

A Holistic Examination of Employee Retention using Machine Learning

Koppiseti Giridhar¹, Venkata Lakshmi Narayana Gorle², Vijaya Krishna Sonthi³,
Satya Srinivas Maddipati⁴, MVB Murali Krishna M⁵, Akula. V. S. Siva Rama Rao⁶

¹ Assistant Professor, MITS Deemed to be University, Angallu, Madanapalle, India

² Assistant Professor, Aditya Institute of Technology and Management, Tekkali, India

³ Assistant Professor, Koneru Lakshmaiah Education Foundation, Vaddeswaram, India

⁴ Associate Professor, Sasi Institute of Technology & Engineering, Tadepalligudem, India

⁵ Assistant Professor, Aditya University, Surampalem, India

⁶ Professor, Sasi Institute of Technology & Engineering, Tadepalligudem, India

Abstract:-

Employee retention remains a critical challenge for organizations seeking to maintain stability, enhance productivity, and reduce turnover costs in a highly competitive business environment. This study synthesizes insights from existing literature and empirical research to examine the multifaceted factors influencing retention, including corporate culture, employee empowerment, organizational learning, talent development practices, entrepreneurship education, cultural intelligence, and technological interventions such as artificial intelligence and machine learning. Various predictive modelling approaches, including Logistic Regression, Random Forest, deep learning, and Stacking-Based Transfer Learning, demonstrate the capacity to identify key drivers of attrition, forecast turnover, and inform proactive retention strategies. Empirical studies from diverse organizational contexts, including banking, startups, and multinational workplaces, highlight the mediating and moderating roles of protean career attitudes, work engagement, socialization tactics, and organizational size in shaping retention outcomes. The findings underscore the importance of integrating human-centric strategies with data-driven analytics, offering actionable insights for HR practitioners to design targeted interventions, enhance employee satisfaction, and sustain long-term workforce stability in dynamic and multicultural work environments.

Keywords: Human Resource Management, Random Forest, deep learning, and Stacking-Based Transfer Learning

1. Introduction

With the rapid advancement of the market economy and intensifying competition, employee turnover has emerged as a persistent challenge in contemporary business operations. Corporate culture, regarded as both the core of organizational competitiveness and a vital spiritual foundation, plays a critical role in shaping a cohesive environment through distinct values and behavioural norms. This cultural framework not only attracts but also helps retain talent by strengthening employees' sense of belonging, enhancing job satisfaction, and fostering greater work engagement.

Employee retention remains a critical challenge for human resource departments seeking to maintain organizational stability and reduce turnover costs. Traditional management approaches often struggle to effectively integrate insights from diverse data sources, thereby limiting their predictive capability.

It is widely recognized that financial compensation alone does not determine employee satisfaction. A range of factors—including fair workload distribution, respectful treatment, recognition and rewards, fringe benefits, and supportive management practices—play a vital role in shaping satisfaction levels. Employee satisfaction, in turn, is closely linked to motivation, retention, commitment, and goal achievement within the workplace. The present study aims to examine employee satisfaction and organizational commitment, with a specific focus on how

satisfaction influences staff commitment. The research adopts a descriptive and empirical design, utilizing purposive sampling. Primary data were collected through structured questionnaires completed by 75 respondents, and the data were analyzed using percentage methods. Findings indicate that employee satisfaction significantly affects both management and staff commitment. Key determinants include rewards, stress levels, leave policies, benefits, and compensation, all of which contribute to enhancing motivation and satisfaction.

2. Literature Survey

Employee attrition poses significant challenges for organizations, influencing not only productivity but also workforce morale and overall financial performance. The study [1] focuses on the design and assessment of data-driven predictive models to enhance the accuracy of turnover forecasting. By leveraging employee-related information, spanning demographics, job characteristics, and performance indicators, machine learning methods are applied to uncover the key determinants of attrition. The primary objective is to identify the most suitable predictive model that can deliver actionable insights for shaping effective retention policies. Ultimately, the findings contribute to the formulation of proactive strategies that aim to minimize employee exits and strengthen workforce management. For this purpose, the research employs Logistic Regression and Random Forest, both offering distinct strengths within the domain of HR analytics when compared to traditional methods. Logistic Regression is particularly valued for its interpretability, making it a practical tool for deriving meaningful HR insights. On the other hand, the ensemble-based Random Forest model excels in capturing complex, non-linear patterns in employee behaviour, thereby improving prediction accuracy. Together, these models provide a balanced framework, combining reliable predictive performance with a deeper understanding of critical attrition drivers, supporting the development of targeted and data-informed retention initiatives.

The study [2] investigates the mechanism through which corporate culture mitigates turnover and further introduces an innovative deep learning (DL)-based prediction model for employee retention. By leveraging big data analytics, the proposed model examines multidimensional indicators encompassing employee behavior, performance metrics, and culture-related factors to provide more precise forecasts of turnover trends. Experimental evaluation demonstrates that the model achieves superior accuracy and robustness in predicting retention outcomes, thereby offering valuable decision-making support for organizations seeking to implement proactive and data-driven workforce management strategies.

The study [3] explores the application of deep learning technologies in advancing human resource (HR) strategies, with a particular emphasis on predictive analytics for enhancing employee retention. Employing a deep feedforward neural network, the research analyses diverse datasets that incorporate demographic information, job performance indicators, engagement levels, and turnover records from several large organizations. A mixed-method approach is adopted, integrating quantitative techniques for predictive modelling with qualitative insights gathered from HR professionals and employees, ensuring both technical rigor and practical relevance. The findings indicate that deep learning significantly outperforms traditional predictive models, achieving superior accuracy, precision, recall, and F1-scores in forecasting employee turnover. These results highlight the potential of deep learning as a transformative tool in HR analytics, enabling organizations to generate more reliable and timely forecasts, thereby informing proactive retention strategies. Nonetheless, the adoption of such advanced systems raises critical ethical concerns, particularly related to data privacy and algorithmic transparency. The paper discusses these challenges in detail, underscoring the need for responsible implementation of AI-driven HR solutions.

Data-driven approaches have reshaped talent management and employee retention within the domain of HR analytics. In today's highly competitive business environment, the ability to forecast workforce risks is critical for minimizing turnover while simultaneously enhancing employee performance. The study [4] focuses on foresight-driven HR analytics, emphasizing talent tracking and strategies for retaining high-potential employees. Specifically, predictive models are developed to estimate the likelihood of employee turnover and to identify future top performers who warrant greater investment in career development. The methodology involves analysing datasets comprising employee performance indicators, demographic characteristics, tenure-related information, and attrition outcomes, commonly referred to as "churn" in business contexts. Both traditional statistical models,

such as Logistic Regression, and machine learning techniques, including Random Forests, are employed to uncover key predictors of turnover. The findings demonstrate that HR predictive analytics can effectively forecast employee departures and highlight actionable factors influencing retention, such as opportunities for promotion, recognition systems, and overall job satisfaction. By leveraging these insights, organizations can design personalized retention strategies tailored to high-value employees, thereby reducing exit costs and strengthening long-term workforce stability.

Employee retention remains one of the most pressing challenges in today's dynamic work environment. Organizations continuously develop strategies at both organizational and individual levels to retain skilled talent. In this context, Artificial Intelligence (AI) and Emotional Intelligence (EI) have emerged as critical areas of research for strengthening retention practices. The present study seeks to examine the role of AI and EI in influencing employee retention. To explore the relationship between these two dimensions, a comprehensive literature review was conducted [5]. The findings indicate that existing research consistently affirms the association between AI and EI and highlights their significant impact on enhancing employee retention outcomes.

In today's competitive and demanding work environment, understanding the underlying causes of employee attrition is crucial for organizations seeking to retain talented and dedicated employees. Retention not only preserves workforce stability but also sustains the quality of products and services delivered. At the same time, such insights provide prospective employees with valuable knowledge about organizational culture and practices before joining. Utilizing the IBM HR Analytics Employee Attrition & Performance dataset, the study [6] develops a system to evaluate the significance of factors contributing to employee turnover. This approach integrates data visualization, feature importance analysis through SHAP (SHapley Additive exPlanations), and machine learning-based attrition prediction models to identify the most influential drivers of attrition. Furthermore, a recommendation system leveraging user-based collaborative filtering is proposed, offering tailored strategies for retaining employees based on their individual risk factors. By combining predictive modeling with actionable recommendations, this framework not only enhances the ability of organizations to anticipate employee turnover but also supports the implementation of proactive measures to minimize it.

In today's highly competitive business environment, employee retention has become a critical challenge for organizations. Retaining skilled employees is not only central to maintaining a positive work environment but also vital for ensuring long-term organizational success. Consequently, researchers have increasingly focused on machine learning frameworks to identify the key drivers of attrition and predict turnover trends. Employee retention is influenced by a wide range of factors, and the high dimensionality of employee data often makes it difficult for analysts to extract meaningful insights in a timely manner. To address this, feature selection has emerged as an essential step in improving the quality of analysis and isolating the most relevant variables. The study [7] introduces the Enriched Employee Retention Analysis System (EERAS), a novel framework that combines feature selection methods with machine learning techniques. The system is designed with a dual objective: (1) to identify the primary factors contributing to employee turnover, and (2) to recommend key factors that support employee retention. An empirical analysis was conducted on a large-scale employee dataset using four feature selection strategies—MRMR, Chi-2, ANOVA, and Kruskal—applied across five classification algorithms: Decision Tree, Linear Regression, Naïve Bayes, Support Vector Machine, and XGBoost. The results reveal that feature selection not only enhances classification accuracy but also reduces training time. Moreover, EERAS provides actionable recommendations that can be integrated into HR policies to strengthen long-term employee retention strategies.

Employee retention and layoff prediction have become pressing challenges for organizations across sectors, particularly in industries with high turnover rates or seasonal fluctuations in workforce demand. The study [8] applies machine learning techniques to forecast employee retention and the likelihood of layoffs by evaluating the performance of two models: XGBoost, a supervised classification algorithm, and KMeans, an unsupervised clustering method. Using variables such as employee tenure, performance ratings, and engagement scores, the study compares the models in terms of accuracy, interpretability, and predictive capability. The results indicate that XGBoost demonstrates superior performance in binary classification, providing clear “yes” or “no”

predictions that are highly valuable for practical HR decision-making. In contrast, KMeans proves effective in identifying patterns and segmenting employees into distinct groups, offering deeper insights into workforce characteristics. The comparative analysis highlights XGBoost as the more robust model for accurate layoff prediction, while KMeans adds value in understanding employee clusters and behavioral trends. These findings underscore the potential of machine learning to enhance predictive workforce management and provide actionable insights that support strategic HR planning and policy development.

The study [9] proposes a Stacking-Based Transfer Learning (TL) framework designed to enhance employee retention policies. The model integrates domain-specific data with pre-trained architectures through a hierarchical stacking ensemble of deep learning models, specifically combining BERT for textual analysis and ResNet for numerical feature extraction. By aggregating both textual and numerical insights, the approach delivers more precise retention forecasts. Experimental evaluation on a publicly available employee retention dataset demonstrates the effectiveness of the proposed model. Achieving an accuracy of 92.5%, the Stacking-Based TL framework outperforms established models such as Random Forest (88.3%) and Support Vector Machine (85.7%). Furthermore, the model reduces prediction error by 17% compared to baseline approaches.

Generative Artificial Intelligence (GAI), a rapidly advancing branch of artificial intelligence (AI) capable of producing new data and content, is transforming the field of human resources (HR) and talent management. The review [10] explores the application of GAI within talent management, with particular emphasis on its role in employee engagement and retention strategies, while also evaluating its broader benefits, challenges, and practical implementations. A comprehensive literature review is presented, examining the diverse uses of GAI in talent identification, recruitment, training, and performance appraisal. The findings highlight several key benefits of adopting GAI in HR practices, including enhanced work efficiency, personalization of employee experiences, and more informed, data-driven decision-making. However, the integration of GAI also introduces critical challenges, such as ethical dilemmas, algorithmic biases, privacy risks, and the pressing need to upskill HR professionals to effectively utilize these systems. By addressing both opportunities and limitations, this review underscores the transformative potential of GAI in optimizing talent management processes, fostering stronger employee engagement, and improving retention in today's rapidly evolving digital workplace.

Given the rise in cultural diversity in workplaces due to increased globalization and hyperconnectivity, organizations worldwide are seeking effective ways to attract and retain multicultural talent. This research probes the interaction between an employee's cultural intelligence (CQ) and a supervisor's CQ, investigating how this interaction impacts work engagement and the intention to stay within multicultural work groups. Drawing on work engagement literature and leader-member exchange (LMX) theory, we conducted two empirical studies. Study 1 (170 matched data) reveals that employee's CQ positively influences work engagement, with this relationship moderated by the supervisor's CQ. Study 2 (161 matched data) validates these findings while also demonstrating how work engagement influences employee's intention to stay. Taken collectively, our research advances theory and practice by elucidating the synergistic value of fostering both employees' and supervisors' CQ, i.e., the "double CQ", for enhancing engagement and retention in multicultural work groups [11].

The study [12] contributes uniquely by highlighting the mediating effects of employee empowerment and organizational learning in strengthening the link between talent development practices and retention intentions. The findings provide valuable practical insights for the banking sector in Bangladesh, emphasizing the need to cultivate employee empowerment and organizational learning to improve retention outcomes. Data were collected from 378 employees working in private banks through a structured questionnaire based on a five-point Likert scale. The responses were analysed using SmartPLS software to test the hypothesized relationships. The analysis revealed that both employee empowerment and organizational learning serve as mediators in the relationship between talent development practices and employees' retention intentions.

The study [13] investigates the delayed impact of university-based entrepreneurship education on employee retention in entrepreneurial startups in China. Drawing on social learning theory and the attraction, selection, attrition framework, it is proposed that entrepreneurship education at the university level can shape individuals' protean career attitudes and behaviours, influencing their subsequent career trajectories over time. To examine

this, a two-stage survey was conducted, both on-site and online, targeting employees from startups within three entrepreneurial incubators in China. Using hierarchical multiple regression and bootstrapping analyses on a final sample of 274 respondents, the results indicate that entrepreneurship education significantly enhances employees' intention to remain with their startup, with protean career attitudes serving as a mediating factor. Furthermore, socialization tactics were found to strengthen this mediating relationship. These findings underscore the delayed yet meaningful effects of university entrepreneurship education, offering practical guidance for designing entrepreneurship programs and managing talent in startup environments.

The study [14] examines employee retention across small, medium, and large organizations, focusing on the factors that influence employees' commitment and intention to stay. Using data from 511 employees and analysed through partial least squares structural equation modelling, the results reveal that key factors, such as the nature of work, benefits, co-worker relationships, normative commitment, and organizational commitment, significantly impact retention, regardless of organization size. While the models effectively highlight differences across organizations, further research is needed for homogeneous employee groups. The findings suggest that organizations should prioritize improving job satisfaction, benefits, and workplace relationships to enhance retention. By adopting a holistic approach and considering the moderating effect of organization size, this study provides a comprehensive understanding of employee retention and the combined influence of multiple factors.

The study [15] examines the effect of corporate intrapreneurship on employee retention within Nigerian banks, emphasizing dimensions such as initiative, creativity, decision-making, strategic transformation, and business expansion. Data were gathered through purposive sampling from eight banks listed on the Nigerian Stock Exchange. The results demonstrate that corporate intrapreneurship plays a significant role in retaining employees, with initiative, business expansion, decision-making, and creativity showing positive and statistically significant effects. Among these, initiative emerged as the most influential factor (coefficient = 0.557077, p -value < 0.05), followed by business expansion (coefficient = 0.4497637, p -value < 0.05), decision-making (coefficient = 0.1632493, p -value < 0.05), and creativity (coefficient = 0.1185839, p -value < 0.05). Conversely, strategic transformation did not yield a significant effect (p -value = 0.090). The study concludes that corporate intrapreneurship is a vital determinant of employee retention in Nigerian banks, particularly through promoting initiative, innovation, and expansion-oriented strategies. It suggests that managers should nurture these aspects by fostering a culture that tolerates risk, supports proactive decision-making, and leverages competitive opportunities to strengthen employee commitment and retention. The findings add to the body of knowledge by positioning intrapreneurial practices as a strategic mechanism for sustaining workforce stability in the banking industry.

The study [16] also explored human resource management (HRM) practices in self-financed colleges in South India, covering areas such as recruitment and selection, induction, training and development, and supervision. Data were collected from faculty members through questionnaires. The results reveal that faculty members reported high satisfaction with quality of work life and strong motivation from management, along with moderate satisfaction regarding career advancement opportunities. However, they also noted moderate job security coupled with elevated stress levels.

3. Conclusion

Employee retention remains a central concern for organizations across sectors, driven by the need to maintain workforce stability, enhance productivity, and reduce turnover-related costs. This study highlights the multifaceted nature of retention, emphasizing the interplay between human-centric factors—such as corporate culture, employee empowerment, organizational learning, talent development, protean career attitudes, and cultural intelligence—and data-driven interventions leveraging AI, machine learning, and predictive analytics. Empirical evidence demonstrates that these factors collectively influence employees' intentions to stay, with mediating and moderating mechanisms such as work engagement, socialization tactics, and organizational size playing critical roles. The findings underscore that combining traditional HR strategies with advanced analytics and personalized retention initiatives enhances predictive accuracy and informs proactive workforce management. By integrating organizational, individual, and technological perspectives, this study offers actionable insights for

practitioners seeking to develop evidence-based retention strategies, cultivate employee satisfaction, and ensure long-term organizational resilience in increasingly competitive and multicultural work environments.

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