

Impact Of HR Initiatives on Early Employee Attrition: Evidence from An EdTech Firm in India

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Abstract—Employee attrition is a persistent and costly organizational challenge, particularly in fast-growing digital sectors such as Educational Technology (EdTech). This study examines the impact of Human Resource (HR) initiatives on early employee attrition (voluntary departure within 24 months) in an Indian EdTech firm. Using a quantitative, explanatory, cross-sectional design, structured questionnaire data were collected from 250 employees and analysed in SPSS v29 through reliability testing (Cronbach's alpha), validity testing (KMO/Bartlett's), exploratory factor analysis, correlation, multiple regression, ANOVA, mediation and moderation analysis. Results show that organizational culture ($\beta = -0.318$), employee engagement ($\beta = -0.261$), leadership support ($\beta = -0.229$), and onboarding effectiveness ($\beta = -0.214$) are the strongest predictors of reduced early attrition, while compensation shows a weaker but significant effect ($\beta = -0.117$); the six-predictor model explains 62.6% of variance ($R^2 = 0.626$, $F = 67.49$, $p < .001$). Employee satisfaction partially mediates HR-attrition relationships, and remote/hybrid flexibility significantly moderates them. Findings extend Herzberg's Two-Factor Theory, Social Exchange Theory, Psychological Contract Theory, and Job Embeddedness Theory to the Indian EdTech context and recommend strategic redesign of onboarding, leadership development, and culture-building as retention priorities.

Index Terms—Employee attrition; employee retention; HR initiatives; EdTech India; onboarding; organizational culture; leadership support; HR analytics.

I. INTRODUCTION

Employee attrition is a strategic business challenge worldwide, and early attrition — voluntary exit within the first two years — is especially costly, disrupting operations, raising replacement costs, and weakening employer branding. India's EdTech sector has scaled

rapidly on the back of digital adoption and venture investment, but this growth has exposed structural HR weaknesses: inconsistent onboarding, role ambiguity, unrealistic performance expectations, burnout, and leadership strain. Most retention literature focuses on IT, banking, or manufacturing, leaving early attrition in Indian EdTech empirically underexplored.

Problem Statement: high early attrition in Indian EdTech firms weakens organizational sustainability and reduces returns on human capital investment. This study provides evidence-based insight into how HR initiatives influence retention, contributing to both theory and managerial practice in emerging digital sectors.

II. LITERATURE REVIEW

Between 2018 and 2025, retention research shifted from traditional turnover models toward integrated frameworks examining culture, employee experience, and predictive HR analytics. Hom et al. (2020) argued that research must move beyond “why employees leave” to “why employees stay,” while machine-learning turnover models highlight role clarity, managerial support, and compensation fairness as key predictors. Retention studies (Haque, 2024; Singh et al., 2021) show a shift from transactional (salary-based) to relational and developmental retention models built on organizational support, meaningful work, leadership quality, and learning opportunities. Onboarding quality, learning and development, compensation, and leadership/culture consistently emerge as core HR levers (Bauer, 2020; Noe & Kodwani, 2021; Ghosh & Khatri, 2022). The Indian workforce shows strong external job mobility and “opportunity-driven attrition” around the 18–24-month tenure window (Budhwar & Varma, 2021). EdTech firms face distinct challenges rapid scaling,

aggressive targets, digital fatigue, and hybrid-work complexity — that often outpace formal HR systems. Despite public attention on workforce instability at firms such as BYJU'S and Unacademy, peer-reviewed empirical research on Indian EdTech retention remains scarce.

This reveals three gaps: (i) early attrition is understudied relative to general turnover; (ii) the Indian EdTech sector is underrepresented in empirical HR research; and (iii) few studies test multiple HR initiatives within one integrated predictive framework gaps this study addresses.

III. THEORETICAL FRAMEWORK

This study integrates four theoretical perspectives. Herzberg's Two-Factor Theory (1959) distinguishes hygiene factors (salary, policy, supervision) that prevent dissatisfaction from motivator factors (achievement, recognition, growth) that build commitment. Social Exchange Theory (Blau, 1964) explains retention through reciprocity: employees who perceive organizational support and fairness respond with loyalty and effort. Psychological Contract Theory (Rousseau, 1995) frames retention as fulfilment of implicit mutual obligations between employer and employee.

Job Embeddedness Theory (Mitchell et al., 2001) explains retention through fit, links, and sacrifice — the organizational and community ties that make leaving costly. Together these theories provide a comprehensive lens for interpreting how HR initiatives shape early attrition.

IV. RESEARCH OBJECTIVES AND HYPOTHESES

Objectives: (1) examine the impact of key HR initiatives — onboarding, engagement, compensation, learning and development, organizational culture, and leadership support on early employee attrition; (2) identify the strongest predictors of retention; (3) assess the role of culture and leadership during the first 24 months; and (4) recommend evidence-based HR strategies for Indian EdTech organizations.

Grounded in the theoretical framework, six hypotheses were tested: H1 — onboarding effectiveness

positively influences retention; H2 — employee engagement negatively predicts early attrition; H3 — compensation satisfaction positively influences retention; H4 — learning and development positively influences retention; H5 — leadership support positively influences retention; H6 — organizational culture significantly reduces early attrition. Employee satisfaction was modelled as a mediator and remote/hybrid flexibility as a moderator between HR initiatives and early attrition.

V. RESEARCH METHODOLOGY

The study adopts a quantitative, explanatory, cross-sectional design under a positivist philosophy and deductive approach, consistent with Scopus-indexed HRM research. Data were collected via a structured 32-item questionnaire (5-point Likert scale) from a stratified convenience sample of 250 full-time employees with under 24 months' tenure across sales, technology, content, customer success, and HR/operations at an Indian EdTech firm. Inclusion required full-time status, minimum 3 months' tenure, and voluntary consent; interns, contractual staff, senior executives, and employees on long leave were excluded.

A pilot test ($n = 30$) refined item wording before final distribution. Content and face validity were confirmed by three HRM academics and five industry HR managers; construct validity was established through exploratory factor analysis ($KMO = 0.892$; Bartlett's $\chi^2 = 3276.441$, $df = 666$, $p < .001$; factor loadings 0.60–0.87). Data were analysed in IBM SPSS v29 using reliability analysis, EFA, Pearson correlation, multiple regression, ANOVA, and mediation/moderation testing.

VI. DATA ANALYSIS AND RESULTS

Data from 250 employees were analysed through demographic profiling, reliability and validity testing, correlation, regression, ANOVA, and hypothesis testing to evaluate the influence of HR initiatives on early employee attrition.

A. Demographic Profile

Table I summarizes the demographic composition of the sample.

TABLE I. DEMOGRAPHIC PROFILE (n = 250)

Variable	Category	Freq.	%
Gender	Male	138	55.2
	Female	108	43.2
	Prefer not to say	4	1.6
Age	21–25 yrs.	82	32.8
	26–30 yrs.	101	40.4
	31–35 yrs.	49	19.6
	Above 35	18	7.2
Education	Bachelor's	112	44.8
	Master's	126	50.4
	Doctoral/Other	12	4.8
Tenure	3–6 months	47	18.8
	7–12 months	69	27.6
	13–18 months	76	30.4
	19–24 months	58	23.2
Department	Sales	58	23.2
	Technology	49	19.6
	Content	44	17.6
	Customer Success	53	21.2
	HR/Operations	46	18.4

73.2% of respondents are under age 30, reflecting the youthful Indian digital workforce; the tenure spread confirms relevance to early-attribution analysis, and balanced departmental participation supports generalizability within the firm.

B. Reliability and Validity

Reliability and sampling-adequacy statistics are reported in Tables II and III.

TABLE II. RELIABILITY STATISTICS

Construct	Items	Cronbach's α
Onboarding Effectiveness	5	0.842
Employee Engagement	5	0.881
Compensation Satisfaction	4	0.814
Learning & Development	5	0.861
Leadership Support	5	0.833
Organizational Culture	5	0.903
Employee Satisfaction	3	0.852
Early Attrition Intention	5	0.876
Overall Scale	37	0.892

TABLE III. SAMPLING ADEQUACY (EFA)

Test	Value
Kaiser-Meyer-Olkin (KMO)	0.892
Bartlett's χ^2	3276.441
df	666
Significance	< .001

All construct alphas exceed 0.80 (overall 0.892), confirming strong internal consistency; KMO (0.892) and Bartlett's test ($p < .001$) confirm sampling adequacy, and all EFA factor loadings exceeded 0.70 (range 0.768–0.873) with no problematic cross-loadings.

C. Descriptive and Correlation Analysis

Table IV reports means, standard deviations, and Pearson correlations among study variables.

TABLE IV. MEANS, STANDARD DEVIATIONS AND CORRELATIONS (PEARSON r)

Variable	M	SD	1	2	3	4	5
1. Onboarding	3.84	0.72	1				
2. Engagement	3.67	0.81	.58**	1			
3. Compensation	3.41	0.88	.41**	.46**	1		
4. L&D	3.76	0.74	.49**	.61**	.44**	1	
5. Leadership	3.58	0.79	.53**	.64**	.39**	.59**	1
6. Culture	3.92	0.69	.56**	.67**	.42**	.60**	.71**
7. Attrition	2.61	0.84	-.51**	-.63**	-.39**	-.48**	-.57**

Note: $p < .01$ for all coefficients shown.

All HR variables correlate negatively and significantly with early attrition; the strongest association is between organizational culture and attrition ($r = -$

0.69), followed by engagement ($r = -0.63$) and leadership ($r = -0.57$).

Intercorrelations remain below 0.80, indicating minimal multicollinearity risk.

D. Multiple Regression and ANOVA

Table V presents the regression model summary and standardized coefficients predicting early attrition.

TABLE V. REGRESSION MODEL SUMMARY AND COEFFICIENTS (DV: EARLY ATTRITION)

Predictor	Beta (β)	t	Sig.
Onboarding	-0.214	-3.912	.000
Engagement	-0.261	-4.776	.000
Compensation	-0.117	-2.198	.029
Learning & Development	-0.183	-3.304	.001
Leadership Support	-0.229	-4.021	.000
Organizational Culture	-0.318	-5.601	.000

Model fit: $R = 0.791$, $R^2 = 0.626$, Adjusted $R^2 = 0.617$, $SE = 0.411$.

The model explains 62.6% of variance in early attrition. All six predictors are significant, with organizational culture the strongest ($\beta = -0.318$) and compensation the weakest but still significant ($\beta = -0.117$). Table VI reports the overall ANOVA test of model significance.

TABLE VI. ANOVA — OVERALL MODEL SIGNIFICANCE

Source	SS	df	MS	F	Sig.
Regression	68.412	6	11.402	67.49	.000
Residual	41.056	243	0.169		
Total	109.468	249			

$F = 67.49$, $p < .001$ — the six-variable HR model jointly and significantly predicts early attrition; the null hypothesis of no effect is rejected.

E. Group Differences, Mediation, and Moderation

Table VII reports mean attrition intention by tenure group.

TABLE VII. MEAN ATTRITION INTENTION BY TENURE GROUP

Tenure Group	Mean Attrition Intention
3–6 months	3.18
7–12 months	2.91
13–18 months	2.47
19–24 months	2.09

ANOVA: $F = 8.42$, $p < .001$. Attrition intention is highest in the first six months and declines steadily with tenure, underscoring the strategic importance of

onboarding. Employee satisfaction partially mediates the HR–attrition relationship (indirect effect $\beta = -.184$, $p < .01$), and remote/hybrid flexibility significantly moderates it ($\beta = -.142$, $p = .018$), strengthening the retention effect of HR initiatives.

F. Hypothesis Testing Summary

Table VIII summarizes the results of hypothesis testing.

TABLE VIII. HYPOTHESIS RESULTS

Hyp.	Statement	Result
H1	Onboarding positively influences retention	Supported
H2	Engagement negatively predicts attrition	Supported
H3	Compensation positively influences retention	Supported
H4	Learning & development positively influences retention	Supported
H5	Leadership support positively influences retention	Supported
H6	Organizational culture reduces attrition	Supported

All six hypotheses are supported. Ranked by effect size, the strongest retention drivers are: organizational culture > employee engagement > leadership support > onboarding > learning & development > compensation — indicating that human-centred and cultural interventions outperform purely transactional strategies.

VII. DISCUSSION

Organizational culture emerged as the strongest predictor of retention ($\beta = -0.318$), consistent with Schein (2019) and Cameron and Quinn (2020), who link adaptive cultures to lower turnover intention; in fast-scaling Indian EdTech firms, culture appears to buffer the uncertainty and role change that accompany rapid growth. Employee engagement was the second-strongest predictor ($\beta = -0.261$), supporting Saks (2019) and Singh et al. (2021) and validating Social Exchange Theory's reciprocity logic.

Leadership support ($\beta = -0.229$) confirms that employees often “leave managers, not organizations” (Eisenberger et al., 2020; Ghosh & Khatri, 2022), reinforcing Psychological Contract Theory. Peak

attrition risk in the first six months validates the emphasis on onboarding and Job Embeddedness Theory, while the weaker (but significant) compensation effect confirms Herzberg's hygiene-factor argument — salary prevents dissatisfaction but does not, alone, drive loyalty. Flexibility's moderating role reflects post-pandemic shifts in employee expectations toward autonomy and trust.

VIII. MANAGERIAL IMPLICATIONS

Reducing early attrition in Indian EdTech firms requires an employee-centred HR framework rather than reactive, salary-only fixes. Key recommendations:

- Redesign onboarding as a structured 90-day integration journey (induction, role clarity, peer buddies, manager check-ins) with a “first-100-days” retention dashboard, since attrition risk is highest in months 1–6.
- Treat organizational culture as a measurable business asset: define 4–6 core values, embed them in hiring/appraisal/promotion, and run quarterly culture audits on belonging, trust, and burnout.
- Invest in leadership development and manager training, given leadership's strong direct effect on retention.
- Strengthen engagement and learning pathways (career mapping, upskilling) to sustain motivation beyond the onboarding period.
- Formalize remote/hybrid flexibility policies, as flexibility strengthens the effectiveness of other HR interventions.

IX. CONCLUSION, LIMITATIONS, AND FUTURE RESEARCH

This study confirms that HR initiatives significantly reduce early employee attrition in an Indian EdTech firm, with organizational culture, engagement, leadership, and onboarding as the strongest drivers, employee satisfaction as a partial mediator, and remote/hybrid flexibility as a moderator. The findings validate an integrated application of Herzberg's Two-Factor, Social Exchange, Psychological Contract, and Job Embeddedness theories, and support treating retention as a long-term organizational capability rather than a short-term HR fix.

Limitations include the single-firm focus, which limits cross-organizational generalizability; a sample of 250 that, while statistically adequate, would benefit from expansion; an India-only geographic scope; a cross-sectional design that cannot establish long-term causality; and reliance on self-reported survey data. Future research should pursue longitudinal designs tracking employees across onboarding, six-month, one-year, and two-year milestones; multi-company and cross-industry comparisons (e.g., EdTech vs. IT/FinTech, startups vs. established firms); and exploration of AI-driven predictive HR retention systems alongside emerging variables such as burnout, digital well-being, employer branding, and Gen Z workforce expectations.

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