

**DRIVERS OF MILLENNIAL ENGAGEMENT AND RETENTION: EVIDENCE
FROM INDIA'S IT SECTOR**

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ABSTRACT

The present study investigates the key drivers of engagement and retention among the millennial workforce in India's IT sector, focusing on the roles of job autonomy, organizational support, and work-life balance, with employee engagement as a mediating factor. Using a quantitative research design, data were collected from 384 millennial IT professionals through a structured questionnaire and analyzed using Structural Equation Modeling (SEM). The findings reveal that job autonomy, organizational support, and work-life balance have significant positive effects on employee retention, highlighting their strategic importance in retaining skilled talent. Moreover, employee engagement partially mediates the relationship between work-life balance and retention, emphasizing the role of emotional and psychological connection in sustaining workforce commitment. The measurement model demonstrated high reliability and validity, with Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE) confirming internal consistency and convergent validity. These results provide evidence-based insights for IT organizations to develop targeted human resource strategies aimed at enhancing engagement, reducing turnover, and fostering long-term organizational commitment among millennials.

Keywords: *Millennial workforce, Employee retention, Employee engagement, Job autonomy, Organizational support, Work-life balance*

1 Introduction

India's Information Technology (IT) sector has been a cornerstone of the country's economic growth over the past three decades, particularly after the liberalization reforms of 1991. Beyond contributing to GDP, the sector has catalysed modernization, urbanization, and innovation, enhancing India's global economic integration. Its rapid growth has also stimulated the development of related industries such as digital services, banking, and telecommunications. Over the years, the IT sector has gained significant brand equity, particularly in software development, IT services, and business process outsourcing (BPO), redefining India's global image from a bureaucratic, slow-paced economy to a dynamic hub of entrepreneurship and technological innovation (R et al., 2025).

In this evolving scenario, Millennials have emerged as a crucial workforce segment for organizations seeking competitive advantage. Companies are investing heavily in attracting and training skilled millennial employees; however, retaining them remains a significant challenge. Effective retention strategies are essential not only for managing talent but also for

ensuring organizational efficiency and alignment with financial objectives. While some organizations may manage to retain talent without formal strategies, it is increasingly recognized that structured approaches to workforce management are necessary to sustain productivity and reduce unnecessary costs (Hayat et al., 2022).

Millennials represent a growing and dynamic share of the IT workforce, and their engagement levels have significant implications for organizational performance. Research highlights that millennials demonstrate higher job mobility, with a notable proportion frequently switching jobs, and a majority often feeling disengaged from their work. This is particularly pronounced in the IT sector, which experiences higher turnover rates than most industries. Given that IT employees often possess specialized skills that are costly and difficult to replace, sometimes amounting to two and a half times their annual salary, retention becomes not just a human resource challenge but a strategic necessity. The high mobility of IT professionals, coupled with the strategic importance of human capital, underscores the urgent need for organizations to develop innovative retention and engagement strategies. Prior research has indicated that firms adopting a human-capital focused (HCF) HRM strategy, emphasizing career development, promotion from within, and employee participation, experience significantly lower turnover rates compared to task-focused (TF) configurations. This highlights the critical role of HR practices in fostering long-term commitment among IT employees (Hollman, 2020).

Given the high turnover rates and the pivotal role of millennials in India's IT sector, understanding the drivers of engagement and retention becomes imperative. This study aims to bridge the gap in research by examining the factors influencing millennial engagement and retention, providing evidence-based insights to help organizations retain their most valuable human capital in a competitive and rapidly evolving industry.

2 Literature review

(Sahni, 2021) addressed the limited research on employee engagement among the millennial workforce in Saudi Arabia. It examined how employee engagement mediates the relationship between job characteristics, job satisfaction, and outcomes such as organizational commitment and intention to quit, using Social Exchange Theory as a framework. Data from 408 private-sector employees in Riyadh were analyzed using SPSS Amos 25.0. Results indicated satisfactory levels of engagement among Saudi millennials, with significant positive relationships between job characteristics, job satisfaction, and organizational commitment. Employee engagement partially mediates these relationships, though no significant effect was found on turnover intentions.

(Bhale & Bedi, 2021) discussed customer engagement, satisfaction, and churn are critical for the success of telecom businesses. Despite digitalization, 70% of customers still rely on human-based engagement, though digital methods yield 15% higher satisfaction, indicating low digital adoption. Understanding the factors influencing engagement and satisfaction is essential for improving retention. Research showed customer retention is declining due to digitalization, uniform pricing, and service availability on digital platforms, highlighting the need to reassess retention strategies. A study of 1,600 customers using structural equation modeling found a positive relationship between engagement and satisfaction, with churn influenced by network quality, ease of service, perceived value, advertising, brand, and overall satisfaction.

(Aboobaker et al., 2020) investigated how three dimensions of workplace spirituality—meaningful work, sense of community, and alignment with organizational

values affect employee loyalty among Indian millennials, a group known for frequently changing jobs. Using a descriptive research design, data were collected from 308 private-sector employees through purposive sampling, and hypotheses were tested using structural equation modeling. The results showed that alignment with organizational values positively influences all aspects of employee loyalty, while sense of community enhances intention to stay and benefit insensitivity, and meaningful work impacts only benefit insensitivity.

The study aimed to identify the strategies used by Indian IT companies to engage millennial employees and evaluate their effectiveness through a concurrent mixed-method approach. The quantitative phase surveyed 306 millennial IT employees and analyzed the data using Structural Equation Modelling, while the qualitative phase involved interviews with 18 millennial managers selected through purposive sampling (Bhattacharya, 2020).

This study investigated the multidimensional nature of customer engagement by reassessing the psychometric properties of the scale. Using SPSS 24.0, the study conducted factor analysis, item analysis, and reliability and validity testing to verify the underlying structure of the engagement scale. The results indicated that a three-factor model provides the best fit for evaluating customer engagement among millennials. This finding enhanced existing customer engagement theory and provides a refined framework for future studies (Ojha et al., 2024).

This study addressed the growing challenge of retaining valuable talent in the highly competitive technology sector, where voluntary turnover is particularly widespread in India's IT industry. Using data from 942 technology professionals, the research develops an employee retention model through Structural Equation Modeling (SEM) using AMOS v21.0. The study emphasized the importance of understanding the underlying reasons why tech employees leave their organizations in order to design effective retention strategies (Sudhakaran & Senthilkumar, 2019).

(Bas, 2024) explored the concept of employee experience as the complete journey an individual has within an organization, emphasizing the importance of human-centered design to enhance competitiveness. It aimed to clarify and operationalize the employee experience construct while examining its relationship with employee engagement and the moderating effect of positive affect. Using data from 1,347 employees in Türkiye's finance sector, the findings show that employee experience comprises key dimensions such as manager support and collaboration, organizational identification and development, and career-focused HR practices. All these dimensions positively influence employee engagement. The study also assessed how positive affect strengthens these relationships and discusses the policy implications for organizations seeking to improve engagement through enriched employee experiences.

This study examined employee engagement in the private banking and IT-ITeS sectors, focusing on the factors that influence engagement and its impact on employee retention. Using a quantitative approach, data were collected from 400 bank employees and 400 IT employees through a questionnaire based on the Utrecht Work Engagement Scale (UWES), which measures vigor, dedication, and absorption. Exploratory Factor Analysis (EFA) identified different engagement factors for each industry: banks emphasized pay and recognition, management support, organizational justice, career development, and intention to stay, while IT employees highlighted fair rewards, organizational support, job involvement, job commitment, and passion for work. Confirmatory Factor Analysis revealed a significant model fit for banking employees but not for IT employees (Goyal, 2024).

This study examined the crucial link between quality of work-life and work engagement among millennial employees, focusing specifically on Generation Y. The research integrated Walton's Quality of Work-Life model with the Job Demands–Resources (JD-R) Theory to assess how quality of work-life influences work engagement, while also investigating the mediating role of psychological capital. Conducted in Malaysia using a mixed-mode approach and online platforms, the study provides meaningful insights into the interrelationship between work-life quality, engagement, and psychological resources among younger employees. Its findings contributed to the broader discussion on maintaining a resilient and engaged workforce and open pathways for future research in this important domain (Azman & Arifin, 2023).

2.1 Research gap

While prior research has explored employee engagement across diverse sectors—such as Saudi Arabia, India's IT industry—most studies examine isolated determinants (e.g., job characteristics, workplace spirituality, or quality of work-life) rather than an integrated set of influences. Notably, there is a scarcity of research that specifically investigates millennial engagement and retention within India's IT sector using a multidimensional framework that brings together organizational, psychological, and experiential factors. Existing work tends to treat antecedents, mediators, and outcomes separately or focuses on non-millennial populations, leaving unanswered how job autonomy, work–life balance, organizational support, and employee engagement interact to shape retention for Indian millennials. Moreover, although SEM has been widely used, few studies deploy it to test a holistic model tailored to the expectations and behavioral patterns of the millennial IT workforce. This gap calls for a contextual, comprehensive investigation that simultaneously models antecedents, mediators, and retention outcomes for millennials in India's rapidly evolving IT environment.

3 Methodology

3.1 Purpose of the study

The purpose of this study is to investigate the factors that influence engagement and retention among the millennial workforce in India's IT sector. With millennials forming a significant portion of the workforce, understanding what motivates them to remain committed and productive is crucial for organizational success. This study aims to examine how key antecedents such as job characteristics, organizational support, work-life balance, and job satisfaction affect employee engagement and, in turn, influence retention outcomes. By exploring these relationships, the research seeks to provide empirical evidence that can guide IT companies in designing strategies and policies to enhance employee engagement, reduce turnover intentions, and foster long-term organizational commitment among millennials. The findings are expected to contribute to both theoretical knowledge and practical applications in human resource management tailored to the millennial workforce.

3.2 Conceptual frame work

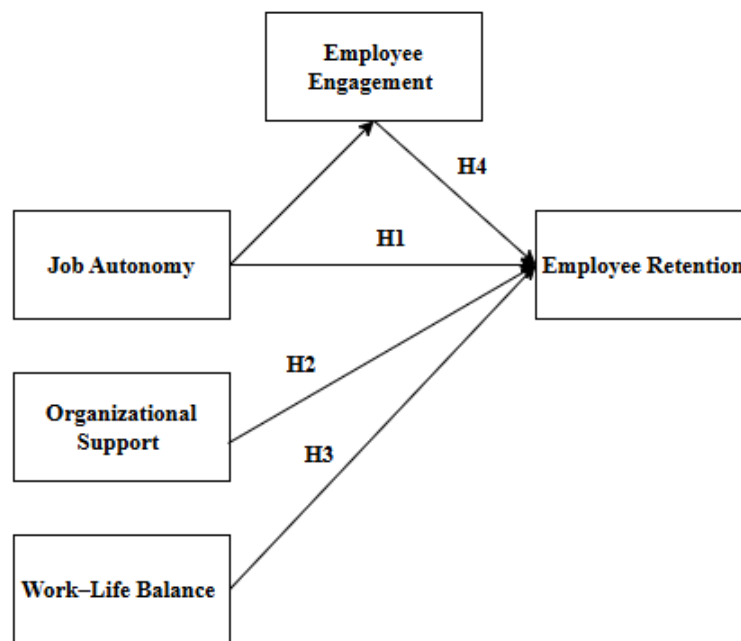


Figure: 1 Conceptual frame work

3.3 Objectives

- To examine the impact of job autonomy on employee retention.
- To assess how organizational support influences employee retention.
- To analyze the effect of work-life balance on employee retention.
- To determine the mediating role of employee engagement in the relationship between workplace factors (job autonomy, organizational support, and work-life balance) and employee retention.

3.4 Hypotheses

- **H1:** Job Autonomy has a significant positive impact on Employee Retention.
- **H2:** Organizational Support has a significant positive impact on Employee Retention.
- **H3:** Work-Life Balance has a significant positive impact on Employee Retention.
- **H4:** Employee Engagement significantly mediates the relationship between Work-Life Balance and Employee Retention.

3.5 Sample selection and Data collection

This study employed quantitative research to create a representative dataset of 384 respondents for Understanding the Drivers of Millennial Engagement and Retention: Evidence from India's IT Sector. For the study on "Understanding the Drivers of Millennial Engagement and Retention in India's IT Sector", the sample can be collected by targeting millennial employees (born between 1981 and 1996) working in IT companies across major metropolitan cities in India. A stratified random sampling technique can be employed to ensure representation across different organizational levels, departments, and years of experience, providing a diverse and balanced sample. The data collection can be conducted through a structured, self-administered questionnaire, distributed both online via google forms and offline (at workplaces with management permission). The questionnaire should include standardized and validated scales

measuring variables such as job characteristics, job satisfaction, organizational commitment, intentions to quit, and employee engagement. Data can be collected during working hours with prior consent from organizations and participants, ensuring voluntary participation, anonymity, and confidentiality to encourage accurate and honest responses.

3.6 Measures

Data has been gathered with the help of a structured questionnaire. Questionnaire has been prepared using 5 Likert-scale (Strongly disagree to Strongly agree) where respondents will be asked to share their opinions regarding various research questions under study. Questionnaire has a set of both open ended and closed ended questions. Questions have been carefully crafted so as to gather meaningful information with respect to identified research variables. There are five categories of respondents in the survey and a separate questionnaire has been designed for each category of respondents. The bellow mention table show variables and number of items considered for the study.

Table: 1 Variables and number of items

S.No.	Constructs	Statements
1	Job Autonomy	6
2	Organizational Support	6
3	Work–Life Balance	5
4	Employee Retention	5
5	Employee Engagement	6

(Source: Compiled from collected data)

- **Job Autonomy:** Job autonomy significantly influences employees’ work experiences and their ability to achieve a satisfactory work-life balance (WLB). Greater autonomy allows employees to control their schedules, tasks, and methods, enabling better integration of professional and personal responsibilities. In contrast, limited autonomy can create rigid work structures that hinder WLB. Understanding and promoting job autonomy is crucial for organizations aiming to enhance employee well-being, satisfaction, engagement, and foster a positive, sustainable work culture(Ahakwa et al., 2021).
- **Organizational Support:**Organizational support is employees’ perception that their organization genuinely cares about their well-being and provides instrumental, social, and emotional help. It has been shown to lower stress and burnout and improve employee outcomes. Informal, peer or supervisor-level support often proves more effective than formal, top-down assistance(Rasool et al., 2021).
- **Work–Life Balance:** Work-life balance (WLB) involves managing time and energy across work and personal roles so that individuals feel fulfilled in both areas. Work-life conflict arises when demands from one role interfere with participation in another. Key forms include role overload, where multiple responsibilities exceed an individual’s capacity; work-to-family interference, when work hampers family responsibilities; family-to-work interference, when family demands affect work performance; and caregiver strain, arising from providing care to others. Factors such as job nature, work hours, and outside responsibilities influence the impact of these conflicts.

Consequences of poor WLB at work include fatigue, burnout, mental health issues, absenteeism, and reduced job satisfaction, while excessive demands from personal roles can lead to missed work, lower performance, and income loss. Effective WLB is therefore essential for employee well-being, productivity, and engagement (Balance, 2022).

- **Employee Retention:** Employee retention refers to the efforts and strategies organizations use to keep valuable employees in their workforce. It involves creating a supportive environment through policies and practices that address employees' diverse needs. High employee turnover incurs significant costs, including hiring, training, productivity loss, and potential damage to morale and customer relationships, with replacement costs often exceeding 2.5 times an employee's salary. Retaining skilled employees has become a critical challenge in today's competitive business environment, where the "revolving door" approach is no longer acceptable. Companies, particularly in the IT sector, use various human resource practices to enhance retention. Among these, training and development play a key role, helping employees grow professionally while fostering loyalty and engagement. Effective retention strategies ultimately contribute to organizational stability, productivity, and long-term success (Aisha, 2022).
- **Employee Engagement:** Employee engagement reflects the physical and emotional connection between employees and their organization, aligning personal goals with organizational vision. Engaged employees are emotionally connected, balanced, and committed to organizational objectives, which enhances productivity and contributes to the organization's reputation and value. They demonstrate a progressive attitude and enthusiasm toward work, fostering a positive and ethical work environment. Organizations create strategies and supportive environments to promote high engagement, helping employees avoid burnout and channel their efforts positively. Overall, employee engagement strengthens commitment, motivation, and organizational performance (Rasool et al., 2021).

4 Results

The results section presents the empirical findings of the study based on the structural equation modelling (SEM) analysis carried out to examine the factors influencing employee retention among millennials in the Indian IT sector. The analysis evaluates the direct effects of job autonomy, organisational support, and work-life balance on employee retention, along with the mediating role of employee engagement. Each hypothesis is tested using regression weights, critical ratios, and significance values, supported by model fit indices to confirm the robustness and validity of the proposed model. The results collectively highlight the key drivers that contribute to millennial employees' decision to remain within their organisations, offering deeper insights into the underlying relational dynamics among the studied variables.

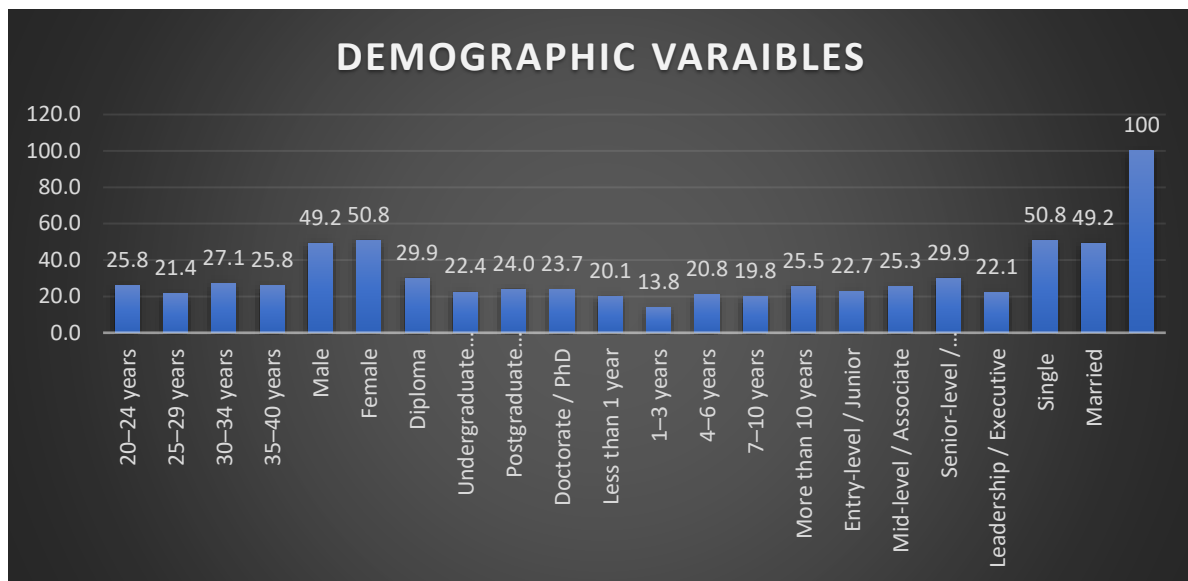
4.1 Demographic variables

Table: 2 Demographic variables and their Frequency

		Frequency	Percentage
Age	20–24 years	99	25.8
	25–29 years	82	21.4
	30–34 years	104	27.1
	35–40 years	99	25.8
Gender	Male	189	49.2
	Female	195	50.8
Educational qualification	Diploma	115	29.9
	Undergraduate (Bachelor's Degree)	86	22.4
	Postgraduate (Master's Degree)	92	24.0
	Doctorate / PhD	91	23.7
Work experience	Less than 1 year	77	20.1
	1–3 years	53	13.8
	4–6 years	80	20.8
	7–10 years	76	19.8
	More than 10 years	98	25.5
Job level position	Entry-level / Junior	87	22.7
	Mid-level / Associate	97	25.3
	Senior-level / Manager	115	29.9
	Leadership / Executive	85	22.1
Marital status	Single	195	50.8
	Married	189	49.2
Total		384	100

(Source: Compiled from collected data)

Figure: 2 Demographic variables and their Frequency



(Source: Compiled from collected data)

The demographic profile of the respondents indicates a balanced representation across age groups, gender, education, work experience, job levels, and marital status. Regarding age, 27.1% of respondents were aged 30–34 years, followed closely by 25.8% in both the 20–24 and 35–40 years categories, and 21.4% in the 25–29 years group. The gender distribution was nearly equal, with 50.8% females and 49.2% males. In terms of educational qualification, 29.9% held a diploma, 24.0% were postgraduates, 23.7% had a doctorate/PhD, and 22.4% were undergraduates. Concerning work experience, 25.5% of respondents had more than 10 years of experience, followed by 20.8% with 4–6 years, 20.1% with less than 1 year, 19.8% with 7–10 years, and 13.8% with 1–3 years of experience. For job level/position, 29.9% were senior-level managers, 25.3% mid-level associates, 22.7% entry-level/junior, and 22.1% leadership/executive roles. Finally, the marital status was almost evenly split, with 50.8% single and 49.2% married. Overall, the sample reflects a diverse and representative cross-section of millennial employees in India’s IT sector.

Validity and Reliability

Table: 3 Validity and Reliability

Constructs	Cronbach’s Alpha	Composite Reliability	AVE
Job Autonomy	0.894	0.766	0.896
Organizational Support	0.886	0.749	0.887
Work–Life Balance	0.891	0.787	0.891
Employee Retention	0.914	0.8198	0.911

Employee Engagement	0.889	0.7501	0.888
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(Source: Compiled from collected data)

The reliability and validity of the constructs used in the study were assessed using Cronbach’s Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). The results indicate that all constructs exhibit high internal consistency, with Cronbach’s Alpha values ranging from 0.886 to 0.914, surpassing the commonly accepted threshold of 0.70. Similarly, the Composite Reliability values, which range from 0.749 to 0.8198, confirm the robustness and consistency of the measurement items for each construct. Additionally, the AVE values, ranging from 0.887 to 0.911, demonstrate adequate convergent validity, indicating that the constructs explain a substantial portion of the variance in their respective indicators. Overall, these results validate the reliability and convergent validity of the measurement model, confirming that the constructs—Job Autonomy, Organizational Support, Work–Life Balance, Employee Engagement, and Employee Retention—are suitable for further structural analysis.

4.2 Hypothesis implementation

H1: Job Autonomy has a significant positive impact on Employee Retention.

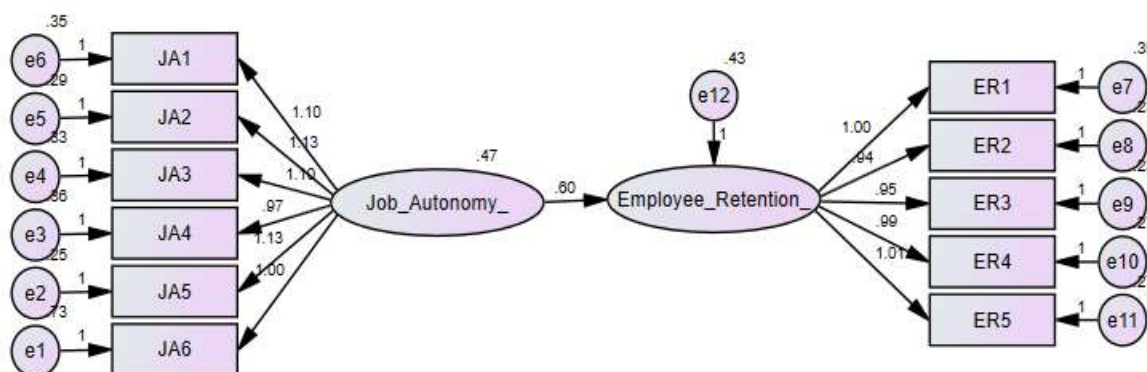


Table: 4 Regression Weights: (Group number 1 - Default model)

Path		Estimate	S.E.	C.R.	P
EmployeeRetention	<--- JobAutonomy	0.532	0.071	8.399	***

(Source: Compiled from collected data)

Employee autonomy's effect on employees' intention to stay with the company was investigated by looking at the relationship between job autonomy and employee retention. improved job autonomy levels are linked to improved employee retention, according to the path coefficient (estimate) of 0.532, which shows a strong positive influence. The estimate is statistically significant, as indicated by the standard error (S.E.) of 0.071 and the critical ratio (C.R.) of 8.399; the p-value is *** (p < 0.001), indicating that the effect is very dependable. This finding

suggests that workers are more likely to remain dedicated as well as inspired within the company when they have the autonomy to decide how to complete tasks, set their own work schedule, and make decisions.

Table: 5 Model fit Summary

CMIN	DF	CMIN/DF	GFI	NFI	RFI	IFI	CFI	RMR	RMSEA
100.524	43	2.338	0.954	0.963	0.953	0.978	0.978	0.026	0.059

(Source: Compiled from collected data)

The model fit indices support the hypothesis H1, which claims that job autonomy significantly improves employee retention. With 43 degrees of freedom and a chi-square value (CMIN) of 100.524, the model and observed data fit each other well, as indicated by the CMIN/DF of 2.338. The model's adequacy is further supported by goodness-of-fit indices, which all above the suggested criterion of 0.90 (GFI = 0.954, NFI = 0.963, RFI = 0.953, IFI = 0.978, and CFI = 0.978). The model's robustness is further supported by the residual and error measures, RMR = 0.026 and RMSEA = 0.059, which indicate a small difference between the estimated and observed covariance matrices. Overall, these findings support H1 by demonstrating that job autonomy has a substantial and favourable impact on employee retention.

H2: Organizational Support has a significant positive impact on Employee Retention.

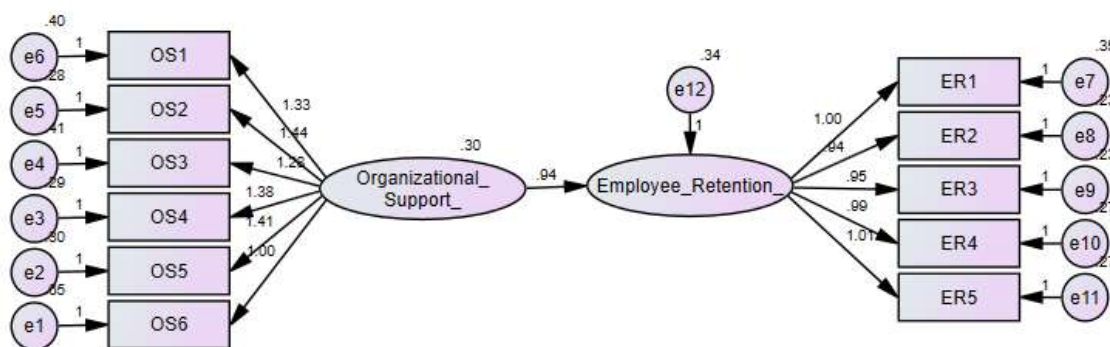


Table: 6 Regression Weights: (Group number 1 - Default model)

Path		Estimate	S.E.	C.R.	P
EmployeeRetention	<--- Organizational Support	0.664	0.103	9.103	***

(Source: Compiled from collected data)

Organisational support and employee retention have a favourable and statistically significant association, according to the available evidence. Higher levels of perceived organisational support are linked to higher employee retention, according to the standardised path estimate of

0.664, which shows a considerable positive effect. The impact is confirmed to be extremely significant by the critical ratio (C.R.) of 9.103, which significantly surpasses the usual threshold of 1.96. The associated p-value is less than 0.001 (shown by ***), showing a very low probability that this link is the result of chance. This suggests that workers are more likely to stay dedicated and go on working for the company over time when they perceive that it supports them through resources, acknowledgement, and caring.

Table: 7 Model fit Summary

CMIN	DF	CMIN/DF	GFI	NFI	RFI	IFI	CFI	RMR	RMSEA
90.353	43	2.101	0.959	0.966	0.957	0.982	0.982	0.025	0.054

(Source: Compiled from collected data)

The model fit indices support hypothesis H2, which states that organisational support significantly improves employee retention. A excellent model fit is shown by the chi-square value (CMIN), which is 90.353 with 43 degrees of freedom and a CMIN/DF = 2.101. Fit indices, which are all above the suggested criterion of 0.90 (GFI = 0.959, NFI = 0.966, RFI = 0.957, IFI = 0.982, and CFI = 0.982), further validate the model's suitability. There appears to be little difference between the observed and estimated covariance matrices, according to the residual measures, RMR = 0.025 and RMSEA = 0.054. All of these findings complement H2 by showing that organisational support has a major and favourable impact on employee retention.

H3: Work–Life Balance has a significant positive impact on Employee Retention.

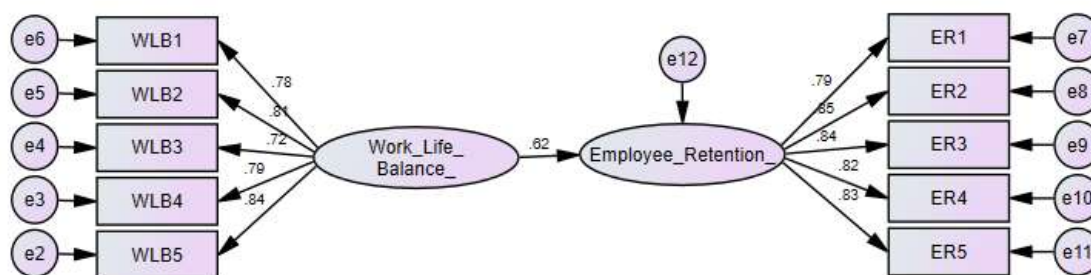


Table: 8 Regression Weights: (Group number 1 - Default model)

Path	Estimate	S.E.	C.R.	P
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EmployeeRetention	<---	WorkLife Balance	0.622	0.065	10.199	***
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(Source: Compiled from collected data)

The findings clearly support hypothesis H3, which suggests that work-life balance significantly improves employee retention. A strong positive impact is indicated by the path coefficient (estimate) of 0.622, which demonstrates that workers who can better balance their personal and professional lives are more likely to stick with the company. With a p-value of *** ($p < 0.001$), the estimate is very significant, as indicated by the standard error (S.E.) of 0.065 and the critical ratio (C.R.) of 10.199. According to this research, promoting work-life balance by organisational procedures and policies can significantly improve employee retention.

Table: 9 Model fit Summary

CMIN	DF	CMIN/DF	GFI	NFI	RFI	IFI	CFI	RMR	RMSEA
71.073	34	2.090	0.963	0.972	0.962	0.985	0.985	0.027	0.053

(Source: Compiled from collected data)

The model fit indices show that the proposed model and the observed data fit each other well. A reasonable model fit is suggested by the chi-square value (CMIN) of 71.073 with 34 degrees of freedom, which yields a CMIN/DF of 2.090 that is within the acceptable range. GFI = 0.963, NFI = 0.972, RFI = 0.962, IFI = 0.985, and CFI = 0.985 are all over the suggested cutoff of 0.90, indicating strong goodness-of-fit indices. The residual and error estimates, RMR = 0.027 and RMSEA = 0.053, show that the observed and calculated covariance matrices differ very little. Overall, these findings demonstrate how well the model fits the data and is reliable.

H4:Employee Engagement significantly mediates the relationship between Work–Life Balance and Employee Retention.

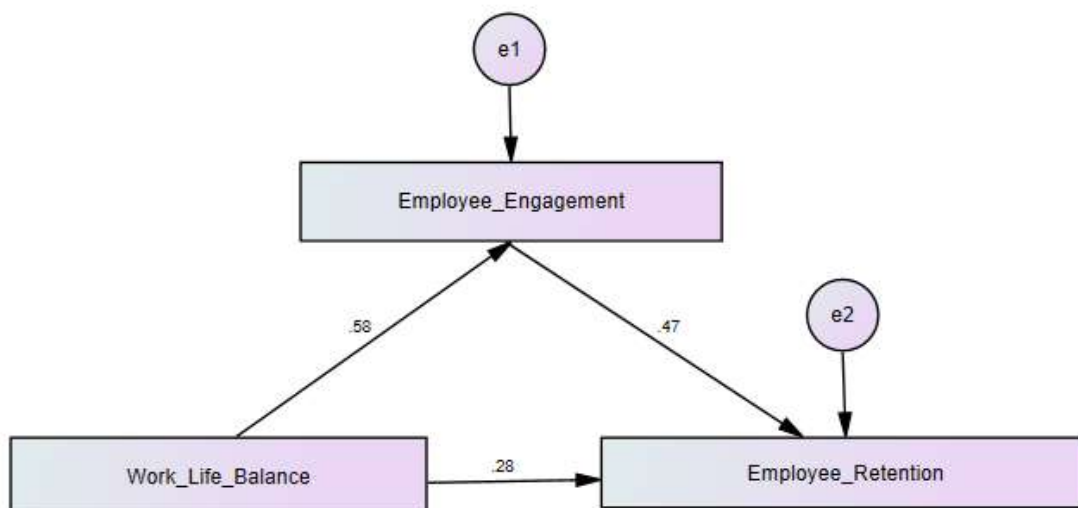


Table: 10 Regression Weights: (Group number 1 - Default model)

Path			Estimate	S.E.	C.R.	P
EmployeeEngagement	<---	WorkLifeBalance	0.582	0.034	14.003	***
EmployeeRetention	<---	WorkLifeBalance	0.283	0.044	6.081	***
EmployeeRetention	<---	EmployeeEngagement	0.466	0.054	10.006	***

(Source: Compiled from collected data)

The study shows that Work Life Balance (independent variable) improves both the Employee Engagement (mediating variable) and EmployeeRetention (dependent variable). The path coefficient between Work Life Balance and Employee Engagement 0.582(S.E. = 0.034, C.R. = 14.003, p < 0.001), demonstrating considerable correlation. Employee Engagement strongly impacts Employee Retention (0.466, S.E. = 0.054, C.R. = 10.006, p < 0.001). WorkLifeBalancehas a considerable beneficial impact EmployeeRetention collection development efficiency, with an estimated 0.283(S.E. = 0.054, C.R. = 10.006, p < 0.001). These findings show that EmployeeEngagementis a partial mediating variable, indicating that WorkLifeBalanceand EmployeeRetentiondirectly and indirectly.

Table: 11 Standardized Indirect Effects (Group number 1 - Default model)

	WorkLifeBalance	EmployeeEngagement
EmployeeEngagement	0	0

EmployeeRetention	0.271	0
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(Source: Compiled from collected data)

Results indicate that work-life balance positively affects employee retention, with a path value of 0.271. Employees who maintain a good balance between personal and professional lives are more likely to remain with the company. However, employee engagement and other variables do not show a direct relationship, suggesting that while work-life balance significantly influences retention, engagement does not play a substantial role in this model segment.

5 Discussion

All of the study's findings point to the crucial role that workplace elements specifically, work-life balance, organisational support, and job autonomy play in determining the retention and engagement of millennial workers in India's IT industry. The findings regularly show that employees exhibit better intents to stay with the company when they are given more autonomy over their job, supportive organisational practices, and a suitable balance between personal and professional duties. Across all studies, the strong model fit indicators support these correlations, indicating that the suggested framework successfully reflects the processes affecting retention in this group. Given the interconnectedness of various workplace dimensions, the mediation study also demonstrates that work-life balance influences employee engagement indirectly in addition to having a direct impact on employee retention. This implies that when organisational circumstances allow for a harmonious work-life balance while also encouraging involvement, millennials feel more connected, inspired, and dedicated. Even while engagement is not a significant predictor in one part of the model, the overall findings support the idea that work structures with a high degree of autonomy and supportive organisational climates are crucial for enhancing engagement and long-term retention. Overall, the study highlights the need for a multifaceted strategy centred on empowerment, supportive management, and holistic well-being in order to retain millennial talent. This provides useful information for HR directors and companies looking to solve retention issues in a fiercely competitive sector.

6 Conclusion

The empirical study on millennial engagement and retention in the Indian IT industry provides statistically robust insights into the critical factors influencing employees' intention to remain with their organizations. The analysis reveals strong path coefficients and significant p-values ($p < 0.001$), highlighting the positive impacts of job autonomy, organizational support, and work-life balance on employee retention. Specifically, job autonomy demonstrates a strong effect ($\beta = 0.532$, C.R. = 8.399), indicating that employees who have flexibility and control over their tasks are more likely to stay with their companies. Moreover, the role of organizational support is notably greater ($\beta = 0.664$, C.R. = 9.103), emphasizing the importance of recognition, guidance, and availability of resources in fostering loyalty among employees.

Work-life balance also plays a crucial role in reducing turnover, as indicated by its substantial contribution ($\beta = 0.622$, C.R. = 10.199).

Furthermore, the mediation analysis illustrates that the relationship between work-life balance and employee retention is partially mediated by employee engagement. Employee engagement itself significantly enhances retention ($\beta = 0.466$, C.R. = 10.006), while a strong work-life balance leads to increased engagement ($\beta = 0.582$, C.R. = 14.003). Notably, work-life balance continues to exert a direct impact on retention even when considering engagement ($\beta = 0.283$, C.R. = 6.081), indicating the existence of both direct and indirect pathways. The structural model demonstrates excellent fit indices with CFI values ranging from 0.978 to 0.985, GFI values exceeding 0.95, RMSEA values between 0.053 and 0.059, and RMR values below 0.03, establishing the model's reliability and strength. In conclusion, to enhance millennial retention in the IT sector, organizations must adopt a holistic strategy that not only elevates job autonomy and nurtures organizational support but also promotes a healthy work-life balance. These measures not only lead to immediate improvements in retention but also foster higher employee engagement, further solidifying long-term organizational commitment. By implementing policies that empower employees, recognize their contributions, and support their wellbeing, IT companies can significantly reduce turnover and cultivate a more stable, motivated, and engaged workforce.

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being, and high performance (Kuok & Taormina, 2017), the precise understanding of work engagement remains elusive. The relevance of work engagement becomes evident when considering its strong correlation with an industry or organization's achievements (Chen, 2018; Batrancea et al., 2019, 2022). Implementing changes and ensuring the sustainability of an organization's effects are closely linked to work engagement across multiple industrial sectors (Satata, 2021). Past research has consistently shown that a lack of employee work engagement contributes to high turnover rates and negatively affects organizational productivity and performance (Mani & Mishra, 2021). Defined as passion, commitment, engagement is essential for achieving common goals between employees and. 11(2), 53–80.

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