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Employee Retention Strategy Innovation Amidst Dynamic Challenges: A Literature Review

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Abstract

Employee retention is one of the major challenges faced by many business organizations today. Many industries face high demand for skilled workers, coupled with significant employee turnover rates. In the era of a knowledge-based society, human resources have become a major asset and competitive advantage for companies. High employee turnover rates negatively impact organizations, especially with the loss of talented talent, critical skills, and valuable institutional knowledge. In response to this challenge, companies are increasingly focusing on retaining high-performing employees rather than simply relying on costly replacement and retraining processes. Modern organizations recognize that one of the fundamental aspects of business management is the ability to motivate and retain employees, especially those who are able to survive changes such as organizational restructuring, downsizing, consolidation, reorganization, or reengineering initiatives. This study discusses human resource practices related to employee retention. This study uses a systematic literature type. The study aims to determine retention factors, challenges and strategies in employee retention. The results of this study are expected to be a basis for developing effective employee retention programs for various organizations. By implementing a comprehensive retention strategy supported by an adequate HCM program, companies can retain key employees who are the pillars of business success.

Keywords: Factors, Challenges, Strategy, HCM Retention

1. Introduction

In the landscape growing business competitive, retention employee has become issue crucial strategic for lots organization. The height employee turnover rate no only impact on increasing cost operational, such as cost recruitment and training repeat, but also can bother productivity, stability and sustainability business [1]. [2] revealed that employee turnover costs can reach 150% of wages annual, covering various aspects, starting from the recruitment process until decline productivity.

Generation power diverse work also demands flexible retention strategies. Generation millennials, for example, are more prioritize balance life work, opportunities development professional, and cultural inclusive work [3]. Failed companies fulfil expectation this at risk lost talent the best to competitors [4], [5]. Retention employee own benefit significant for organizations, including improvement productivity, reduction turnover costs, reinforcement culture company, as well as improvement quality products and services. Therefore that, understand challenge in retention employees and develop effective strategies become priority main. Research this aiming to: (a) analyze factors that influence decision employee for

still endure or leave company, (b) Identify challenge main issues faced company in maintain employees. (c) Developing retention strategies effective and applicable employees for various type organization. Questions study this as the following: (a) what factors only the most influential decision employee for still endure or leaving the Company, (b) what are the challenge main issues faced company in maintain employees? and (c) retention strategies what is the most effective for applied in organization?

For reach target business company, various effort done for guard productivity and making employee feel at home work. This effort known as retention employee. Substitution employees who often give impact negative to finance and performance company. Therefore that, maintain employee become priority main in various field effort. In addition to reducing cost recruitment and training, retention also helps company maintain talents best that wants development yourself. Therefore that, employee tend more interested in a rewarding and dynamic job. Effective leadership and opportunities for grow in a way professionals also become factor towing. Compensation is one of things to do be noted, especially for non- management employees, however competitive compensation can help maintain employees. Survey

results show that wages of course important, but not the only one determining factor satisfaction employees. Other factors such as welfare, appreciation and opportunity for participate in taking decisions are also very influential. Employees who feel wages they no fair tend not enough motivated for give contribution the best for company [6], [5], [7]

2. Research Methods

This study adoption Systematic Literature Review (SLR) method for analyze connection between human capital management in work. Through analysis to various study previously relying on library data, research this aiming for serve a comprehensive overview about how work the same employees can under review through various source information. Review library systematic is method research consisting of from three phase main. First phase is planning, which includes formulation question research and development protocol research. Second phase is implementation, which includes search literature, selection articles, and data analysis. The third phase is reporting, where the results study served in form of scientific writing.

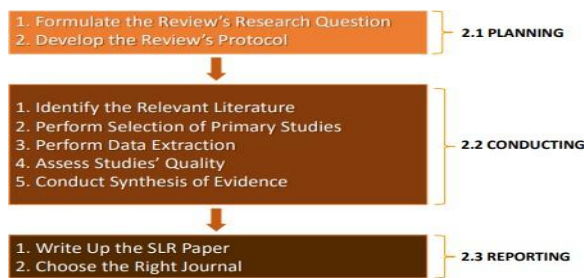


Figure 1. Example OF PICOC
Sumber : Wahono, (2015)

Stage 1 planning namely question research (research question/RQ) becomes runway main in do review literature systematic (SLR). RQ plays a role as guidelines in the process of searching and processing data, as well as determine direction analysis that will be done. Good RQ must clear, specific, and relevant with development study latest. Stage 2. Implementation that is stage implementation is the stage at which we start operate SLR protocol that has been arranged previous. Stage this started with define keywords search based on the PICOC framework. Stage 3. reporting is stage end in SLR where the results study served in scientific writing form. Structure general SLR report consists of from introduction, main body, and conclusion.

3. Results and Discussions

Identity Article	Variables	Research method	Results	Factor, Challenge and
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				Retention Strategy
<i>A Study on Employees Retention with Reference to Cholamand alam nvestment and Finance Company Limited, Chenna [9]</i>	Variables dependent : Employee Retention Indepe ndent Variable: Employee Satisfaction, Work-Life Balance, Career Development, Compensation, Benefit, Leadership and Management	Type Research : descriptive research, using tools test analysis in the form of a test correlatio . Retrieval data: The question naire uses scale Likert Sample: 100 respondents	Majority 40% of Respondents Satisfied withtheir Salary and Benefits package. Majority 48% Respondent feel their compensatio n is very competitiv e with industrial organizat ion which are given for the effort to maintain balance of life healthy work. others. The majority of 34% Respondents Satisfied with non-benefits financial Which offered by the organizati on. Majority 42% Respon dent feel that they own balance of life good job.	Challenge: compensation And allowance,work-life balance, development career, leadership and management
Retention Management of Critical Employees – A Challenging Issue Confrontin g Organization s in the	Human capital practices, retention elements of Human capital practices and decisions employee	Type research: exploratory research, Data retrieval: with interview Respondents: 12 companies located in the region	Support which relatively strong on the existence of a positive relationshi p between practice human capital	Challenges: high employee turnover rate, rapidly changing business environment, changes workforce demographics, lack of motivation

21st Century [10]	core to survive	Australia with more than 3000 employees. Research using tools test analysis using the Delphi technique	management and their influence on the retention of the organization's core employees. more specifically, this study identifies the factors management resource man the relevant ones influence decision core employees to remain working in an organization. This research further identifies practice management current management in Australian related organisations with this retention program.	and support strategy: selection effective, rewards and recognition, training and career development, satisfying work environment, leadership transformation, effective communication, policy and culture the company positive factor: factor hcm (selection, training, compensation, work challenging, and recognition.) and organizational factors (personnel style leadership, corporate culture, communication, relationship work and environment.)	Impact of Retention Strategies on Employee Turnover: A Case in Point [12]	Variables Independent: Strategy Retention Variables dependent : Employee Turnover	Type research: descriptive research. This research uses descriptive technique. primary data collection, namely interview and questionnaire, while secondary data through journal, Internet, and literature, Population in this study based on employees who are only domiciled in Karachi. totaling 100 employees. Tools results using: IBM	in terms of career development, work-life balance, effective leadership, blue strategy ocean human capital live discussion, recognition and awards environment Work positive curry planning management kin <u>significance</u> Significant relationship between the dependent variable, namely ETO and the variable independence namely Strategy (Compensation, WLB, Career Development- Succession Planning and Terminal & Other Benefits. This study shows the Banking sector follows a vigorous retention strategy program to retain talented employees. future employees now want flexible working hours, which can have a direct impact on employee
Employee Retention in the VUCA World: Challenges and Strategies [11]	Retention Employees, Strategy, Engagement Employee, Balance of Life and Jobs	This study uses a literature review study	Retention challenges: norms change fast technology, opportunities better, gap salary, compensation and benefits, competition and pressure Work, pressure family, job satisfaction low, problem night shift, influence media social, balance (or temporary) Strategy retention: improvement compensation expectations.				strong organizational culture, practicing leadership effective	

		SPSS 21.0	retention. flexible working hours will also affect eto; therefore banking sector should focus on wlb facilities. Long and hard working hours will also be reduced to retain employees. In Banking Sector; WLB of employees is not very stable. In his statement, a studies Boston College Center for			calculation tool used: IBM SPSS 28.0		
				Challenges and Strategies for Employee Retention in the Hospitality Industry: A Review [1]	Employee Retention	Type of Research : exploratory research, this study uses a literature review study	This study synthesizes the results and findings of 48 papers. It is concluded that developing and implementing different retention strategies will help the hospitality industry to feel satisfied with their employees, and as a result will make employees more committed to Keep going persist in their workplace. The findings of this study indicate that the level of satisfaction employees, and subsequently their retention rate, depends on four factors: a sustainable and positive work environment ; sustainable growth opportunities; sustainable and effective communication; and sustainable and effective recruitment and selection practices.	challenges: negative work environment , lack of career development opportunities, ineffective communication, inadequate recruitment process, industry demands tall strategy: creating environment positive and sustainable work, provide career development opportunities, continuous and effective communication, recruitment and effective selection, incentives and recognition, orientation program and onboarding
The Impact of Training on Employee Retention: An Empirical Research on the Private Sector in Egypt [13]	Variables Independent: Training and development Job satisfaction Performance work Variables dependent: retention employee Variables moderation: effective communication	Type of research: descriptive research, this uses descriptive research techniques . primary data collection namely the questionnaire, Population in this study database population must be updated but what is achieved in this proposal is 12.6 million, Design sampling: full probability used with random sampling The result	Training and development has a direct positive impact on employee retention, Job satisfaction has a direct positive impact on employee retention, effective communication moderates the relationship between job performance and employee retention	A strong retention strategy helps organizations attract and retain talent, increase workforce stability, and reduce costs due to employee turnover				
				A Study on Employee Retention And Its Impact	Variables Independent: Retention Employee.	This research develops a survey study	Motivation plays an important role in employee	Challenge: salary dissatisfaction, lack of rotation

Organizational Performance: Motivation Plays a Moderator Role with Reference To Private Sector Banks In Hyderabad [14]	Variables intervening : Motivation Variables dependent: Organizational Performance.	qualitative and collect information from private sector bank employees. Respondents concluded 246, Primary data was collected by using the method structure questionnaire with scale five points likert, Data secondary data collected from various articles research, sample.	retention and has a high impact on employees to stay in the organization and improve their performance . positive relationship between motivation and employee retention. However, this is only applicable for lower levels employees and middle and upper levels employees	jobs, better job opportunities, unrealistic expectations , ineffective recruitment, competitive compensation opportunities career development, balance work and life, leadership effective, recognition and support
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Analysis deep against the tabular data shows existence seven publications that are specific to study phenomenon retention employees. Findings this expected become runway beginning for development more carry on in field studies this, good for community academic and the perpetrators industry. For to obtain comprehensive understanding, seven relevant articles from various scientific databases such as Google Scholar and Scopus have selected. The classification process is carried out covers aspect authorship, title, outline theoretical, method research, findings, and factors key influencing retention employees. The goal is for serve clear picture about development study in field this. Research previously relevant with topic retention employees and carried out in the period 2018-2024 has summarized in a way comprehensive in table above. Research results this indicates that performance employee can improved through retention programs employees. Seven article that became object study this use combination method study quantitative and qualitative. Although thus, the research published in language English can also become reference. Number study previously listed in table show that challenges and strategies in maintain employees in the company

1. Factor affecting retention employee as [10], [7]:

- a. Source factors power man consists of from: selection, training, compensation, employment challenge, and recognition.
 - b. Organizational factors consist of from style leadership, culture company, communication, relationship work and environment work.
2. Following is grouping challenge retention employee based on types [9], [10], [11], [12], [13], [1],[14]:
 - a. Challenge Technology and Environment Business
 - 1) Change technology fast that is employee difficulty follow technology new fast changing and dynamic, plus with environment changing business fast. This can also caused by the environment changing business fast, change this marked besides change technology, happens global competition, and deregulation to complicate organization maintain employee.
 - 2) The influence of social media: making things easier for employees know other enhancing opportunities mobility them. Because make it easier employee know opportunity others, which increases mobility they
 - 3) Change demographics power work: variation age, type gender, and expectations work influence decision employee for still or leave organization.
 - b. Challenge Career Management and Development
 - 1) Opportunity more good in other companies: this due to because company place work no availability of training and development programs sustainable career as well as lack of planning career for source power human and management talent. Fierce market competition make employee easy tempted with more offers interesting. So matter this cause lots employee turnover for look for wages more tall or prospects a better career good in other companies.
 - 2) Recruitment process is not adequate: recruitment without planning term long, culture work bad, or error in choose candidate. recruitment process based on need term short or seasonal without planning term long company. It often happens culture bad job between employee new and organization. Error in recruiting candidate which no in accordance will impact negative on retention term long. Besides that, level changeover employee which height: change employee impact negative to organizations, including lost

- knowledge critical, skills important, and memory Institutional. Employees feel bored If continuously do same task without variations.
- 3) Satisfaction works low: due to dissatisfaction related culture work, interpersonal relationships between employees and management, or security Work can cause employee out. In additions lack of motivation and support from company place Work for example dissatisfaction to recognition, compensation, and lack of opportunity development career become booster main changeover employee. Inability organization fulfil all over expectation employee create dissatisfaction.
- c. Challenge Compensation and Benefits
- 1) The gap wages with partner life and stress family: internal family (household) problems such as income differences between spouses can trigger job changes. High salary expectations are the main reason employees leave a company.
 - 2) Compensation and benefits: dissatisfaction to salary and benefits received or happen dissatisfaction with salary received and benefits push employee for switch work
- d. Challenge Pressure and Conditions Work
- 1) Competition and pressure work: high targets, demands work, and interaction intensive with customer triggers stress and fatigue. Or in the company there are targets and demands high in the environment work make employee feel overwhelmed. Other impacts are caused by interactions intensive with customers, often increasing level stress and fatigue.
 - 2) Environment negative work: dissatisfaction related place work, working hours long, or policy rigid work. In other word some phenomena that appear in place Work for example dissatisfaction with the place work, long hours, and lack of balance work-life influence decision employee for still or exit. Policy Work stiff, like schedule that is not flexible and pressure high workload. Many employees, especially parents, young, reluctant accept night shift.
 - 3) Balance work and life: Imbalance between work and life the person who caused stress.
- e. Challenge Communication and Relationships Interpersonal
- 1) Communication that is not effective: lack of transparency, two-way communication, and no existence chance for bait feedback and participation. This is happened because lack of transparency and two-way communication between management and employees. In addition, there is no existence bait come back sustainable and opportunities for employee for participate in taking decision.
 - 2) Satisfaction works low: dissatisfaction related culture work, interpersonal relationships, and security work. caused dissatisfaction related culture work, interpersonal relationships between employees and management, or security work can cause employee out. In additions lack of motivation and support from company place Work for example dissatisfaction to recognition, compensation, and lack of opportunity development career become booster main changeover employee. Inability organization fulfil all over expectation employee create dissatisfaction.
- f. Challenge Consequence Change and Instability Employee
- Turnover rate high employee: loss knowledge, skills, and memory institutions that have an impact negative on the organization.
3. Following is retention strategy grouping employee based on types [9], [10], [11], [12], [13], [1], [14]:
 - a. Compensation and Reward Strategy
 - 1) Improvement compensation: company offer package competitive salary and incentives or give salary and benefits which is equal or more good compared to competitors in the industry.
 - 2) Recognition and awards: company give appreciation on contribution employee. Compensation which are given of course must competitive, fair and package attractive incentives. This is forms award to employee on contribution they through formal awards and recognition.
 - b. Development Strategy Career and Training
 - 1) Orientation and onboarding program: orientation comprehensive for employee new for understand culture organization and opportunities development career.
 - 2) Blue Ocean Strategy: adopting approach creative in allowances and training.

- 3) Planning career: company provide track clear and appropriate career with aspiration employees and aligned regulation company or provide track clear and appropriate career with aspiration employee.
 - 4) Development career: company give opportunity training and development for increase skills. Training program sustainable and enrichment clear career.
- c. Leadership and Management Strategy
- 1) Effective leadership: a leadership style that is supportive, communicative, and motivating, growth employees. Supportive and involved leaders can strengthen loyalty employees. A motivating and supportive leadership style growth employee as well as build connection good job through style supportive and communicative leadership.
 - 2) Management performance: implementing good system for assess and support performance employee.
 - 3) Continuous and effective communication: encourage communication openness, transparency and involvement employee in taking decision. Organization provides a forum for communication open and transparent between leaders and employees. The company provides bait consistent and encouraging feedback involvement employee in decision organization as well as provide bait consistent and engaging feedback employee in taking decision.
- d. Environmental Strategy Work and Culture
- 1) Environment work positive and sustainable: organization create atmosphere inclusive, flexible and supportive work balance work-life. Or company capable create atmosphere inclusive, supportive, conducive and flexible work. Organization push culture recognition, involvement, and balance work with life as well as support loyalty employee against organization.
 - 2) Balance work and life: facilitating balance between work and life personal for reduce stress.
- e. Recruitment and Integration Strategy
- 1) Effective recruitment and selection: a well-designed recruitment process with good for find suitable candidate with culture organization. company ensure the recruitment process is designed with good for find suitable candidate with culture organization and involve practice recruitment based on sustainability for attract and retain talent best as well as ensure compatibility and suitability between values individual and culture organization.
- 2) Orientation and onboarding programs: helping employee new understand culture and opportunities in organization. With thus company do orientation that comprehensive for employee new and help they understand culture organization and opportunities development career.
- f. Communication and Engagement Strategy [15]
- 1) Discussion direct: facilitate communication between employees and clients for increase sense of responsibility answer.
 - 2) Continuous and effective communication: providing a forum for communication open and transparent between leaders and employees.

4. Conclusion

Study this to reveal existence factors, strategies and challenges in retention employees in the organization. Factors that influence retention employee as the following: (a) factors source Power man consists of from: selection, training, compensation, employment challenging, and recognition. (b) factors organization consists of from style leadership, culture company, communication, relationship work and environment work. While retention employees also have challenge itself. As for the challenges retention as the following: (a) challenges technology and environment business, (b) challenges management career and development, (c) challenges compensation and benefits, (d) challenges pressure and conditions work, (e) challenges communication and relationships interpersonal, (f) challenges consequence change and instability employees. Although own challenges, but retention employee must there is the strategy, so that employees No go out from organization. retention strategy employee includes; (a) compensation and reward strategies, (b) development strategies career and training, (c) leadership and management strategies, (d) environmental strategies work and culture, (e) recruitment and integration strategies, (f) communication and engagement strategies. Researcher give advice or recommendation for next study. Because researcher realize study this still need refinement. Research furthermore can combine retention employee

with various variables namely career development, compensation, benefits, leadership and management, employee recognition, vuca, engagement employee, balance life and work, training and development, satisfaction work, effective communication, motivation, performance organization.

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