attachment goal alignment and motivation toward the organization and are thus less inclined to leave. In such organizations where an engagement culture is actively fostered through open communication, recognition, opportunities for growth, and endorsement by leadership, attrition rates are lower.

## Conclusion

In summary, the research points out the tremendous effect employee engagement have on employee retention in organizations. Although the results of this study indicated poor correlations, the general body of evidence always points toward the fact that increased levels of engagement are a direct indicator of better retention levels. Engaged employees show increased commitment, job satisfaction, and a feeling of belongingness, which makes them remain longer in their organizations. Elements like recognition, open communication, professional development, and supportive leadership are all part of creating high levels of engagement. Beyond that, organizations that work actively to build an environment of engagement will be likely to achieve not only lower turnover, but also higher productivity, innovation, and overall organizational performance. Even though there search evidence is really poorly statistical, it is obvious that placing important engagements towards career growth-from recognition initiatives to work-life balance-would invoke such work culture, that it attains the level of allegiance required for the employee's work. aspect of company policy toward creating a very committed and well-performing team would there by create a strategy to be bundled into such deepest long-term returns associated with most talented employees. Therefore, the results of this research are added to the mounting evidence that employee engagement is one of the determining factors of retaining high-achieving employees and the well-being of an organization.

Here is your reference list properly formatted in **APA (7th edition) style** with correct spacing, punctuation, and consistency:

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