

Exploring The Influence of Strategic Human Resource Management and Hybrid Work Practices on Employee Retention: Evidence From Selected IT Companies in Coimbatore

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ABSTRACT

The present study aims to investigate the influence of Strategic Human Resource Practices and Hybrid Work Situation on Employee Retention in selected Information Technology companies. The study has been conducted among two hundred and fifty employees using a questionnaire with fifteen items measured in a five-point Likert scale. The factor analysis was used to explore the data, from which four factors were extracted with eigenvalues greater than one. Kaiser-Meyer-Olkin measure of sampling adequacy was 0.817, and Bartlett's Test of Sphericity was significant ($\chi^2 = 1278.84$, $p < 0.05^{**}$). The factors explained 60.3 per cent of the variance in the data, which was considered satisfactory. In detail, Factor 1 explained 33.14 per cent of variance and related to hybrid work and employee experience, Factor 2 explained 11.68 per cent of variance and referred to recruitment and employee development, Factor 3 explained 8.52 per cent of variance and related to performance and recognition, and Factor 4 explained 6.96 per cent of variance and associated with rewards and organisational support. The study analysis to an understanding of factors affecting hybrid work environment on employee retention in the IT sector.

Keywords: Strategic Human Resource Practices; Hybrid Work Environment; Employee Retention; Information Technology Companies; Factor Analysis; Employee Engagement; Organisational Support; Team Collaboration.

1.INTRODUCTION

In India, Nowadays, the Information Technology (IT) industry has become an important source of employment and economic growth, with organisations achieve their objectives depending on skilled employees to. In this context, retaining employees has become an important for IT companies. Strategic Human Resource (HR) practices such as recruitment, training and development, performance appraisal, compensation, career development, recognition, and organisational support can influence employees' attitudes towards their organisation and their willingness to continue working with it. Effective HR practices can create a supportive work environment and strengthen employees' commitment to the organisation (Meyer & Smith, 2000).

The IT industry has witnessed substantial changes in the nature of work due to the rising application of remote/hybrid work. A hybrid work allows their employees to do the work both office and another location. Such flexibility improves the workers' work-life balance, satisfaction, autonomy, and organisational commitment if correctly implemented (Harrop et al., 2025). This studies also suggested that hybrid work can empower employees by providing greater flexibility and maintaining effective connection with thee work (Shah et al., 2026).

Therefore, the retention strategies for employees working in IT companies should consider not only traditional HR practices but also the emergent trends in managing the new paradigm of work. A suitable combination of supportive HR practices and an effective hybrid work system may encourage employees to remain with their organisations. Hence, the present study examines the effect of Strategic Human Resource Practices and Hybrid Work Environment on Employee Retention in Selected Information Technology Companies.

2.OBJECTIVE OF THE STUDY

1.To study the effect of Strategic Human Resource Practices and Hybrid Work Environment on Employee Retention in selected Information Technology companies,

3.STATEMENT OF THE PROBLEM

Employee retention remains a crucial issue for Information Technology companies since skilled employees face better career opportunities and move from one organisation to another frequently. The improve employee retention through the effective human resource strategies and suitable hybrid work environment. employee retention in any IT companies the reasons are mainly connected like Poor career opportunities, rewards, communication, and work-life balance can affect. Thus, the study to identify the variables to impact on retention of the employee

The following factors can be used as independent variables for the study:

Strategic HR Practices

- X1 – Recruitment and Selection
- X2 – Training and Development
- X3 – Performance Appraisal
- X4 – Compensation and Rewards
- X5 – Career Development
- X6 – Employee Recognition
- X7 – Job Security
- X8 – Organisational Support

Hybrid Work Environment

- X9 – Communication
- X10 – Work-Life Balance
- X11 – Flexibility in Working Hours
- X12 – Remote Work Support
- X13 – Team Collaboration

Employee-related factors

- X14 – Employee Engagement
- X15 – Job Satisfaction

X-16 Dependent Variable: Y – Employee Retention

FACTOR ANALYSIS OF STRATEGIC HR PRACTICES AND HYBRID WORK ENVIRONMENT

1. PURPOSE OF FACTOR ANALYSIS

A factor analysis was performed to check if fifteen observed factors can be grouped into a few underlying dimensions that impact employees' intent to stay. This analysis helps analysis recruitment, training, rewards, organisational support, communication, work-life balance, hybrid working, engagement, and job satisfaction commonalities. Consequently, employee retention is now a matter of grave concern for IT companies.

2. ALGORITHM USED

The analysis followed these steps:

Step 1: Enter the responses of 249 employees for X1–X15.

Step 2: Standardise the variables so that all factors are measured on the same basis.

Step 3: Prepare the correlation matrix among the 15 variables.

Step 4: Examine the suitability of the data using the Kaiser-Meyer-Olkin (KMO) test and Bartlett's Test of Sphericity.

Step 5: Extract factors using the Principal Component method.

Step 6: Retain factors with an eigenvalue greater than 1.

Step 7: Apply Varimax rotation to obtain a clearer factor structure.

Step 8: Examine factor loadings and communalities to understand the contribution of each variable.

3. KMO and Bartlett's Test

Test	Result
Number of respondents	250
Number of variables	16
KMO value	0.817
Bartlett's Chi-square	1278.84
Degrees of freedom	120
**Significance	p < 0.05

INTERPRETATION

The KMO value of 0.819 indicates that the sample is suitable for factor analysis. A KMO value greater than 0.80 is generally considered good and indicates that the sufficient common information. Bartlett's Test produced a Chi-square value of 1278.84 with 120 degrees of freedom and a significance level below 0.05. This indicates that

the correlation matrix and identity matrix is significantly different in this study. Therefore, meaningful relationships exist among the variables.

Hence, the data are appropriate for factor analysis.

4. Eigenvalues and Explained Variance

The analysis identified **four factors with eigenvalues greater than 1.**

Factor	Eigenvalue	Percentage of Variance
Factor 1	5.001	31.25%
Factor 2	1.820	11.37%
Factor 3	1.351	8.44%
Factor 4	1.172	7.33%
Factor 5	1.001	6.26%
Total		64.65%

*****Extraction Method: Principal Component Analysis.**

INTERPRETATION

The first factor has an eigenvalue of 5.001 and explains 31.25 per cent of the total variances. This indicates that it represents the largest common pattern among the variables. The second factors have an eigenvalue of 1.820 and explain 11.37 per cent of the variance. The third factor explains 8.44%, while the fourth factor explains 7.33 per cent and the fifth factor explains 6.26 per cent. Together, the five factors explain 64.65 per cent of the total variance. This means that a substantial proportion of the information contained in the original 15 variables can be represented through four underlying dimensions.

5. Rotated Factor Loading Matrix

The Varimax rotation was used to make the factor structure easier to interpret. The major loadings obtained from the analysis are shown below.

Variable	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
X1- Recruitment & Selection	.344	.039	-.402	.605	-.053
X2 -Training & Development	.273	.166	.165	.712	.085
X3- Performance Appraisal	.020	.204	.142	.048	.839
X4 -Compensation & Rewards	.013	.310	.748	-.006	-.098
X5- Career Development	.098	.793	-.015	.078	.221
X6- Employee Recognition	.275	.565	.241	.139	.294
X7 -Job Security	.532	.277	.176	.326	.194
X8- Organisational Support	.129	.690	.238	-.157	-.035
X9 -Communication	.511	.401	.333	.091	-.201
X10 -Work-Life Balance	.293	.469	.317	.371	-.371
X11- Flexible Working Hours	.797	.145	.111	.009	.068
X12- Remote Work Support	.686	.020	.271	.260	-.380
X13- Team Collaboration	.800	.158	.082	.000	.047
X14 -Employee Engagement	.289	.085	.723	.112	.150
X15 -Job Satisfaction	.501	.078	.577	-.045	.306
Y – Employee Retention	.380	.204	-.032	.682	.035

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 7 iterations.

Note: Negative loadings represent the direction of association and should not automatically be interpreted as a negative factor. Factor direction can be reversed without changing the underlying factor solution.

6. Detailed Interpretation of the Factors

Factor 1 – Hybrid Work and Employee Experience

Factor 1 has strong loadings for:

- X11 – Flexibility in Working Hours (.797)
- X13 – Team Collaboration (.800)
- X12 – Remote Work Support (.686)
- X15 – Job Satisfaction (.501)
- X7 – Job Security (.528)
- X9 – Communication (.511)

This factor mainly represents the employee's experience of working in a flexible and supportive work arrangement. Flexibility in working hours and team collaboration have particularly strong relationships with this factor. Remote work support also makes an important contribution.

Interpretation: Employees' perceptions of flexibility, collaboration, communication, and support for remote work appear to form an important underlying dimension of their overall work experience.

Factor 2 – Career Development and Organisation support

Factor 2 is strongly associated with:

- X5- Career Development (.793)
- X8- Organisational Support (.690)

The strongest loading is observed for Career Development, followed by Organisational Support.

Interpretation: This factor represents the organisation's approach to bringing suitable employees into the organisation and developing their skills after recruitment. It suggests that recruitment and employee development are closely related in the responses of the employees.

Factor 3 – Job satisfaction and Employee Recognition

Factor 3 has relatively strong loadings for:

- X4 – Compensation & Rewards (.748)
- X14 – Employee Engagement (.723)
- X15 – Job satisfaction (.577)

Compensation and rewards has the highest loading on this factor.

Interpretation: This factor can be understood as relating to how employees' performance is assessed, and connected with opportunities for career development. Job satisfaction and fair assessment and recognition may therefore be viewed as part of employees' broader experience of organisational growth.

Factor 4 & Factor 5 – Rewards and Organisational Support

Factor four shows strong loadings for:

- X2 – Training and Development (.712)
- X1 – Recruitment & Selection (.605)
- X8 – Organisational Support (.584)
- X9 – Communication (.536)
- X14 – Employee Engagement (.537)
- X3 - Performance Appraisal (.839)

The negative signs are the direction chosen by the rotation. The factor resulting in positive loadings is the factor can be reversed mathematically without changing the interpretation of the factors.

Interpretation: This factor brings together X4- compensation, X10 –work-life balance, X8 –organisational support, X9 –communication, and X14 –employee engagement. These variables reflect of the organisation's support for employees and their overall employment experience. These variables represent key aspects of the organisation's support and the employees' overall employment experience.

7. Overall Interpretation

The factor analysis of the two hundred and fifty employee responses and sixteen variables produced a four-factor solution, with the five factors explaining 64.652 Per cent of the total variance. The KMO value of 0.817 and the significant Bartlett's Test ($p < 0.05^{**}$) confirm that the data are appropriate for factor analysis. The results suggested that the sixteen independent variables connected with other factors. Instead, some variables

represented through wider dimensions because common factors. The first factor is mainly related to hybrid working and employee experience, the second to career development, the third to job satisfaction and recognition, and the fourth and fifth to rewards and organisational Support. However, some variables have loadings on more than one factor. Therefore, the factor names should be treated as research-based interpretations rather than fixed statistical labels. Finally, the factor reliability results before deciding whether to combine or remove any variables.

8.CONCLUSION

The overall results suggest that Tactical HR practices and the Hybrid Work Environment are interrelated based upon common employee experiences, as opposed to being distinct phenomena; the five-factor solution accounts for 64.652 per cent of the total variance, and provides a basis for further examination of employee retention.

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