

Employee Engagement and Job Satisfaction as Predictors of Employee Retention in the Pharmaceutical Sector in Chennai City

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Abstract

Employee retention has emerged as a key human resource concern in the pharmaceutical sector, where organizational performance largely depends on the availability and continuity of skilled, experienced employees. The present study examines employee engagement and job satisfaction as predictors of employee retention in the pharmaceutical sector in Chennai City. The study adopted a descriptive and analytical research design, and primary data were collected from 421 employees working in selected pharmaceutical companies using a structured questionnaire. The study used descriptive statistics, correlation analysis, and multiple regression analysis to analyse the data and test the hypotheses. The findings revealed that employee engagement has a significant positive influence on employee retention ($\beta = 0.438$, $p < 0.001$). Similarly, job satisfaction significantly and positively influences employee retention ($\beta = 0.384$, $p < 0.001$). The regression model also showed that employee engagement and job satisfaction jointly explained 53.4 percent of the variance in employee retention, with employee engagement emerging as the stronger predictor. The study concludes that pharmaceutical organizations should strengthen employee engagement and enhance job satisfaction through supportive leadership, recognition, career development opportunities, favourable working conditions, and meaningful

employee involvement. Such initiatives can help reduce avoidable turnover and build a committed, productive, and stable pharmaceutical workforce.

Keywords: Employee Engagement, Job Satisfaction, Employee Retention, Pharmaceutical Sector, Human Resource Management, Chennai City.

I.INTRODUCTION

Human resources are crucial strategic assets for firms, making employee retention vital for organizational effectiveness and long-term success. Retaining talented personnel minimizes voluntary turnover, preserves institutional knowledge, ensures operational continuity, reduces recruitment costs, and maintains productivity. High turnover disrupts processes and results in lost experience, showing that keeping engaged, capable employees is more effective and sustainable than constant replacement (Sinisterra et al., 2024). Employee retention is becoming increasingly crucial, especially in knowledge-intensive industries where organizational performance relies largely on employees' technical competence, professional competencies, and cumulative experience. This description matches the pharmaceutical industry because it incorporates research and development, manufacturing, quality control, regulatory affairs, marketing and sales, distribution, and other specialized duties. The continuity of human capital is particularly essential, as staff turnover can create knowledge gaps and impair organizational processes and innovation (Jones et al., 2025). In the Indian pharmaceutical context, earlier evidence has also identified work-related issues, workplace relationships, appraisal practices, location-related factors, and compensation as factors associated with employee attrition (Chaudhuri et al., 2021). Among the various organizational and psychological factors associated with employee retention, employee engagement has received considerable research attention. Kahn (1990) conceptualized personal engagement as individuals investing themselves physically, cognitively, and emotionally in their work roles. Saks (2006) later grounded the study in Social Exchange Theory. We differentiated between job engagement and organizational engagement and showed that engagement relates to key employee outcomes such as job satisfaction, organizational commitment, organizational citizenship behaviour, and intention to quit. Hence, employee engagement is more than simply showing up for work; it is about the psychological connection, interest, passion, and commitment employees bring to their work and organizations. Engaged employees tend to devote greater energy and attention to their responsibilities and develop stronger psychological connections with their organizations. As a result, they are more likely to show positive workplace attitudes and a willingness to remain with the organization. A systematic review by Sinisterra et al. (2024) shows that employee engagement is an essential way organizational activities reduce turnover intentions and strengthen employees' desire to remain

with an organization. Recent studies among pharmacists, in particular, have shown the relevance of engagement to pharmaceutical workforce stability, with a negative association between work engagement and turnover intention (Alshammari et al., 2025). Job happiness significantly influences employee retention, similar to employee engagement. It encompasses employees' favourable views of their jobs and how well their experiences align with expectations. Key aspects include remuneration, recognition, career growth, relationships, workload, autonomy, working conditions, and work-life balance. Studies among pharmacy professionals indicate that higher job satisfaction correlates with increased work engagement, organizational commitment, and lower turnover rates (Carvajal et al., 2023). From an organizational perspective, employee engagement and job satisfaction are closely linked. Meaningful involvement in work fosters a sense of achievement and psychological fulfilment, leading to greater job satisfaction. Conversely, satisfied employees are often more motivated and engaged in their tasks. A meta-analysis of healthcare professionals confirmed a significant relationship between work engagement and job satisfaction, highlighting their interdependence (Gómez-Salgado et al., 2022). Saks (2006) also established that job and organizational engagement are positively associated with job satisfaction and negatively associated with intention to quit. Interactions in the pharmaceutical industry highlight the importance of technical specialization and regulatory duties among employees. To maintain engagement and satisfaction, firms must attract skilled workers and create conducive working conditions. Research in pharmaceutical care settings has shown a significant link between employee engagement and their workplace experiences (Mufrij et al., 2023). Moreover, a recent systematic assessment of the pharmacy workforce found workplace culture, communication, teamwork, employee involvement, professional development, and supportive management to be major drivers of job satisfaction and workforce retention. The analysis finds that workplaces where employees feel appreciated, involved, and supported can strengthen workplace connections and help retain employees over the long term (Alenezi et al., 2025). These findings suggest that engagement and satisfaction should not be viewed as isolated employee attitudes; rather, they are strategically important psychological conditions that can influence employees' decisions to remain with an organization. Pharmaceutical firms in Chennai City must attract and retain employees with various professional competencies. Employees assess their connection to a company based on monetary benefits, work experience quality, recognition, growth opportunities, and job satisfaction. Understanding how employee engagement and job satisfaction affect retention can help human resource managers develop effective strategies. While these factors have been explored in healthcare settings, a sector-specific study in pharmaceuticals is

warranted because retention drivers vary by occupational and organizational context. The research titled “Employee Engagement and Job Satisfaction as Predictors of Employee Retention in the Pharmaceutical Sector in Chennai City” investigates the predictive relationship between engagement, job satisfaction, and retention. It aims to demonstrate that higher engagement and satisfaction lead to a stronger intention to remain with employers, providing insights for improving human resource strategies and workforce stability.

Review of Literature

McCarthy et al. (2020) emphasized that employees who experience supportive supervision, meaningful work, and positive organizational practices tend to develop stronger psychological attachment to their organizations. The authors concluded that improving employee engagement can effectively minimize voluntary turnover and strengthen employee retention. **Nayak et al. (2021)** found that positive organizational experiences and meeting employee expectations significantly increased employee satisfaction and willingness to remain with the organization. The findings highlighted job satisfaction as an important psychological factor influencing employees’ long-term association with their organizations and suggested that organizations should continuously monitor and improve employees’ workplace experiences. **Shenoy and Sharma (2022)** demonstrated that employee engagement played an important role in explaining employees’ turnover-related behaviour. The study further observed that favourable organizational conditions and effective management of workplace relationships could contribute to greater job satisfaction and reduced turnover intentions. The researchers recommended that pharmaceutical companies periodically assess employee engagement and introduce appropriate human resource practices to retain competent employees. **Gusanto et al. (2023)** found that employee engagement and job satisfaction significantly influenced turnover intention. The findings indicated that highly engaged and satisfied employees were less likely to consider leaving the organization. The study emphasized that pharmaceutical companies should strengthen employee engagement and job satisfaction through appropriate career development and succession-planning practices to improve workforce retention. **Alenezi et al. (2025)** found that supportive management, favourable working conditions, professional development opportunities, employee involvement, effective communication, and positive workplace relationships contributed to job satisfaction and employee retention. The researchers concluded that organizations seeking to maintain a stable pharmacy workforce should adopt comprehensive human resource strategies that simultaneously enhance employee satisfaction, professional growth, and organizational attachment. **Murad et al. (2025)** found that pharmacists with higher work engagement were substantially less likely to

consider leaving their jobs. The study also showed that intrinsic motivation increased work engagement, which in turn reduced turnover intentions. The authors emphasized the need for pharmaceutical and healthcare organizations to create meaningful work environments and strengthen employee engagement as an important strategy for retaining skilled professionals.

Problem of the Study

Employee retention is a critical challenge in the pharmaceutical sector, where success depends on skilled, experienced staff. High turnover can increase hiring costs, disrupt operations, and reduce productivity. In Chennai City's competitive job market, understanding what keeps employees engaged and satisfied is essential. Job satisfaction and engagement strongly influence retention, while poor conditions can drive turnover. Despite prior research on these themes, empirical evidence on their combined effects on retention in Chennai's pharmaceutical industry remains limited. This study examines how employee engagement and job satisfaction predict retention in this sector, providing insights to help organizations build a stable workforce.

Objectives of the Study

1. To examine the influence of employee engagement on employee retention among employees in the pharmaceutical sector in Chennai City.
2. To analyse the influence of job satisfaction on employee retention among employees in the pharmaceutical sector in Chennai City.

Hypotheses

1. **H₁:** Employee engagement has a significant positive influence on employee retention among employees in the pharmaceutical sector in Chennai City.
2. **H₂:** Job satisfaction has a significant positive influence on employee retention among employees in the pharmaceutical sector in Chennai City.

Research Methodology

The present study adopts a descriptive and analytical research design to examine employee engagement and job satisfaction as predictors of employee retention in the pharmaceutical sector in Chennai City. The study primarily uses primary data collected from employees in selected pharmaceutical companies in Chennai City through a structured questionnaire. Secondary data were obtained from research articles, journals, books, reports, and other relevant published sources. The final sample comprised 421 employees. The study used a sampling technique to select respondents from various functional areas in the pharmaceutical sector. It employed a questionnaire to collect demographic data and assess employee engagement, job satisfaction, and retention using a five-point Likert scale. The researchers validated the reliability of the measurement scales using Cronbach's alpha, with acceptable values of 0.70 or above. The researchers

systematically coded, classified, and analysed the data using statistical techniques. Descriptive statistics summarized respondent characteristics, while correlation analysis identified relationships between variables. Multiple regression analysis examined how employee engagement and job satisfaction predict employee retention and tested the proposed hypotheses.

Results and Discussions

Table 1
Demographic Profile of the Respondents (n = 421)

Demographic Variable	Category	Frequency	Percentage
Gender	Male	238	56.5
	Female	183	43.5
Age	Below 30 years	112	26.6
	31–40 years	158	37.5
	41–50 years	96	22.8
	Above 50 years	55	13.1
Educational Qualification	Diploma/Technical	67	15.9
	Undergraduate	126	29.9
	Postgraduate	151	35.9
	Professional/Other	77	18.3
Marital Status	Married	256	60.8
	Unmarried	165	39.2
Work Experience	Below 5 years	109	25.9
	5–10 years	146	34.7
	11–15 years	101	24.0
	Above 15 years	65	15.4
Functional Area	Production	108	25.7
	Quality Control/Assurance	92	21.9
	Sales & Marketing	87	20.7
	R&D/Regulatory Affairs	68	16.2
	Administration/Other	66	15.7
Monthly Income	Below ₹30,000	78	18.5
	₹30,001–₹50,000	142	33.7
	₹50,001–₹75,000	119	28.3
	Above ₹75,000	82	19.5
Designation Level	Junior Level	133	31.6
	Middle Level	191	45.4
	Senior Level	97	23.0

The demographic profile shows that most respondents are male (56.5%), aged 31–40 years (37.5%), postgraduates (35.9%), and married (60.8%). Regarding employment characteristics, the largest proportion has 5–10 years of work experience (34.7%), works in the production function (25.7%), earns a monthly income between ₹30,001 and ₹50,000 (33.7%), and holds a middle-level designation (45.4%). Overall, the respondents represent diverse demographic and employment backgrounds, with a considerable proportion comprising educated, experienced, and middle-level employees in the pharmaceutical sector.

Impact of employee engagement and job satisfaction as predictors of employee retention in the pharmaceutical sector in Chennai

Results of Hypotheses

Multiple Regression Results: Predictors of Employee Retention

Dependent Variable: Employee Retention

Table 2
Hypothesis Results

Predictor Variable	B	Std. Error	Standardized β	t-value	p-value	Result
Constant	0.742	0.163	—	4.552	<0.001	—
Employee Engagement	0.421	0.047	0.438	8.957	<0.001	Significant
Job Satisfaction	0.356	0.045	0.384	7.911	<0.001	Significant

Source: Primary data

Table 3
Model Summary

R	R²	Adjusted R²	F-value	p-value
0.731	0.534	0.532	239.63	<0.001

Source: Primary Data

Dependent Variable: Employee Retention

The multiple regression results indicate that employee engagement and job satisfaction significantly and positively predict employee retention in the pharmaceutical sector in Chennai City. The overall regression model is statistically significant ($F = 239.63$, $p < 0.001$), and the R^2 value of 0.534 indicates that employee engagement and job satisfaction jointly explain about 53.4% of the variance in employee retention. Employee engagement has a significant positive influence on employee retention ($\beta = 0.438$, $t = 8.957$, $p < 0.001$). This indicates that higher employee engagement is associated with a greater tendency to remain with the organization. Therefore, H_1 is supported. Similarly, job satisfaction significantly and positively influences employee retention ($\beta = 0.384$, $t = 7.911$, $p <$

0.001). Employees with higher job satisfaction are therefore more likely to remain with their organizations. Hence, H_2 is supported. Employee engagement ($\beta = 0.438$) is the stronger predictor of employee retention than job satisfaction ($\beta = 0.384$).

Table 4
Consolidated Hypothesis Testing Results

Hypothesis	Proposed Relationship	β	t-value	p-value	Decision
H ₁	Employee Engagement → Employee Retention	0.438	8.957	<0.001	Supported
H ₂	Job Satisfaction → Employee Retention	0.384	7.911	<0.001	Supported

Overall inference

The findings establish that both employee engagement and job satisfaction are significant positive predictors of employee retention, with employee engagement demonstrating a relatively stronger influence on retention among pharmaceutical-sector employees in Chennai City.

Discussions

The findings show that both employee engagement and job satisfaction significantly and positively influence employee retention in the pharmaceutical sector in Chennai City. Employee engagement ($\beta = 0.438$, $p < 0.001$) emerged as a comparatively stronger predictor of employee retention than job satisfaction ($\beta = 0.384$, $p < 0.001$), indicating that employees who are actively involved, enthusiastic, and psychologically connected with their work are more likely to remain with their organizations. This finding is consistent with McCarthy et al. (2020) and Shenoy and Sharma (2022), who reported that higher employee engagement reduces employees' turnover intentions. Similarly, the significant influence of job satisfaction on retention supports Nayak et al. (2021) and Gusanto et al. (2023), who emphasized that satisfied employees are more likely to remain in the organization. Overall, the findings confirm that strengthening employee engagement and improving job satisfaction can substantially support a stable, committed workforce in pharmaceutical organizations.

Implications of the Study

The study's findings offer important implications for human resource management practices in the pharmaceutical sector. Since employee engagement and job satisfaction significantly influence employee retention, pharmaceutical companies should develop workplace practices that encourage greater employee involvement, recognition, participation in decision-making, supportive supervision, and opportunities for professional growth. Management should periodically assess

employees' satisfaction with compensation, career advancement, working conditions, workload, supervisory support, and work-life balance, and take appropriate corrective action. Because employee engagement emerged as the stronger predictor of retention, organizations should place greater emphasis on creating meaningful work, strengthening communication, recognizing employee contributions, and providing continuous learning and career development opportunities. Pharmaceutical organizations may also introduce regular engagement and satisfaction surveys to identify potential retention concerns early. By integrating engagement and job satisfaction initiatives into their human resource strategies, pharmaceutical companies can reduce avoidable employee turnover, retain skilled and experienced employees, preserve organizational knowledge, and develop a more committed, productive, and stable workforce.

II.CONCLUSION

The study concludes that employee engagement and job satisfaction significantly predict employee retention in the pharmaceutical sector in Chennai City. The findings show that employees who are actively engaged in their work and satisfied with their employment experience are more likely to remain with their organizations. Of the two predictors, employee engagement had a stronger influence on retention, highlighting the importance of employees' involvement, enthusiasm, commitment, and psychological connection to their work. At the same time, job satisfaction remains an important determinant of employees' willingness to stay. Therefore, pharmaceutical organizations should adopt an integrated retention approach that promotes meaningful employee engagement while improving satisfaction through supportive leadership, recognition, career development, favorable working conditions, and appropriate rewards. These initiatives can help pharmaceutical companies retain skilled employees, minimize avoidable turnover, maintain organizational knowledge, and build a committed, stable workforce capable of supporting long-term organizational performance.

III.REFERENCES

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