

Human Resource Analytics Adoption and its Effect on Employee Retention: Evidence from IT Companies using SEM

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Abstract: This study examines the impact of Human Resource Analytics (HRA) adoption on employee retention in IT companies, with a specific focus on key dimensions such as workforce planning analytics, recruitment analytics, performance management analytics, and employee engagement analytics. Using a structured questionnaire and a sample of 328 IT employees, the study applies Structural Equation Modeling (SEM) to analyze the relationships between HRA practices and employee retention outcomes. The measurement model was validated through Confirmatory Factor Analysis (CFA), ensuring reliability and validity of constructs using composite reliability and average variance extracted. The structural model results reveal that all four dimensions of HRA adoption have a significant and positive influence on employee retention, with employee engagement analytics emerging as the strongest predictor. The findings highlight that effective use of data-driven HR practices enhances decision-making, improves employee satisfaction, and reduces turnover intentions. This study provides valuable insights for HR managers and policymakers in leveraging analytics to build sustainable retention strategies in the dynamic IT sector.

Keywords: Workforce Planning Analytics, Recruitment Analytics, Performance Analytics, Training & Development Analytics, Compensation & Benefits Analytics, Employee Engagement Analytics and Attrition Analytics

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