

EMPLOYEE ENGAGEMENT AND RETENTION IN THE NEW ECONOMY

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Abstract

Employee engagement and employee retention have emerged as critical determinants of organizational success in the new economy characterized by globalization, technological advancement, and dynamic workforce expectations. Employee engagement refers to the level of commitment, involvement, and enthusiasm employees demonstrate toward their work and organizational goals, while employee retention focuses on an organization's ability to retain talented employees over time. This paper examines the evolution of employee engagement practices in India from the pre-independence period to the contemporary era and highlights the changing nature of workforce management. The study identifies key factors influencing employee engagement, including appreciation and recognition, freedom to work, scope for advancement, job security, participative decision-making, health and welfare practices, safety measures, monetary benefits, interpersonal relationships, and flexible working conditions. It further explores the factors influencing employee retention, namely care, connect, coach, contribute, communication, and relationship management. The paper emphasizes the strong interrelationship between employee engagement and retention, suggesting that highly engaged employees are more likely to remain committed to their organizations. The study concludes that organizations must adopt comprehensive engagement and retention strategies to enhance employee satisfaction, productivity, loyalty, and long-term organizational performance in an increasingly competitive business environment.

Keywords: Employee Engagement, Employee Retention, Job Satisfaction, Human Resource Management, Organizational Commitment, Employee Motivation, Workplace Welfare, New Economy.

1. INTRODUCTION

Employees are the persons who are rendering their physical as well as mental contribution for the accomplishment of objectives of the business organisations and getting monetary benefits for their involvement. Their keen involvement in their job with cent percent dedication, initiative, innovations are referred as employee engagement. Only a satisfied employee can become an engaged employee. There are numerous factors influence the job satisfaction (an inner feeling derived from the job) of the employees. Motivational factors and hygienic factors are recommended Frederick Herberz in the 18th century. Well defined executive plans, growth mindset, appreciation, awards, autonomy and authority are the factors which influence the employee engagement. When they are not satisfied with their job, they cannot engage themselves in their allotted job. This will lead to leave the job. Employee turnover increases and it will affect the career of the business. Retention strategy is the most significant strategy which assist to reduce the employee turnover.

2. EMPLOYEE ENGAGEMENT

Employee engagement denotes to the notch to which an employee is dedicated to and tangled in their effort and the group, going beyond simply being pleased with their job. It is about employees feeling passionate, interested and linked to their work and the firm's goals. Engaged employees tend to be more creative, inspired and faithful, leading to better overall company performance.

3. EMPLOYEE ENGAGEMENT BEFORE 1950'S

India is an agricultural oriented and developing country in the world. Before hundred years, people work as labourers in agricultural land or they worked in houses of landlords. They were given very small amount of wages. They have no chance to shift to another work. Their children were also got employment from the same owners.

After independence, our administrators realised that industrialisation is the key to improve our economy. Industrial development banks were established. There is a little growth of start-up of industries. This will give employment opportunities. But the education level of the people is very low in that time. They are not able to operate modern machineries. They are engaged in manual work only. They understood the importance of industrial education. For managing their standard of living, they worked for meagre wages with no welfare, health and safety measures. They engaged in their work wholeheartedly for monetary benefits. India is a labour surplus country. Bonded labour system exists in many places from many generations. There is no act for protecting them. They also have no awareness for their independence. There was a wages discrimination between male and female in agricultural farms. Landlords tortured them brutally. (Bagadur Vasan, 1938).

4. EMPLOYEE ENGAGEMENT AFTER 1950'S

After 1950's, there is a mushroom growth of small scale and cottage industries. They employed unskilled labourers as these companies did not have adequate investment for using modern technologies. The unskilled labourers also learnt the mechanism of doing work. There was a migration from villages to cities for job opportunities. At this juncture, employee surplus was high and employee demand was low. As a result, wage rate is lower. It is interesting to note that no employee turnover even in large size organisation.

During the dispute arose between management and labourers in Bombay Spining Mills, employee union was formed among employees for their work life betterment. Strikes and lockouts announced by the mills threaten the employees for the loss of jobs. Many labourers withdraw from their strike and returned to job. But severe actions taken by some labourers spread the seeds of unionism. Bombay Labour Association is a seed which create awareness about union. At that time, union is nothing but it is a forum, which sought for the welfare of the labourers. When the labourers joined in the union, they became the members of the union. (Antony & Margaret, 1957)

The labour welfare Acts such as Payment of Wages Act, 1936, Industrial Dispute Act, 1947, Minimum Wages Act 1948, Employee State Insurance Act, 1948, Factories Act 1948 Maternity Benefit Act 1961, Payment of Bonus Act, 1965, Equal Remuneration Act, 1976, Bonded Labour System Abolition Act, 1976, Child Labour (Prohibition and Regulation) Act, 1986 came into practice.

5. EMPLOYEE ENGAGEMENT AFTER 2000's

Due to Liberalisation, Privatisation and Globalisation, many multinational companies entered into our nation. Globalisation ensures the movement of business units all over the world. (Santhanam, 2012). The MNCs provide employment opportunity both in India and abroad countries. Its pay package is impressive and younger generations wish to get employment in MNCs. Many IT and ITES companies hire the talented youth in the college campus via campus placement. Students in Arts and Science Colleges as well as Engineering Colleges think that when they are placed in MNCs, their life will be settled.

6. WOMEN EMPLOYEES BEFORE AND AFTER 2000'S

From 1960 onwards, a very little percentage of women came out from the four walls of the house and engaged themselves in teaching profession and nurses in hospitals. Women literacy rate is gradually increasing on those days. But many families neglect the women for employment. Family crisis push some women to work and they engaged in unorganised sector work such as house maid, workers in fireworks, match factories, tin factories only.

After 1980s, there was a change in the mindset of the people in the society and literacy level of women are increasing. Women knocked the doors of employment opportunities in many fields. Government provided significant percentage of employment opportunities to educated and skilled women. But sexual harassment at the work place is a chain lock to the women. (Azeera, 2000)

7. FACTORS DETERMINING EMPLOYEE ENGAGEMENT

The following are the major factors which determine the employee engagement.

Appreciation and Recognition

Employees at all grades of the business units as well as factories expect to be recognized for their attainments in their work. Their achievements don't have to be enormous before they rate recognition, sofar the approval should be truthful. If the personnel do something good, the administrative heads should recognize their successful work instantly. The administration must show gratitude them for dealing the circumstances particularly fine and inscribe them a kind note of tribute or provide them an applause, if appropriate. This will stimulate the workforces to execute their work in a meaningful way.

TCS, an IT Company conducted a survey every year among their employees about their job itself, seventy nine percent of the employees provide a feedback that they expect enough appreciation and recognition from their team head for error free coding and completion of projects within the deadline. (Niranjan, 2003).

Freedom to Work

Freedom to work is a noteworthy aspect for employee engagement. In order to do the work reliably and honestly starved of anxiety or favour, adequate autonomy should be specified to the employees. The potential of a paradise short of freedom is worthless. All amenities and assistances will go in an ineffective way in case of complete absence of liberty. In that case, an employee always tries to leave the job and search for new job. Therefore, when there is no freedom at work, an employee will have less employee engagement with their job.

Employees in oil manufacturing factories spelled out that cruel nature of supervisors and strict rules and regulations affect their freedom. They felt that they are slaves in their work places. They have no power to meet the top management and express their grievances. This will affect their loyal engagement in their work. (Nithya Kala, 2000).

Scope for Advancement

Whatever may be the type of business unit as well as industry, modern technologies rule it. When the employees are lack of such technologies, the management has to arrange training facilities. On the job training is one in which within the working organisation, training will be given. Off the job training is one in which employees go out of the organisation and learn the new technologies with the prior permission of the management.

Newly appointed education employee understands the new technologies soon. A senior and experienced employee have limited knowledge about new techniques of completing the work quickly. At this juncture, they need training facilities. The management has to spend a particular percentage of money for training the employees. It is not considered as a cost but it is a investment for human resources. (Ragavan, 2005).

Job security

Job security is marked as a parameter for the enthusiastic and earnest collaboration in the exertion of an organisation. It is also a representation of status. A secured job is a impressive job. Workers' observation of job insecurity has an inspiration to touch a quantity of monetary variables. A emblematic plan of this category is that a growing sagacity of insecurity primes to curb of income anxieties on the share of workers. A normal employee will focus on job security initial rather than additional factors to get stable in life. It has been seen that employees who are in secured jobs are more engaged in their jobs.

When employees are appointed, for a particular period of time, they belong to the work condition of probationary period. During this time, their dedication, honesty, situation handling, patience and productivity are measured by performance appraisal team. When their conduct is good during the probationary period, they are given permanent appointment order. After getting their appointment order, their job security is assured. (Nagalakshmi, 2014).

Participative Decision Making

Participative Decision Making (PDM) is the range to which companies permit or motivate their employees to share their views, ideas or engage in administrative decision-making. Participatory decision-making can take an extensive collection of executive benefits. Participation is supposed as an chance for employees to be involved in decision-making. Hence, participation is defined as a process whereby employees or their representatives are involved in as well as influence the outcome of managerial decision. Participative management is concerned with the beneficial consequences of participation both to the individual employee in terms of job satisfaction and to the organisation in terms of enhanced effectiveness.

When employees are asked by the management about the solution of particular issue, they will feel pride and even though the semi skilled employee may suggest a proper solution by using his practical knowledge in the particular filed during the long tenure of time. This will give a feeling of self importance. (Naga Devi, 2010).

Health and Welfare Practices

Health and welfare measures provide better physical and mental health to workers and thus promote a healthy work environment. Facilities like housing schemes, medical benefits, and education and recreation facilities for worker's families help in raising their standards of living. This makes workers to pay more attention towards work and thus increases their productivity. Employers get stable labor force by providing welfare facilities. Workers take active interest in their jobs and work with a feeling of involvement and participation. Employee welfare measures increase the productivity of organization and promote healthy industrial relations

thereby maintaining industrial peace. The social evils prevalent among the labourers such as substance abuse, etc are reduced to a greater extent by the welfare policies. (Pradeeba, 2015).

Safety Measures

Safety in the workplace is such a complex issue; hence managing the safety function can be a challenging process. The need to provide a safe and healthy work environment for employees has long been the responsibility of management and the company as a whole. Workers must work in a sound and protected environment so that they can contribute their best to the achievement of organizational goals. Management leadership and organizational commitment, Hazard identification and assessment, Hazard control, Ongoing worksite inspections, Qualifications, orientations and training, Emergency preparedness, Incident investigation and Program administration are the steps to be undertaken by the management to ensure the safety of the employees. (Madasamy, 2013).

Monetary benefits

Proper salary policies and programmes help to maintain and develop productive and efficient human resources. Organisational morale cannot be promoted and sustained at a higher level without a fair, equitable and sound remuneration programme. To-day with many workers, the amount of monetary benefits receives priority in their thinking. The employees with higher salaries are regarded as superiors even though they are not given other facilities. Thus, salary is closely related to job engagement. (Raji, 2010).

Inter-personal Relationship

Inter-personal relationship basically is of three types *viz.*, superior relationship, subordinate relationship and colleagues relationship. It is observed that the advent of human relations management for the first time recognized that good inter-personal relationship; job satisfaction and importance of informal groups are important determinants of human behaviour in organisations. Normally, the employees expect co-operation, friendliness, interest in their grievances, good listening, impartibility and minimum use of authority from the superiors *i.e.* management. (Ramkumar, 2018).

Flexible Working Conditions

The environment in which people work has a tremendous effect on their level of pride for themselves and for the work they are doing. Temperature, lighting, ventilation, parking facilities, cafeteria, toilets and the working hours always afford a chance for criticism when the employees wishes to let off steam. Actually, working conditions have been found to make comparatively low contribution to both satisfaction and dissatisfaction. But they are substantially more important to women than men. Hours are more important to men than any other specific aspect of working conditions; but among women, especially married women, this aspect have even more significance. To the more educated and higher level employees, hours are almost negligible in importance. To workers in hazardous jobs, safety conditions are more important than any other factor. (Sulochana, 2016).

8. EMPLOYEE RETENTION

Employee retention refers to an establishment's capacity to retain its employees over time, stopping voluntary and involuntary turnover. It is basically about diminishing the loss of appreciated aptitude and upholding steady personnel. (Priyadharsini and Harishma, 2017). When employees leave their organisation, it is not a loss to them but a loss to the organisation. Because the organisations spent money for training the employees. When they leave the job, the company will give advertisement in newspapers for new recruitment and selection. They met expenses for arranging interview board. After hiring the employees, again training and induction will be given.

9. FACTORS DETERMINING EMPLOYEE RETENTION PRACTICES

With less retention percentage, lead extra expenses to companies, including reduced performance, displeased clients and spoiled company brand. There are factors outside of an employers' direct control that subsidise to a usual personnel turnover rate, such as employee lifestyle changes, retirement and ill-health, but there are other crucial factors behind employee turnover that are within a business' control and in today's modern, modest working world, it's time for employers to healthier understand and report these to evade losing their best talent. (Rippl, 2020).

Care

Representing worry for workers' well-being, both personally and workwise is always crucial. This comprises generating a confident work situation and providing elastic work preparations to accommodate individual needs. Caring the employees is essential for employee retention.

Connect

Developing strong relationships and nurturing a sense of community within the workplace is vibrant. This can comprise team-building activities, open communication channels and creating opportunities for employees to connect with each other and with leadership. Proper connection between employees and employers is base foundation for employee retention.

Coach

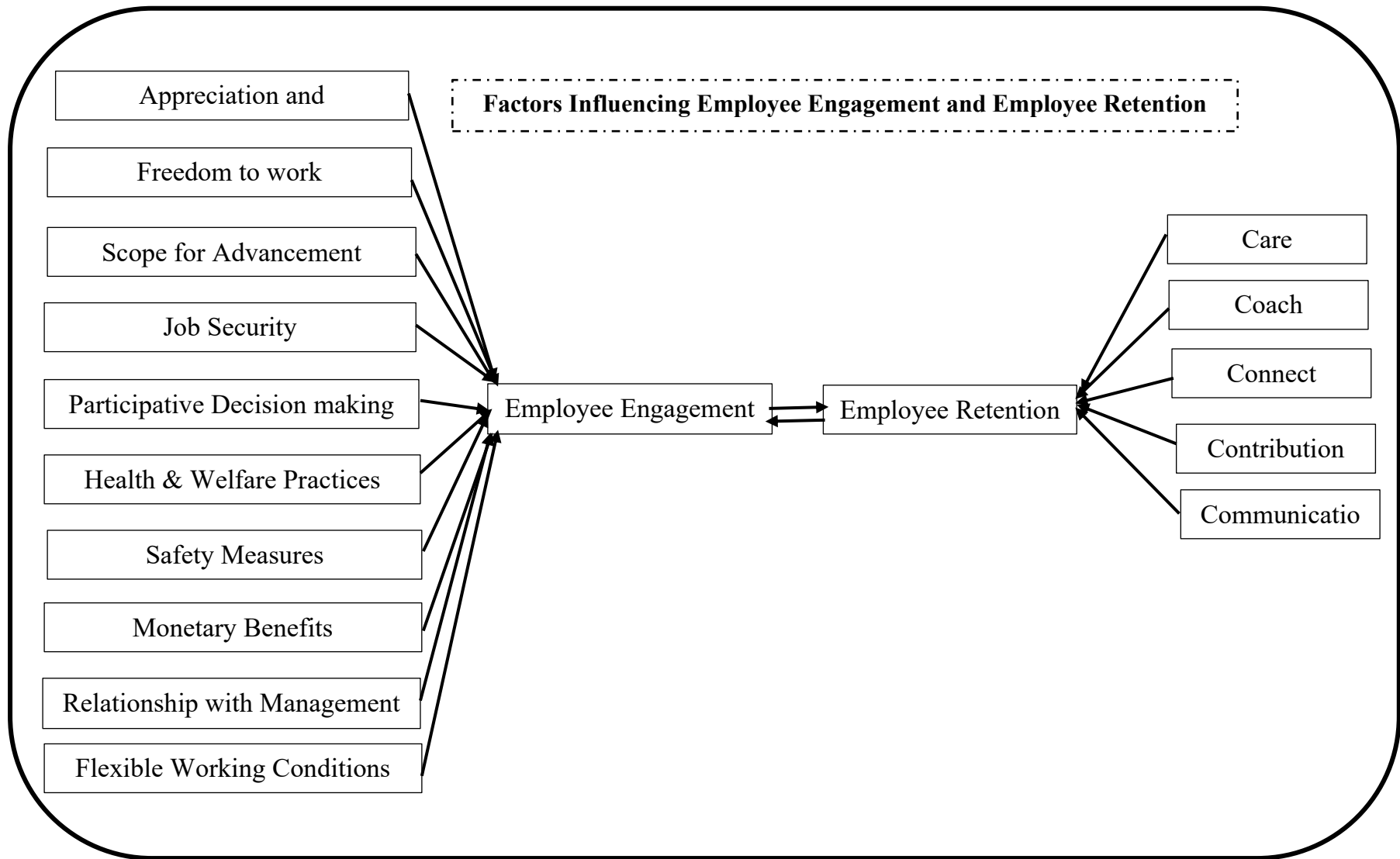
Providing employees with opportunities for growth and development through coaching and mentoring is key to retention. This can involve offering training programs, assigning challenging projects and providing regular feedback. Coaching modern techniques to them create a bond between employer and employee.

Contribute

Allowing employees to make meaningful contributions to the organization and feel valued for their work is essential. This can include looking for employee input on decision-making processes, identifying their contributions and giving them openings to take ownership of projects. A heartfelt contribution made by the employee towards their organizational success will make the company as number one in the business world.

- **Congratulate**

Providing regular recognition and appreciation for employees' achievements, both big and small, is important for maintaining high levels of engagement. This can include public recognition, performance-based bonuses, and other forms of acknowledgment. A 360 degree performance appraisal technique has been adopted and it measure the performance of the employees, appreciate their best workings. In many companies, best employee of the month will be given.



10. CONCLUSION

Employee engagement and retention are essential aspects for the victory of any institution. They help to generate an attractive work atmosphere that inspires personnel to stay within the institution for longer periods. Creating strategies for employee engagement and retention is mandatory for many job providers as it will produce many enormous assistances. Business ventures can apply numerous actions to progress these levels, such as contributing modest monetary perks, offering incentives and allowances for excellent achievements and making a tradition of togetherness and innovative practices. One of the most focussed practice that maintain employee engagement and retention is attendance management. Active attendance management systems not only emphasis on employees' presence but also deal with number of prospects that lead to efficient engagement and improved retention rates.

11. STATEMENTS & DECLARATIONS:

Use of AI Statement

The authors declare that they have not used generative artificial intelligence, specifically ChatGPT in the writing of this manuscript and/or in the creation of images, graphics, tables, or their corresponding captions

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