
UNDERSTANDING EMPLOYEE RETENTION THROUGH JOB SATISFACTION IN THOOTHUKUDI DISTRICT

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ABSTRACT

Employee retention has become a critical concern for organizations due to increasing workforce mobility and changing employee expectations. Job satisfaction is widely recognized as a key factor influencing employees' decisions to remain with an organization. The present study aims to understand employee retention through the lens of job satisfaction among employees working in Thoothukudi district. The objectives of the study are to examine the relationship between job satisfaction and employee retention, to analyze the relative importance of retention-related factors influencing job satisfaction, and to assess differences in job satisfaction across selected demographic variables. The study adopts a descriptive and analytical research design and is based on primary data collected from employees across various sectors in Thoothukudi district. Data were analyzed using statistical tools such as descriptive analysis, correlation, Friedman test, independent samples t-test, and multiple regression analysis. The paper discusses the conceptual linkage between job satisfaction and employee retention and empirically evaluates their influence on employee outcomes. The findings of the study are expected to provide insights for organizations to design effective human resource strategies focused on enhancing job satisfaction and strengthening employee retention in a regional organizational context.

Keywords: Job Satisfaction, Employee Retention, Employee Outcomes, Organizational Commitment.

INTRODUCTION

Employee retention has emerged as a major challenge for organizations in an increasingly competitive and dynamic work environment. Retaining skilled and experienced employees is essential for organizational stability, productivity, and long-term success. High employee turnover not only increases recruitment and training costs but also disrupts organizational knowledge and performance. Among the various factors influencing employee retention, job satisfaction has been identified as one of the most significant determinants of employees' intention to stay with an organization. Job satisfaction refers to an employee's overall evaluation of their job, shaped by factors such as compensation, working conditions, career development opportunities, supervision, and organizational culture (Herzberg et al., 1959; Spector, 1997). Job satisfaction has long been recognized as a key predictor of employees' intention to stay with an organization (Locke, 1976). Prior studies suggest that satisfied employees are more likely to remain loyal, committed, and less inclined toward turnover, thereby strengthening employee retention (Mobley, 1977; Griffeth et al., 2000). A strong organizational culture and effective career development programs enhance job satisfaction, which in turn positively impacts employee retention (Sudarijati et al., 2025). Companies that invest in these areas see improved retention rates as employees feel valued and supported. Despite the growing body of literature, most existing studies focus on direct relationships between job satisfaction and employee retention within specific organizations or sectors, limiting the generalizability of findings. Moreover, limited empirical evidence is available at the regional level, particularly in districts like Thoothukudi, which comprise a diverse mix of manufacturing, service, educational, and port-based industries. In this context, the present study seeks to address this gap by examining employee retention through job satisfaction among employees in Thoothukudi district. Specifically, the study aims to analyze the relationship between job satisfaction and employee retention, examine the importance of retention-related factors influencing job satisfaction, and assess demographic differences in job satisfaction, thereby contributing to a broader and more context-specific understanding of employee retention.

REVIEW OF LITERATURE

Winer Berkat Jaya Hulu (2024) studied how job satisfaction affects employee retention at CV. Golden Mart using data from all 30 employees. The study found that satisfied employees are much more likely to stay with the organization. Pay, supervision, and good relationships with coworkers played the biggest role in satisfaction, while promotion and job design mattered less. On the Whole, the study shows that improving job satisfaction is key to retaining employees.

Sinurat (2023) examined how job satisfaction and employee retention influence employee performance at PT XYZ, with leadership style perception acting as a mediating factor. Using SEM on data from 150 employees, the study found that job satisfaction and retention do not directly improve performance but significantly shape how employees perceive leadership. These leadership perceptions, in turn, play a crucial role in driving employee performance. The findings highlight leadership style as a key link between HR practices and performance outcomes.

Mardiyah et al. (2025) investigated the effect of job satisfaction on employee retention and the moderating role of transformational leadership at Bank Syariah Indonesia, Mataram–Majapahit Sub-Branch Office. Using survey data from 32 employees and moderated regression analysis, the study found that job satisfaction has a significant positive impact on employee retention. However, transformational leadership style did not moderate this relationship despite

a high explanatory power. The study suggests that organizations should prioritize improving job satisfaction while regularly evaluating leadership practices to support retention.

Setyagraha et al. (2025) investigated how motivation, rewards, training, and career development influence employee retention at PT. Manggalakarya Bangun Sarana, with job satisfaction as a mediating factor. Using survey data from 150 employees and SEM-PLS analysis, the study found that all four factors positively affect job satisfaction, which in turn significantly enhances employee retention. The findings highlight that improving job satisfaction through targeted HR strategies is key to fostering employee loyalty and long-term commitment.

RESEARCH METHODOLOGY

Research Design

The present study adopts a descriptive and analytical research design to examine the relationship between job satisfaction, employee retention, and employee outcomes. The study also analyses differences based on demographic characteristics and the relative importance of employee retention factors influencing job satisfaction.

Study Area: The study was conducted in Thoothukudi district, Tamil Nadu. Thoothukudi is an important industrial and service hub with the presence of manufacturing units, port-based industries, service organizations, educational institutions, and allied sectors. The diverse employment environment of the district makes it suitable for examining employee-related factors such as job satisfaction and employee retention.

Population and Sample Size

The population of the study consists of employees working in various organizations located in Thoothukudi district. A sample size of 336 respondents was selected for the study.

Sampling Technique

A convenience sampling technique was adopted due to accessibility of respondents and time constraints. Employees from different demographic backgrounds such as gender and varying work roles were included to ensure representation.

Sources of Data

- **Primary Data:** Collected through a structured questionnaire administered to employees in Thoothukudi.
- **Secondary Data:** Collected from books, journals, reports, and previous research studies related to job satisfaction, employee retention, and employee outcomes.

Tools Used for Analysis

The collected data were analysed using SPSS. The following statistical tools were employed:

- Descriptive statistics
- Pearson correlation
- Friedman test
- Independent samples t-test
- Multiple regression analysis

ANALYSIS

Hypothesis 1

Null Hypothesis : There is no significant relationship between job satisfaction and employee retention among employees.

Correlations

		JS_Mean	ER_mean
JS_Mean	Pearson Correlation	1	.094
	Sig. (2-tailed)		.084
	N	336	336
ER_mean	Pearson Correlation	.094	1
	Sig. (2-tailed)	.084	
	N	336	336

Source: Primary Data

The Pearson correlation analysis shows a weak positive correlation between job satisfaction and employee retention ($r = 0.094$). However, the relationship is not statistically significant, as the significance value ($p = 0.084$) is greater than the accepted significance level of 0.05.

Since the p -value exceeds 0.05, the null hypothesis is accepted, indicating that there is no significant relationship between job satisfaction and employee retention among the employees surveyed.

Hypothesis 2

Null Hypothesis - There is no significant difference in the ranking of employee retention factors influencing job satisfaction.

Mean Rank of Employee Retention Factors

Employee Retention Factor	Mean Rank	Priority
Flexible Working Hours	2.84	Highest
Supportive Organizational Policies	2.96	High
Stress Management & Well-Being Support	3.02	Moderate
Manageable Workload	3.07	Moderate
Work-from-Home / Hybrid Options	3.11	Lowest

Source: Primary Data

The Friedman test was employed to examine whether there is a statistically significant difference in the ranking of employee retention factors influencing job satisfaction. The results reveal a Chi-square value of 5.981 with 4 degrees of freedom and a significance value of 0.201.

Since the p-value (0.201) is greater than the significance level of 0.05, the null hypothesis is accepted. The study finds no significant difference in the ranking of employee retention factors influencing job satisfaction, although flexible working hours are perceived as relatively more important compared to other factors.

Hypothesis 3

Null Hypothesis: There is no significant difference in job satisfaction across demographic groups (gender).

Independent Samples t-Test Results for Job Satisfaction Across Gender

Gender	N	Mean	Std. Deviation	t-value	df	Sig. (2-tailed)
Male	178	2.99	0.397	-0.025	334	0.980
Female	158	2.99	0.380			

Source: Primary data (SPSS output)

Note: Equal variances assumed (Levene's Test Sig. = 0.982)

Source: Primary Data

An independent samples t-test was conducted to examine whether there is a significant difference in job satisfaction between male and female employees. The results of Levene's test indicate that the assumption of equal variances is met ($p = 0.982$).

The t-test results show that there is no statistically significant difference in job satisfaction between male (Mean = 2.99) and female employees (Mean = 2.99), as the significance value is 0.980, which is greater than the accepted level of significance (0.05). Hence, the null hypothesis is accepted, indicating that job satisfaction does not significantly differ across gender.

Hypothesis 4

Null Hypothesis (H_{04}): Employee retention and job satisfaction do not jointly influence employee outcomes.

Multiple Regression Analysis Showing the Joint Influence of Employee Retention and Job Satisfaction on Employee Outcomes

Variables	B	Std. Error	Beta	t-value	Sig.
Constant	3.024	0.308	—	9.822	0.000
Job Satisfaction (JS_Mean)	0.005	0.089	0.003	0.056	0.955
Employee Retention (ER_mean)	-0.023	0.058	-0.022	-0.401	0.689

Source: Primary Data

Multiple regression analysis was conducted to examine the combined influence of employee retention and job satisfaction on employee outcomes. The ANOVA results indicate that the regression model is not statistically significant ($F = 0.081$, $p = 0.923$), suggesting that the independent variables do not jointly explain variations in employee outcomes.

The coefficient results further reveal that job satisfaction ($\beta = 0.003$, $p = 0.955$) and employee retention ($\beta = -0.022$, $p = 0.689$) do not individually have a significant impact on employee outcomes. Since the p-value of the model exceeds the 0.05 significance level, the null hypothesis (H_{04}) is accepted. This confirms that employee retention and job satisfaction do not jointly influence employee outcomes in the present study.

RESULT

1. The correlation analysis revealed a weak and statistically insignificant relationship between job satisfaction and employee retention among employees in Thoothukudi ($r = 0.094$, $p = 0.084$).
2. The Friedman test indicated no significant difference in the ranking of employee retention factors influencing job satisfaction ($\chi^2 = 5.981$, $p = 0.201$). However, flexible working hours were relatively more preferred than other factors.
3. The independent samples t-test showed no significant difference in job satisfaction between male and female employees ($p = 0.980$), indicating that gender does not influence job satisfaction.
4. Multiple regression analysis revealed that job satisfaction and employee retention do not jointly or individually influence employee outcomes ($F = 0.081$, $p = 0.923$).

CONCLUSION

The present study examined the influence of job satisfaction and employee retention on employee outcomes among employees working in Thoothukudi district. The findings indicate that although employees report moderate levels of job satisfaction and employee retention, these factors do not show a statistically significant relationship with each other, nor do they significantly influence employee outcomes.

The study also reveals that demographic characteristics such as gender do not play a significant role in shaping job satisfaction. Additionally, employees tend to value flexible working hours more than other employee retention factors, though no significant differences were observed in their overall ranking preferences.

Overall, the results suggest that employee outcomes in Thoothukudi may be influenced by factors beyond job satisfaction and employee retention, such as job security, organizational culture, leadership style, economic conditions, and industry-specific constraints. The study highlights the need for organizations in Thoothukudi to adopt a broader approach toward employee management by focusing not only on satisfaction and balance, but also on structural and organizational factors that enhance long-term performance and commitment.

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