



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

A STUDY ON IMPACT OF WORKPLACE CULTURE ON EMPLOYEE RETENTION

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Abstract: This study examines the impact of workplace culture on employee retention in the automobile industry, focusing on factors like effective leadership, open communication, work-life balance, and shared organizational values. The research reveals that a positive, transparent, and supportive workplace culture significantly improves employee retention. A structured questionnaire was administered to a randomly selected sample of 169 employees. Data was analyzed using SPSS software. Key findings show that employees are motivated by shared values, satisfied with workplace culture, and positively influenced by fair compensation and well-being initiatives. The study recommends strengthening compensation policies, employee engagement initiatives, and well-being programs to sustain a committed workforce and reduce turnover.

Index Terms - Workplace culture, Open communication, Work-life balance

I. INTRODUCTION

In today's fast-paced and competitive business environment, employee retention has emerged as a paramount concern for organizations worldwide. The success of an organization heavily relies on the efficiency and stability of its employees, making it crucial to retain top talent. The automobile industry, in particular, faces significant challenges in retaining skilled professionals due to intense competition and rapidly evolving market dynamics. This study focuses on managing employee retention in the automobile industry, exploring general practices such as talent management, organizational development, training, rewards, and recognition. By examining the impact of workplace culture, compensation, and employee engagement on retention, this research aims to provide actionable insights for organizations to create a supportive and conducive work environment that promotes loyalty, satisfaction, and long-term commitment among employees.

Strategic Importance Of Employee Retention

1. Reduced Costs : Employee retention helps reduce costs associated with recruitment, training, and onboarding new employees. By minimizing turnover, organizations can save on advertising, agency fees, and administrative overhead.

2. Enhanced Productivity and Efficiency : Retained employees are more productive and efficient, having already learned their roles and integrated into the team. This stability ensures consistency in operations, project execution, and service delivery.

3. Employee Engagement and Morale : A steady workforce boosts employee morale, making them feel safer, more trusted, and bonded. This leads to higher engagement levels, creativity, productivity, and dedication to the company's objectives.

4. Improved Quality and Innovation : Long-term employees have a deeper understanding of the company's offerings, enabling them to provide better quality work and identify areas for improvement. A stable environment also encourages innovation and creative collaboration.

5. Enhanced Employer Branding and Reputation : Companies with high employee retention rates are more attractive to potential candidates, signaling a positive and stable work environment. Satisfied long-term employees become advocates for the company, enhancing its reputation.

2. NEED OF THE STUDY

The need of the study is to understand how workplace culture influences employee retention, identifying key factors like leadership, communication, and work-life balance. By exploring the impact of culture on employee commitment, satisfaction, and loyalty, the study provides insights into creating a supportive environment that reduces turnover and improves overall performance. The findings will inform practical strategies for building a better workplace culture, benefiting both employees and organizations.

3. OBJECTIVE OF THE STUDY

- To study the impact of shared organizational values on employee retention.
- To assess the impact of compensation on employee retention.
- To find how employee well being initiative undertaken reduce turnover intention in the organization.
- To know the impact of employee engagement practices on employee retention.

4. REVIEW OF LITERATURE

Dr. Nithya N et al. (2024) explored factors influencing employee attrition in automobile dealerships and found that remuneration, engagement activities, working conditions, and satisfaction significantly affect turnover, suggesting that improving these elements can enhance retention. Vinod Kumar V (2024) studied five-star hotels in Delhi and highlighted that open communication, leadership support, recognition, and a balanced work-life environment contribute to higher employee satisfaction and loyalty, while poor culture and rigid structures lead to dissatisfaction. Vincent G. (2024) further reinforced the role of workplace culture in employee retention across industries, emphasizing that inclusive communication, value alignment, and leadership styles directly impact job satisfaction and turnover, advocating for strategic cultural initiatives to retain talent.

Dr. G. Murali Krishna (2023) emphasizes that a strong organizational culture fosters trust, teamwork, and high morale, significantly enhancing efficiency and performance. Pooja Goswami (2023) highlights a positive correlation between employee well-being and retention, especially in the post-pandemic context, advocating for well-being as a strategic imperative. Maja Mesko (2023) further supports this by demonstrating that cultures prioritizing transparency, development, and support lead to greater employee engagement and reduced turnover. James Joseph (2023) adds a mental health perspective, revealing that supportive workplace environments contribute to improved well-being, while toxic cultures increase psychological distress. Together, these studies affirm that cultivating a positive organizational culture and prioritizing employee well-being are essential for long-term retention and sustainable growth.

5. RESEARCH METHODOLOGY

The study uses a descriptive research design to examine the impact of workplace culture on employee retention. A sample size of 169 employees was selected using convenience sampling from a total population of 300. Data collection followed quantitative methods, and since the data is not normally distributed, non-parametric tools were applied for analysis.

6. DATA ANALYSIS AND INTERPRETATION

S.NO	CATEGORIES	SUB-CATEGORIES	NO. OF RESPONDENTS	PERCENTAGE
1	AGE	18-24	58	34
		25-34	62	37
		34-44	26	15
		45-54	14	8
		55 and above	9	6
2.	GENDER	MALE	149	88
		FEMALE	20	12
3	YEARS OF EXPERIENCE	LESS THAN 1 YEAR	54	32
		1-3 YEARS	67	40
		4-6 YEARS	23	14
		7-10 YEARS	13	8
		MORE THAN 10 YEARS	12	6
4	SHIFT	GENERAL	73	43
		1 st SHIFT	45	27
		2 nd SHIFT	39	23
		3 rd SHIFT	12	7
5	INCOME	10000-20000	46	27
		20000-30000	60	36
		30000-40000	30	18
		40000-50000	17	10
		ABOVE 50000	16	9

7. STATISTICAL TOOL

7.1 CORRELATION:

H0: There is no significant impact of age towards core values impacting employee retention.

H1: There is a significant impact of age towards core values impacting employee retention.

Descriptive Statistics			
	Mean	Std. Deviation	N
Age	2.54	1.024	169
core values	1.84	.915	169

Correlations

			Age	Core values
Spearman's rho	age	Correlation Coefficient	1.000	.003
		Sig. (2-tailed)	.	.974
		N	169	169
	Core values	Correlation Coefficient	.003	1.000
		Sig. (2-tailed)	.974	.
		N	169	169

INFERENCE:

From the above test, it is inferred that the correlation method was used to examine the relationship between age and core values. It is observed that the variables are positively correlated, as the correlation coefficient is greater than 0. However, since the p-value is greater than 0.05 ($p = 0.974$), the result is not statistically significant. Therefore, the null hypothesis is accepted, and the alternative hypothesis is rejected.

7.2 MAN WHITNEY U -TEST

H_0 (Null Hypothesis): There is no significant difference in gender with compensation structure impacting employee retention

H_1 (Alternative Hypothesis): There is a significant difference in gender with compensation structure impacting employee retention.

Test Statistics

	Compensation Structure
Mann-Whitney U	2587.500
Wilcoxon W	9847.500
Z	-1.281
Asymp. Sig. (2-tailed)	.200

a. Grouping Variable: gender

INFERENCE

From the above test, it is inferred that the Mann–Whitney U Test was conducted on the sample data. The p-value is greater than 0.05, which indicates that the result is not statistically significant. Therefore, the null hypothesis is accepted. Hence, There is no significant difference In gender with compensation structure impacting employee retention.

7.3 KRUSKALWALLIS H -TEST

H_0 : There is no significant difference in ergonomic condition with years of experience .

H_1 : At least one group has a different distribution of ergonomic condition

Test Statistics

	Ergonomic condtions
Kruskal- wallis H	10.651
Df	4
Asymp. Sig.	.031

a. Kruskal Wallis Test

b. Grouping Variable: years of experience

INFERENCE:

The Kruskal–Wallis H test was performed on the sample data to examine the impact of years of experience on the perception of ergonomic conditions. The test result showed a significance value ($p = 0.031$), which is less than 0.05. Hence, the null hypothesis (H_0) is rejected, indicating that there is a statistically significant difference in the perception of ergonomic conditions among respondents with different years of experience. Therefore, years of experience has an impact on the perception of ergonomic conditions, and the alternative hypothesis (H_1) is accepted.

8.SUMMARY OF FINDINGS

- 37% of the respondents are in between 25-34 years of age group.
- 88% of the respondents are male.
- 40% of respondents have 1–3 years of experience.
- 43% of respondents work in the general shift.
- 36% of the respondents have an income level between 20,000–30,000.
- 76% of respondents said they have clarity regarding shared values.
- 42% of the respondents agree that the organization clearly communicates its core values.
- It is inferred that the correlation method was used to examine the relationship between age and core values. It is observed that the variables are positively correlated, as the correlation coefficient is greater than 0. However, since the p- value is greater than 0.05 ($p = 0.974$), the result is not statistically significant. Therefore, the null hypothesis is accepted, and the alternative hypothesis is rejected
- 40% of the respondents agree that the organization treats employees equally in shifts.
- 82% of the respondents expressed satisfaction with the workplace culture.
- 79% of the respondents expressed satisfaction with overtime compensation.
- 32% of the respondents are somewhat motivated by performance-based incentives.
- 73% of respondents said they are fairly compensated for overtime hours worked.
- 35% of the respondents said the current compensation structure somewhat supports long-term employee retention.
- It is inferred that the Mann–Whitney U Test was conducted on the sample data. The p-value is greater than 0.05, which indicates that the result is not statistically significant. Therefore, the null hypothesis is accepted. Hence, There is no significant difference In gender with compensation structure impacting employee retention
- 45% of the respondents consider competitive salary and regular raises as most important for long-term retention.
- 41% of the respondents agree they are aware of all healthcare programs offered by the

organization.

- 39% of the respondents are satisfied with the ergonomic conditions of the workspace.
- The Kruskal–Wallis H test was performed on the sample data to examine the impact of years of experience on the perception of ergonomic conditions. The test result showed a significance value ($p = 0.031$), which is less than 0.05. Hence, the null hypothesis (H_0) is rejected, indicating that there is a statistically significant difference in the perception of ergonomic conditions among respondents with different years of experience. Therefore, years of experience has an impact on the perception of ergonomic conditions, and the alternative hypothesis (H_1) is accepted.

9. SUGGESTIONS

- The organization may improve openness in shift allocation practices and convey equity more effectively to foster trust among all employees.
- Management may include precise breakdowns of overtime payments in monthly payslips and guarantee that supervisors can answer employee questions about overtime pay.
- The organization should consider designing more appealing and personalized reward systems that align with employee expectations and job roles.
- Improving ergonomic conditions by obtaining regular feedback from employees on their workplace comfort and resolving any areas of concern will contribute to a more pleasant work environment.
- To improve fairness and transparency, the firm should consider implementing clear, uniform evaluation criteria, giving frequent training to evaluators, and allowing employees to provide input on the process.

10 . CONCLUSION

A positive workplace culture significantly influences employee retention in the automobile service industry. Organizations that foster a supportive environment with mutual respect, open communication, growth opportunities, work-life balance, and continuous training tend to retain talent, improve morale, and enhance performance. To improve retention, companies should regularly assess employee feedback, support work-life balance, offer continuous training and career development, align leadership practices with organizational values, recognize and reward employees' contributions, and promote a sense of belonging and teamwork. By prioritizing culture, companies can create a more committed workforce, drive long-term success, and sustain service quality and operational efficiency in this competitive industry.

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