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# Role of Human Resource Practices in Retaining Key Talent in E-Commerce Start-Ups

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**ABSTRACT**
*The rapid growth of the e-commerce business in India has increased competition among organizations, which has made it difficult to keep their employees. Good Human Resource Management (HRM) practices are a big part of making employees happier, more involved, and more loyal over time. The objective of this study is to examine the e-commerce business in India concerning human resource management methods and the factors that affect employee retention. 95 employees working for e-commerce organizations in India were the subjects of this research, which employed a convenience sampling method. The results indicate a strong and statistically significant positive relationship between HRM practices and factors that enhance employee retention. It was evident that the best HRM tactics for keeping personnel were training and development, employee involvement, and the culture of the firm. Studies reveal that in the competitive world of e-commerce, maintaining brilliant people requires human resource management practices that are both effective and focused on what the workers need.*

**Keywords:** Human Resource, E-commerce, Technology, Employee, Retention.

## I. INTRODUCTION

The rapid expansion of the digital economy has positioned e-commerce start-ups as one of the most dynamic and competitive segments of modern business, characterized by innovation, scalability, and intense competition for skilled human capital, making the retention of key talent a critical organizational challenge. E-commerce start-ups operate in an environment marked by rapid technological change, evolving consumer expectations, high market uncertainty, and constant pressure to achieve growth with limited resources. In such a context, human resources—particularly highly skilled professionals such as software developers, data analysts, digital marketers, supply chain specialists, and product managers—represent a primary source of competitive advantage. However, these start-ups often face disproportionately high employee turnover rates due to factors such as demanding workloads, ambiguous job roles, lack of structured career paths, start-up volatility, and the availability of lucrative opportunities in established firms and global markets.

High attrition among key employees not only disrupts operational continuity but also leads to significant costs related to recruitment, onboarding, training, loss of institutional knowledge, delayed innovation, and weakened organizational culture. Despite the strategic importance of talent retention, many e-commerce start-ups tend to prioritize technological development, customer acquisition, and funding milestones over the systematic development of human resource practices, resulting in reactive rather than proactive people management. This creates a critical problem wherein start-ups struggle to retain high-performing and high-potential employees who are essential for sustaining innovation, maintaining service quality, and achieving long-term growth. Human resource practices such as recruitment and selection, training and development, performance management, compensation and rewards, career development, work-life balance initiatives, leadership style, organizational culture, and employee engagement mechanisms play a decisive role in shaping employees' commitment, job satisfaction, and intention to stay. However, in the context of e-commerce start-ups, these practices are often informal, inconsistent, or underdeveloped due to limited HR expertise, budget constraints, and the perception that formal HR systems may hinder agility. This gap between the strategic importance of talent retention and the actual implementation of effective HR practices presents a significant managerial and research problem.

Furthermore, the unique characteristics of e-commerce start-ups—such as flat hierarchies, flexible work arrangements, remote and hybrid teams, project-based work, and a strong reliance on digital tools—demand tailored HR approaches that differ from those used in traditional organizations. Key talent in these firms often seeks not only competitive compensation but also opportunities for learning, autonomy, meaningful work, recognition,

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and alignment with organizational values. Failure to address these expectations through well-designed HR practices can result in disengagement and turnover, undermining the start-up's ability to innovate and compete.

Additionally, the post-pandemic shift toward remote work and the globalization of the talent market have intensified competition for skilled professionals, making retention even more challenging for e-commerce start-ups that may lack strong employer branding or long-term job security. While existing literature acknowledges the general role of human resource management in employee retention, there is limited empirical and contextual understanding of how specific HR practices influence the retention of key talent within e-commerce start-ups, particularly in emerging markets where institutional support systems may be weaker. Many studies focus on large organizations or established IT firms, leaving a gap in understanding the unique constraints, priorities, and opportunities faced by start-ups operating in the e-commerce domain. As a result, founders and managers often rely on intuition or ad hoc solutions rather than evidence-based HR strategies, which may not effectively address the underlying causes of employee turnover.

The problem is further compounded by the fact that key talent in start-ups often holds tacit knowledge and multiple critical responsibilities, making their exit far more damaging than in larger organizations where roles are more easily substituted. Therefore, there is a pressing need to systematically examine the role of human resource practices in retaining key talent in e-commerce start-ups, with the aim of identifying which practices are most influential, how they can be effectively implemented within resource constraints, and how they contribute to employee commitment and organizational sustainability. Addressing this problem is essential not only for improving retention outcomes but also for enhancing organizational performance, fostering innovation, and ensuring the long-term viability of e-commerce start-ups in an increasingly competitive digital marketplace. By articulating and analyzing this problem, the study seeks to bridge the gap between theory and practice, providing insights that can guide start-up leaders, HR practitioners, and policymakers in designing people-centric strategies that support both employee well-being and business growth.

## II. REVIEW OF LITERATURE

Rahdarpour, Javad et al., (2025) Talent Management: Attracting and Retaining Gen Z was the focus of the current research. This study is considered applied research since its intention was to use operations research methodologies to discover and rank solutions for recruiting and keeping members of Generation Z. Another thing about this study is that it doesn't use experimental techniques to gather data; it's just descriptive. Experts and senior specialists in the relevant area made up the population under examination because the study employed operations research procedures. In order to get this data, we polled ten professionals with extensive backgrounds in fields like human resource management in knowledge-based businesses. These people were identified using a purposive sampling strategy in conjunction with a snowball methodology. Library and field investigations were the two main ways that this study collected its data. In order to determine what variables are important for recruiting and maintaining Generation Z, this research used interviews to gather information from professionals in the field. After that, fuzzy AHP was used to look at how these criteria were prioritized. Using technology and social media effectively was found to be the most important criterion, followed by work-life balance, developing a positive employer image, opportunities for learning and development, and perceived organizational support in that order.

Koppa, Krishna et al., (2024) The knowledge and skills of HR and Talent Management (TM) practices are vital in the ever-changing world of SMEs. The backbone of any strong firm is its people, thus it's important for SMEs to have a plan for finding, developing, and keeping good employees. It stands for a holistic approach to workforce development that takes into account the specific nuances and difficulties faced by SMEs in areas such as hiring, training, and fostering a positive work environment. When it comes to small and medium-sized enterprises (SMEs), this review gives a thorough look at TM and HRM practices. First, it explains what small and medium-sized enterprises (SMEs) are and how they work, highlighting their importance in driving economic development and the particular challenges they face due to limited resources and entrepreneurial spirit. Organizational success and innovation are driven by TM, which is why it is so important for SMEs. While small and medium-sized enterprises (SMEs) face challenges in TM due to factors including limited resources and talent acquisition, there are also great potential for progress. Opportunities for SMEs to enhance their competitiveness and sustainability arise via technological innovations, strategic partnerships, and talent development initiatives. In light of these major challenges, this summary provides a comprehensive analysis of SME TM and HRM practices, highlighting the need for tailored solutions to help

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SMEs handle the intricacies of hiring and achieve long-term success.

Ekhsan, Muhamad et al., (2023) The purpose of this research is to identify and examine the interplay between four variables: digital talent, employee engagement, employee retention, and the mediation of digital talent on retention through employee engagement. Digital Talent, Employee Retention, and Employee Engagement were the three factors used in the quantitative study. Using a probability selection methodology using a random sampling method, 170 respondents were selected from the population of workers working in the manufacturing sector in West Java province. An online survey with a Likert scale from 1 to 5 is used to gather data using Google Forms. The researchers in this study analyzed the data using Smart PLS 3.0. Outcomes and Employees are more likely to remain with the organization if they have high levels of digital competencies and skills, according to the report. The connection between digital talent and employee retention is heavily influenced by employees' level of engagement at work and their connections with colleagues, supervisors, and the overall organization. Consequences for Organizational Practice and Social Dynamics in the Workplace This study has far-reaching consequences for organizational practice and social dynamics in the workplace. Organisations can boost employee retention, engagement, and health while also contributing to an increasingly digital economy if they take the time to learn how digital talent, employee engagement, and retention all work together. The uniqueness of this study lies in its examination of digital talent as it pertains to the industrial sector. A variety of job arrangements and degrees of automation have long been hallmarks of this sector. Manufacturing businesses in West Java must assess how digital talent affects employee retention in light of the 4.0 industrial revolution, which presents both unique opportunities and problems.

Sembiring, Edward & Damayanti, Nur. (2023) People, rules, and systems all have a role in how well a human resource management system works with the workforce. Money, materials, labor, and machinery are the building blocks of every organization. To be competitive on a worldwide scale, a company needs talented employees that can hone their intelligence to build the market and implement top-notch organizational learning strategies. The efficiency and effectiveness of an organization are proportionate to the amount and quality of its human resources. Building and maintaining a team that can improve the company's performance is a major obstacle for managers. Organizational performance in large-scale, coal-maining firms is examined in relation to human resource management's effects on talent recruitment, talent management, and organizational performance overall. To evaluate 119 responses, this research employs SPSS 2.6 version. According to the findings, talent management is greatly affected by the success or failure of talent acquisition and retention efforts. While attracting top talent had a substantial impact on business results, keeping that talent from leaving has little effect on productivity in the workplace. The impact of talent management on productivity in the workplace is substantial. As a mediating variable, talent management aids talent retention via its indirect influence on organizational performance, while talent attraction has a substantial impact on organizational performance through its mediation. This research has several limitations, such as the fact that it is a cross-sectional empirical study and that the variables are assessed only by the replies of top and middle management personnel. The results of this study call for more investigation into various subfields of human resource management, with a particular emphasis on the role of talent management as a mediating variable involving various dimensions and components, and the effects of talent attraction and retention on organizational performance.

Akunda, Doreen et al., (2018) More and more, companies are realizing that talent management and retention are critical to their long-term success. Since its inception in the athletic fraternity and the arts—especially in the entertainment industry—it has grown into a worldwide phenomenon. Talent management is defined and explored in this work. This paper provides human resource practitioners with evidence of the practical utility of various talent management and retention strategies by identifying the Human Resource management practices implemented by one firm, MTN-Uganda. The case study approach combines the use of Reflexive Account, a retrospective analysis, and content analysis of firm reports. Case reports relied on data culled from reflexive analysis (2012–2015) and content analysis of corporate reports (2007–2018) as their main sources.

## III. RESEARCH METHODOLOGY

**Research design**

The purpose of this descriptive and analytical study was to examine how HRM practices in India's e-commerce sector affected employee retention rates.

**Research Approach**

A quantitative research technique is to gather and analyze numerical data to learn how employees feel

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about HRM practices and factors that affect employee retention.

**Sources of Data Collection**

The present study makes use of primary and secondary sources of information to ensure a comprehensive understanding of the research problem.

- **Primary Data:** A structured questionnaire designed for the study's objective was utilized to collect primary data. The questionnaire addressed factors that affect employee retention in the e-commerce sector and HRM practices.
- **Secondary Data:** Data for the secondary analysis came from both public and unpublished sources, and it was used to bolster the main results. Books, scholarly journals, conference proceedings, government reports, corporate websites, industry reports, and trustworthy internet databases were among these sources.

**Sampling technique**

A non-probability convenience sampling method was adopted for the study.

**Sample size**

The sample size of the study consists of 95 respondents.

**Tools Used for Data Analysis**

The collected data were coded, tabulated, and analyzed using Microsoft Excel and SPSS. The following statistical tools were applied:

- Frequency and Percentage Analysis to analyze demographic variables such as gender and age.
- Descriptive Statistics (Mean and Standard Deviation) to assess employee perceptions of HRM practices and retention factors.
- Correlation Analysis to examine the strength and direction of relationships between HRM practices and employee retention variables.

## IV. DATA ANALYSIS AND INTERPRETATION

**Table 1: Gender of the respondents**

| Particulars | Frequency | Percent |
|---|---|---|
| Male | 50 | 52.63% |
| Female | 45 | 47.37% |
| Total | 95 | 100% |

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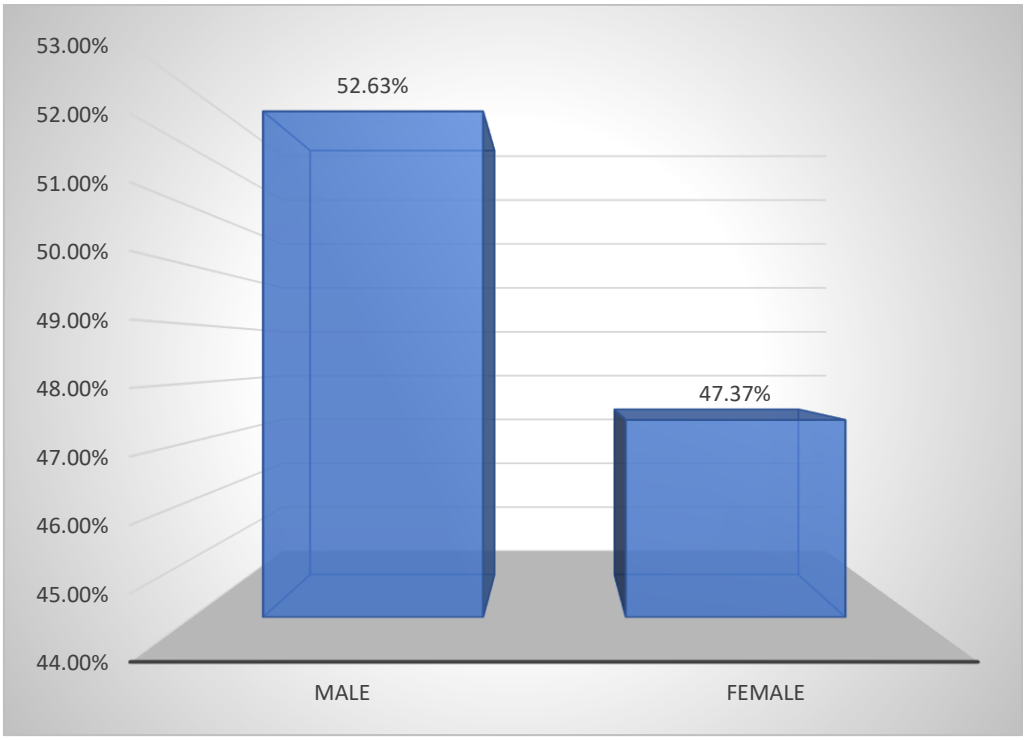


**Figure 1: Gender of the respondents**

Table 1 shows the breakdown of responders by gender. There were a total of 95 respondents; 50 were men (or 52.63% of the sample) and 45 were female (or 47.37% of the total).

**Table 2: Age of the respondents**

| Particulars | Frequency | Percent |
|---|---|---|
| 20-30 | 29 | 30.52% |
| 30-40 | 14 | 14.73% |
| 40-50 | 52 | 54.73% |
| Total | 95 | 100% |

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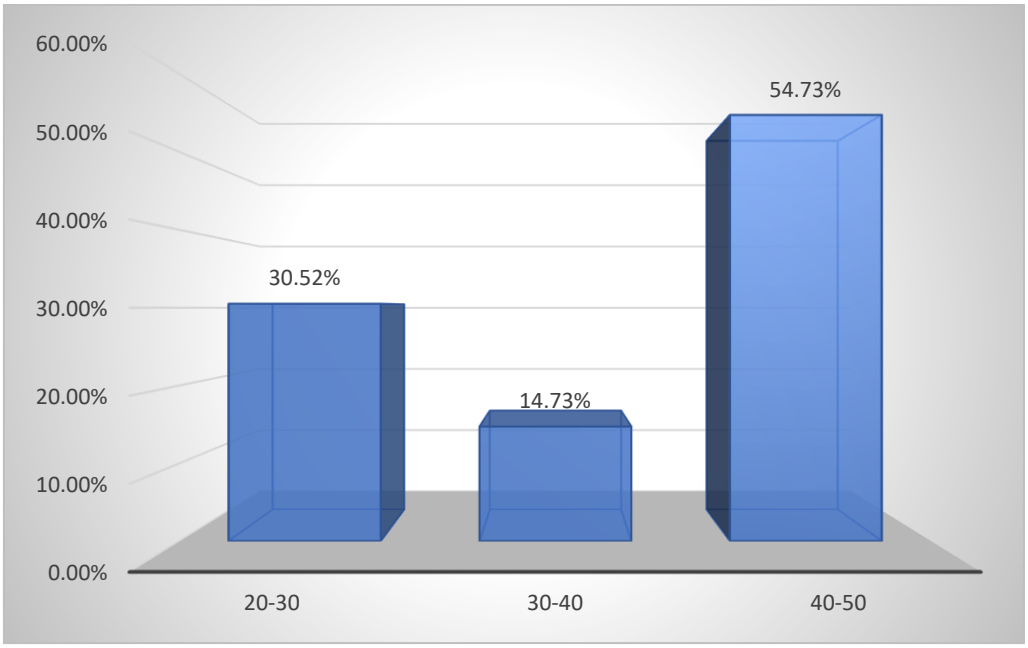


**Figure 2: Gender of the respondents**

The age distribution of the respondents is shown in Table 2. Of the 95 people who took part, 29 (30.52%) were in the 20–30 age bracket, 14 (14.73%) were in the 30–40 age bracket, and 52 (54.73%) were in the 40–50 age bracket. This suggests that the sample is biased toward the elderly, since the majority of respondents are between the ages of 40 and 50.

**Table 3: Marital status of the respondents**

| Particulars | Frequency | Percent |
|---|---|---|
| Married | 60 | 63.16% |
| Unmarried | 35 | 35.84% |
| Total | 95 | 100% |

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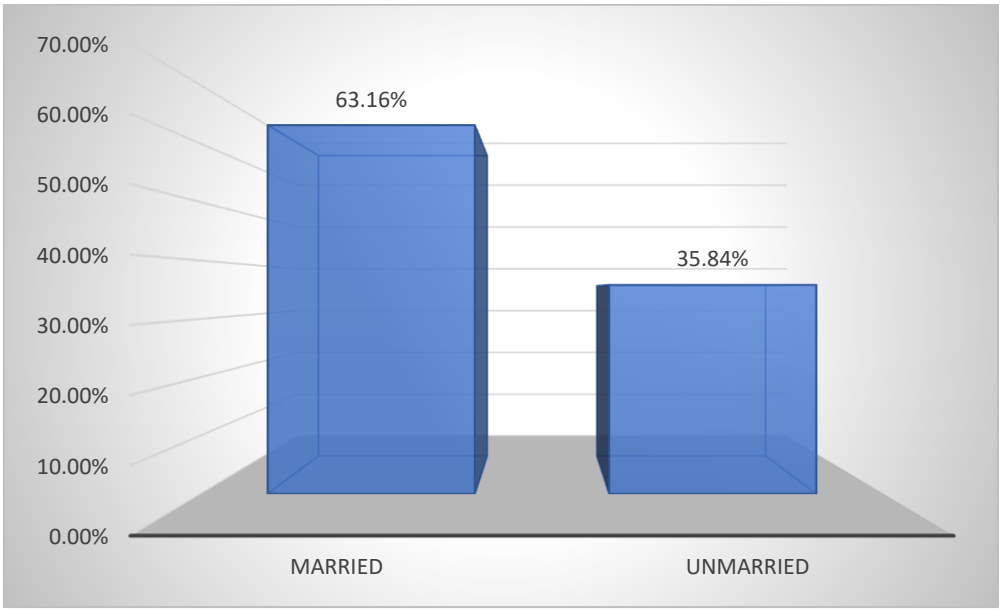


**Figure 3: Marital status of the respondents**

Table 3 shows that all of the participants in the survey were married. There were a total of 95 responders; 60 were married (63.16%), while 35 were single (36.44%).

**Table 4: Variables of Employee Retention**

| Particulars | Mean | Std. Deviation |
|---|---|---|
| Job Satisfaction | 4.050913 | .7745481 |
| Work-Life Balance | 3.85984 | .581722 |
| Career Development | 3.84017 | .973174 |
| Workplace Well being | 4.164804 | .7824364 |
| Compensation | 3.761100 | .9473821 |

The descriptive data for the employee retention variables are shown in Table 4. A mean score of 4.16 (SD=0.78) for Workplace Well-being was the highest of any respondent category, suggesting that workers had a favourable impression of their own well-being on the job. The next item on the list is "Job Satisfaction," which indicates that people are usually happy in their current positions (mean = 4.05, SD = 0.77). Mean ratings of 3.86 (SD = 0.58) for Work-Life Balance and 3.84 (SD = 0.97) for Career Development, indicating rather favorable impressions, respectively, were obtained. The respondents saw compensation as the least strong element in employee retention of the factors tested, as shown by the lowest mean score of 3.76 (SD = 0.95).

**Table 5: Variables of Human Resource Management Practices**

| Particulars | Mean | Std. Deviation |
|---|---|---|
| Employee Orientation | 3.820977 | .6838529 |
| Employee Training and Development | 3.8450 | .81080 |
| Employee Involvement | 3.510810 | .6968530 |
| Organizational Culture | 3.974065 | .8733188 |

Table 5 displays the descriptive statistics for the HRM practice variables. A mean score of 3.97 (SD=0.87) for Organizational Culture (O.C.) was the highest of all the categories, suggesting that workers had a favorable impression of the company's culture. Following this, E.O. and E.T.D. both have mean ratings of 3.85 (SD = 0.81) and 3.82 (SD = 0.68), indicating that employees have somewhat good views of these HRM practices. A mean score of 3.51 (SD=0.70) for Employee Involvement (E.I.) suggests

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that this facet of HRM practices is less strongly recognized than the others. The results indicate that company culture is strong, but that employee engagement might need some work.

**Table 6: Correlation between HRM Practices and Employee Retention Factors**

| Employee Retention Factors | Statistic | Employee Orientation | Employee Training and Development | Employee Involvement | Organizational Culture |
|---|---|---|---|---|---|
| Job Satisfaction | Pearson Correlation | .675** | .699** | .680** | .681** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 |
| Work-Life Balance | Pearson Correlation | .652** | .664** | .684** | .723** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 |
| Career Development | Pearson Correlation | .737** | .802** | .756** | .691** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 |
| Workplace Well-being | Pearson Correlation | .710** | .686** | .628** | .634** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 |
| Compensation | Pearson Correlation | .784** | .755** | .812** | .696** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 |

** Correlation is significant at the 0.01 level (2-tailed)

Table 6 displays the findings of the Pearson correlation study that investigated the connection between HRM practices and variables influencing employee retention. All employee retention indicators are positively and substantially connected with all HRM activities at the 0.01 level (2-tailed), according to the data. Employee Training and Development had the most positive connection with Job happiness (r = 0.699), indicating that ongoing skill and knowledge development is crucial to increasing employee happiness, which in turn is positively correlated with all HRM activities. Organizational culture has a substantial positive correlation with work-life balance (r = 0.723), suggesting that a flexible and supportive work environment greatly aids in balancing work and personal life.

The significance of development opportunities and participatory management in promoting workers' career advancement is shown by the extremely significant connections between Career Development and HRM practices, particularly with Employee Training and Development (r = 0.802) and Employee Involvement (r = 0.756). There is a significant correlation between workplace wellbeing and all HRM practices, but the largest correlation is with employee orientation (r = 0.710). This suggests that a well-organized onboarding process and clear job descriptions contribute to workers' happiness on the job.

The strongest correlations among retention factors are found in compensation, specifically with employee involvement (r = 0.812) and employee orientation (r = 0.784). This suggests that when employees feel engaged and integrated into the organization, they have a more positive perception of compensation.

## V. CONCLUSION

This study looks at the link between HRM practices and keeping employees in India's e-commerce business, which is a highly relevant issue. The data makes it quite clear that strong HRM practices are very important for making employees happier, more engaged, and more loyal to their organizations. The e-commerce industry is very competitive and growing quickly, therefore it's important for companies to keep skilled and experienced employees.

The study finds that strategic and employee-centered HRM practices are important for keeping employees in the e-commerce business. To build a loyal and happy staff, companies should focus on making the workplace more pleasant, boosting training and development programs, encouraging employees to become involved, and strengthening the company's culture. This study's conclusions may assist human resource managers and policymakers come up with ways to keep employees that work, in addition to providing the framework for additional research in this field.

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