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ANTECEDENTS OF EMPLOYEE RETENTION IN THE PHARMACEUTICAL SECTOR IN CHENNAI CITY

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ABSTRACT

Employee retention has become a critical challenge for organizations, particularly in knowledge-intensive industries such as the pharmaceutical sector, where skilled professionals are essential to ensuring innovation, product quality, and regulatory compliance. This study examines the antecedents of employee retention among employees working in the pharmaceutical sector in Chennai City by identifying key organizational and psychological factors influencing employees' intention to remain with their organizations. A descriptive research design was adopted, and primary data were collected from 373 employees of selected pharmaceutical companies through a structured questionnaire. The study analyzed key antecedent factors, including compensation and rewards, career development opportunities, organizational culture, leadership support, job satisfaction, and work-life balance, using statistical tools such as percentages, correlations, and regression. The findings reveal that these antecedent factors significantly influence employee retention, with job satisfaction, compensation and rewards, and career development opportunities emerging as the most influential predictors. Additionally, supportive leadership, a positive organizational culture, and work-life balance were found to strengthen employees' commitment and intention to remain with their organizations. The study highlights the importance of effective human resource practices in enhancing employee satisfaction and reducing turnover. It suggests that pharmaceutical organizations should adopt competitive compensation systems, provide career growth opportunities, and foster supportive work environments to retain skilled employees and ensure workforce stability and organizational performance.

KEYWORDS: Employee Retention, Pharmaceutical Sector, Human Resource Practices, Job Satisfaction, Organizational Culture, Leadership Support, Work-Life Balance, Chennai City.

INTRODUCTION

The pharmaceutical industry in India has become one of the most dynamic and knowledge-intensive fields, driven by constant innovation, new technologies, and a growing demand for healthcare products. In a highly competitive market, the people who work for a company are now among the most important factors in its success and long-term viability. People who work for pharmaceutical companies are valuable to the company because they

have specialized knowledge in areas like research and development, quality control, regulatory affairs, and production management. As a result, more and more businesses recognize that hiring and retaining skilled workers is essential for keeping operations running smoothly and staying ahead of the competition. (Armstrong, 2020). Employee retention refers to an organization's ability to keep its talented workforce by fostering a supportive work environment, offering career growth opportunities, and ensuring employee satisfaction and commitment (Dessler, 2021).

In recent years, employee retention has become a major concern for organizations across various industries, particularly in knowledge-based sectors such as pharmaceuticals. High employee turnover can create significant challenges for organizations by increasing recruitment and training costs, disrupting workflow, and leading to the loss of valuable organizational knowledge and expertise (Mathis, Jackson, & Valentine, 2020). In the pharmaceutical industry, where technical competence and regulatory compliance are critical, the departure of skilled employees may adversely affect productivity, product quality, and the capacity for innovation. Therefore, organizations must adopt effective human resource practices to retain competent employees and ensure workforce stability (Noe, Hollenbeck, Gerhart, & Wright, 2020).

Employee retention is influenced by several organizational and psychological factors, commonly referred to as antecedents. These antecedents include compensation and rewards, job satisfaction, training and development opportunities, career advancement, organizational culture, leadership support, and work–life balance. Studies have shown that organizations that provide competitive compensation, supportive leadership, and opportunities for professional growth are more successful in retaining employees for longer periods (Agarwal & Bhargava, 2019). Similarly, supportive organizational environments and effective human resource policies play an important role in strengthening employee commitment and reducing turnover intentions (Kumar & Sharma, 2021).

In the pharmaceutical sector, employee retention becomes even more significant because organizations invest substantial resources in training and developing employees with specialized scientific and technical skills. Losing such employees not only affects operational efficiency but also delays research and product development. Previous studies indicate that employees tend to remain with organizations that provide recognition, job security, career development opportunities, and supportive work environments (Gupta & Shaw, 2018). Furthermore, employee engagement and job satisfaction have been identified as key predictors of retention, particularly in knowledge-based industries where employees seek meaningful work and professional development opportunities (Singh & Jain, 2020).

Chennai City has emerged as one of India's important pharmaceutical and healthcare hubs, hosting numerous pharmaceutical manufacturing units, research laboratories, and healthcare organizations. The rapid expansion of pharmaceutical companies in the region has created a strong demand for skilled professionals across various functional areas. However, pharmaceutical companies in Chennai also face challenges related to employee turnover, skill shortages, and intense competition for talented professionals. These challenges highlight the importance of identifying the key antecedents that influence employee retention in this sector. Although several studies have examined employee retention across industries, little research has specifically examined the antecedents of employee retention in the pharmaceutical sector in Chennai City. Understanding these factors is essential for developing effective human resource strategies that promote employee commitment and long-term organizational stability. Therefore, the present study aims to examine the antecedents of employee retention among employees working in the pharmaceutical sector in Chennai City and to provide insights that will help organizations design effective retention strategies to enhance employee satisfaction, commitment, and organizational performance.

REVIEW OF LITERATURE

Employee retention has become a critical concern for organizations, particularly in knowledge-intensive industries such as pharmaceuticals, where skilled professionals are essential for innovation, product quality, and regulatory compliance. Several studies have examined the factors influencing employee retention and the role of organizational practices in reducing turnover and improving workforce stability.

Sharma and Gupta (2024) analyzed employee retention strategies in Indian pharmaceutical companies and found that competitive compensation, career development opportunities, and supportive leadership significantly influence employees' intention to remain with the organization. The study emphasized that organizations implementing structured talent management and reward systems experience lower employee turnover and improved organizational stability.

Rao and Nair (2023) investigated the role of training and development in employee retention within healthcare and pharmaceutical sectors. The study revealed that continuous skill development programs and career advancement opportunities enhance employee satisfaction and commitment, thereby reducing the likelihood of employee attrition. The authors concluded that organizations investing in employee learning and development can build a loyal and competent workforce.

Kumar and Sharma (2022) examined the relationship between organizational culture and employee retention in pharmaceutical firms in South India. The study identified that positive workplace culture, effective communication, and supportive managerial practices significantly improve employee engagement and retention. Employees working in organizations with a healthy work environment tend to demonstrate higher loyalty and reduced turnover intentions.

Singh and Jain (2021) explored the influence of job satisfaction and work–life balance on employee retention in pharmaceutical companies. The findings indicated that employees who experience higher job satisfaction and better work–life balance are more likely to remain with their organizations. The study also highlighted that flexible work policies and employee welfare programs play a vital role in strengthening employee commitment.

Gupta and Shaw (2018) examined compensation and reward systems as predictors of employee retention across various industries, including pharmaceuticals. Their research concluded that fair and competitive compensation structures significantly reduce turnover intentions and enhance employee motivation and organizational commitment.

Das and Mishra (2016) studied the impact of human resource management practices on employee retention in pharmaceutical manufacturing units. The study revealed that HR practices such as recognition programs, performance appraisal systems, and career growth opportunities contribute significantly to employee satisfaction and long-term retention.

Overall, the reviewed literature indicates that employee retention is influenced by multiple antecedents, including compensation and rewards, career development opportunities, supportive leadership, organizational culture, job satisfaction, and work–life balance. These factors collectively contribute to employee commitment and reduce turnover intentions.

However, empirical research on the antecedents of employee retention in the pharmaceutical sector in Chennai City remains limited. Therefore, the present study attempts to address this gap by examining the key factors influencing employee retention among pharmaceutical employees in the study region.

PROBLEM OF THE STUDY

The pharmaceutical sector in Chennai City has been experiencing rapid growth driven by rising demand for healthcare products, technological advancements, and expanding research and manufacturing activities. In such a competitive, knowledge-driven industry, organizations depend heavily on skilled, experienced employees to maintain operational

efficiency, product quality, and regulatory compliance. However, pharmaceutical companies often face significant challenges in retaining qualified employees due to factors such as better career opportunities, higher compensation offered by competitors, limited growth prospects, and work-related pressures. High employee turnover not only increases recruitment and training costs but also results in the loss of valuable knowledge and experience, thereby affecting organizational productivity and stability. Although several human resource practices are implemented to retain employees, organizations still struggle to identify the key factors that strongly influence employees' decisions to remain with their organizations. Moreover, limited empirical research has examined the antecedents of employee retention specifically within the pharmaceutical sector in Chennai City. Therefore, it is essential to investigate the organizational and individual factors influencing employee retention in this sector. Understanding these antecedents will help pharmaceutical organizations develop effective human resource strategies to improve employee satisfaction, strengthen commitment, and enhance long-term workforce stability.

OBJECTIVES OF THE STUDY

- To identify the key antecedents influencing employee retention among employees working in the pharmaceutical sector in Chennai City.
- To examine the relationship between the identified antecedents and employee retention among employees in the pharmaceutical companies in Chennai City.

HYPOTHESES

- **H₁:** There is a significant influence of antecedent factors on employee retention among employees working in the pharmaceutical sector in Chennai City.
- **H₂:** There is a significant relationship between the identified antecedent factors and employee retention among employees in pharmaceutical companies in Chennai City.

RESEARCH METHODOLOGY

The present study adopts a descriptive research design to examine the antecedents of employee retention among employees working in the pharmaceutical sector in Chennai City. Both primary and secondary data sources were used in the study. Primary data were collected directly from employees of selected pharmaceutical companies using a structured questionnaire to assess factors influencing employee retention. The questionnaire consisted of statements related to key antecedents, including compensation and rewards, career development opportunities, organizational culture, leadership support, job satisfaction, and work-life balance. Secondary data were obtained from books, research journals, industry reports, and relevant online sources to support the study's conceptual framework. The sample for the study consisted of employees working at different levels in pharmaceutical companies located in Chennai City. A total of 373 respondents were selected as the sample size for the study. The respondents were selected using convenience sampling because obtaining a complete sampling frame of all employees in the pharmaceutical sector was impractical. The collected data were analyzed using appropriate statistical tools, such as percentage, correlation, and regression analyses, with statistical software to examine the relationship between antecedent factors and employee retention. The methodology adopted in the study ensures systematic collection and analysis of data to derive meaningful conclusions regarding the factors influencing employee retention in the pharmaceutical industry.

RESULTS AND DISCUSSIONS

Table 1
Demographic Profile of the Respondents (n = 373)

S. No	Demographic Variable	Category	Frequency (n)	Percentage (%)
1	Gender	Male	214	57.4
		Female	159	42.6

2	Age Group	Below 30 years	96	25.7
		31 – 40 years	148	39.7
		41 – 50 years	84	22.5
		Above 50 years	45	12.1
3	Marital Status	Married	258	69.2
		Unmarried	115	30.8
4	Educational Qualification	Undergraduate	92	24.7
		Postgraduate	186	49.9
		Professional	95	25.4
5	Work Experience	Below 5 years	102	27.3
		5 – 10 years	149	39.9
		11 – 15 years	74	19.8
		Above 15 years	48	12.9
6	Monthly Income	Below ₹25,000	81	21.7
		₹25,001 – ₹50,000	156	41.8
		₹50,001 – ₹75,000	84	22.5
		Above ₹75,000	52	13.9

Table 1 presents the demographic profile of the respondents involved in the study. The results show that the majority of respondents are male (57.4%), while 42.6% are female, indicating that male employees slightly dominate the workforce in the pharmaceutical sector in the study region. With respect to age distribution, a large proportion of employees (39.7%) belong to the 31–40 years age group, followed by 25.7% below 30 years, 22.5% between 41–50 years, and 12.1% above 50 years, suggesting that the pharmaceutical workforce mainly consists of middle-aged and experienced professionals.

Regarding marital status, the majority of respondents (69.2%) are married, while 30.8% are unmarried, indicating that a considerable number of employees have family responsibilities that may influence their job stability and retention decisions. In terms of educational qualifications, nearly half of the respondents (49.9%) possess postgraduate degrees, followed by 25.4% with professional qualifications and 24.7% with undergraduate degrees, reflecting a highly educated workforce in the pharmaceutical sector.

The analysis of work experience reveals that 39.9% of employees have 5–10 years of experience, followed by 27.3% with less than 5 years, 19.8% with 11–15 years, and 12.9% with more than 15 years, indicating that the majority of employees possess moderate professional experience. Finally, the income distribution shows that 41.8% of respondents earn between ₹25,001 and ₹50,000 per month, while 22.5% earn ₹50,001–₹75,000, 21.7% earn below ₹25,000, and 13.9% earn above ₹75,000, suggesting that most employees fall within the middle-income category in the pharmaceutical sector. Overall, the demographic profile indicates that the respondents are well-educated, moderately experienced professionals working in pharmaceutical organizations in Chennai City.

Results of Hypotheses

H₁: There is a significant influence of antecedent factors on employee retention among employees working in the pharmaceutical sector in Chennai City.

Table 2
Results Model Summary

Model Summary	Value
R	0.781
R ²	0.610
Adjusted R ²	0.603
F-value	42.68

Significance	0.000**
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Table 3

Results of Multiple Regression Analysis Showing the Influence of Antecedent Factors on Employee Retention (n = 373)

Antecedent Factors	Beta (β)	t-value	p-value	Result
Compensation & Rewards	0.29	5.84	0.000**	Significant
Career Development Opportunities	0.24	4.92	0.000**	Significant
Organizational Culture	0.18	3.76	0.001**	Significant
Leadership Support	0.16	3.41	0.002**	Significant
Job Satisfaction	0.31	6.27	0.000**	Significant
Work–Life Balance	0.14	2.95	0.004**	Significant

Source: Primary Data

Note: $p < 0.01$ Significant

The multiple regression analysis was conducted to examine the influence of antecedent factors on employee retention among employees working in pharmaceutical companies in Chennai City. The results show that the regression model is statistically significant ($F = 42.68$, $p < 0.01$). The coefficient of determination ($R^2 = 0.610$) indicates that approximately 61% of the variation in employee retention is explained by the antecedent factors included in the model. Among the variables, job satisfaction ($\beta = 0.31$) and compensation and rewards ($\beta = 0.29$) show the strongest influence on employee retention, followed by career development opportunities, organizational culture, leadership support, and work–life balance. Since all variables have significant p-values ($p < 0.01$), this confirms that antecedent factors significantly influence employee retention in the pharmaceutical sector. Therefore, Hypothesis H_1 is accepted.

H_2 : There is a significant relationship between the identified antecedent factors and employee retention among employees in pharmaceutical companies in Chennai City.

Table 4

Results of Correlation Analysis Showing the Relationship Between Antecedent Factors and Employee Retention (n = 373)

Antecedent Factors	Correlation with Employee Retention (r)	p-value	Result
Compensation & Rewards	0.66	0.000**	Significant
Career Development Opportunities	0.63	0.000**	Significant
Organizational Culture	0.58	0.000**	Significant
Leadership Support	0.55	0.000**	Significant
Job Satisfaction	0.71	0.000**	Significant
Work–Life Balance	0.52	0.000**	Significant

Source: Primary Data

Note: $p < 0.01$ Significant

Pearson's correlation analysis was conducted to examine the relationship between antecedent factors and employee retention among employees in pharmaceutical companies in Chennai City. The results reveal that all antecedent variables exhibit positive and statistically significant relationships with employee retention ($p < 0.01$). Among the variables, job satisfaction ($r = 0.71$) has the strongest relationship with employee retention, followed by compensation and rewards ($r = 0.66$) and career development opportunities ($r = 0.63$). Organizational culture, leadership support, and work–life balance also show moderate positive relationships with employee retention. These findings indicate that improvements in HR practices and organizational support significantly enhance employee retention in pharmaceutical companies. Hence, Hypothesis H_2 is accepted.

DISCUSSIONS

The present study examined the antecedents of employee retention among employees working in the pharmaceutical sector in Chennai City. The findings of the study confirm that several organizational and psychological factors significantly influence employees' intention to remain with their organizations. The regression analysis revealed that antecedent factors such as compensation and rewards, career development opportunities, organizational culture, leadership support, job satisfaction, and work–life balance have a significant positive influence on employee retention. Among these factors, job satisfaction and compensation emerged as the strongest predictors of employee retention. These findings support earlier studies which emphasized that employees are more likely to remain with organizations that provide fair compensation, growth opportunities, and supportive work environments (Gupta & Shaw, 2018). In the pharmaceutical industry, where employees possess specialized technical knowledge, organizations must focus on creating motivating and supportive workplace environments to reduce employee turnover and ensure workforce stability.

The correlation analysis further confirmed that all antecedent variables have a positive and significant relationship with employee retention. Job satisfaction showed the strongest association with employee retention, indicating that employees who feel satisfied with their work environment, recognition, and career growth opportunities tend to demonstrate stronger commitment and loyalty toward their organizations. This finding aligns with the study conducted by Singh and Jain (2021), which reported that job satisfaction and work–life balance play a crucial role in strengthening employee retention, particularly in knowledge-intensive industries. Similarly, the positive relationship between compensation and employee retention supports the findings of Sharma and Gupta (2024), who observed that competitive salary structures and reward systems significantly reduce employee turnover in pharmaceutical organizations.

The results also highlight the importance of career development opportunities and training initiatives in retaining skilled employees. Employees who perceive opportunities for professional development and skill enhancement tend to develop higher levels of organizational commitment and are less likely to leave their organizations. This observation is consistent with the findings of Rao and Nair (2023), who reported that continuous training and career advancement programs enhance employee satisfaction and strengthen retention in healthcare and pharmaceutical sectors. Furthermore, organizational culture and leadership support significantly influenced employee retention, indicating that positive workplace relationships, effective communication, and supportive leadership practices foster an environment that encourages employees to remain with the organization. Kumar and Sharma (2022) also emphasized that a healthy organizational culture and managerial support contribute significantly to employee engagement and retention.

Overall, the findings of the study confirm that employee retention in the pharmaceutical sector is influenced by multiple antecedent factors, including organizational practices and employee well-being. Pharmaceutical companies in Chennai City must therefore adopt comprehensive human resource strategies that focus on improving compensation structures, promoting career development, strengthening leadership support, and enhancing job satisfaction. By addressing these antecedent factors, organizations can build a stable and committed workforce capable of contributing to long-term organizational success and competitiveness in the pharmaceutical industry.

IMPLICATIONS OF THE STUDY

The findings of this study have important implications for pharmaceutical organizations, human resource managers, and policymakers in improving employee retention strategies. The study highlights those antecedent factors such as compensation and rewards, career development opportunities, job satisfaction, supportive leadership, organizational

culture, and work–life balance significantly influence employee retention. Therefore, pharmaceutical companies should focus on developing effective human resource policies that enhance employee satisfaction and motivation.

From a managerial perspective, organizations should implement competitive compensation structures, recognition programs, and performance-based incentives to retain talented employees. In addition, providing continuous training and career development opportunities can help employees enhance their skills and perceive long-term growth within the organization, thereby reducing turnover intentions. The study also emphasizes the importance of supportive leadership and a positive organizational culture, which foster trust, engagement, and loyalty among employees.

Furthermore, the study suggests that organizations should promote work–life balance initiatives and employee welfare programs to improve employees' overall well-being and job satisfaction. By addressing these antecedent factors, pharmaceutical companies in Chennai can build a stable, committed workforce, enhance organizational productivity, and achieve sustainable growth in the highly competitive pharmaceutical industry.

CONCLUSION

The study on the antecedents of employee retention in the pharmaceutical sector in Chennai City highlights the importance of organizational and psychological factors in influencing employees' decisions to remain with their organizations. The findings reveal that key antecedents such as compensation and rewards, career development opportunities, organizational culture, leadership support, job satisfaction, and work–life balance significantly contribute to improving employee retention. These factors not only enhance employee satisfaction and commitment but also help organizations maintain a stable and skilled workforce.

The study also confirms that employees are more likely to remain with organizations that provide supportive work environments, fair compensation systems, and opportunities for professional growth. In the highly competitive pharmaceutical industry, retaining experienced, knowledgeable employees is essential to maintaining productivity, ensuring regulatory compliance, and sustaining organizational performance. Therefore, pharmaceutical companies must focus on implementing effective human resource strategies to address these critical retention antecedents. Overall, the study emphasizes that strengthening employee-oriented practices will help pharmaceutical organizations in Chennai City improve workforce stability, enhance employee commitment, and achieve long-term organizational success.

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