

# Impact of Organizational Culture on Employee Retention at Kreon Financial Services

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## Abstract

*Organizational culture is the "personality" of a company, fundamentally influencing how employees interact, perform, and commit to long-term objectives. This study investigates the impact of organizational culture on employee retention within the rapidly evolving Indian Fintech industry, specifically focusing on Kreon Financial Services Limited. Utilizing a quantitative approach, the research explores how variables such as work environment, leadership, and career development influence employee loyalty. Preliminary findings indicate that a positive culture focused on employee well-being and recognition is strongly associated with higher retention rates. The study concludes that strategic prioritization of culture is essential for fintech firms to remain competitive and sustain organizational knowledge in a high-turnover talent market.*

**Keywords:** Employee Retention, Fintech, Job Satisfaction, Leadership, Organizational Culture.

## Introduction

Organizational culture refers to the shared values, beliefs, and behaviors that characterize an organization. It acts as a critical determinant of the work environment, directly impacting how individuals perceive their mission and objectives. In the modern business landscape, high pay and designations are no longer the sole drivers of retention; factors such as trust, communication, and innovation have become equally significant.

A strong, positive culture increases employee motivation and commitment, which is particularly vital in technology-driven industries where talent competition is intense. Retaining skilled employees reduces recruitment and training costs while preserving vital organizational knowledge. This research specifically examines these dynamics within the context of the Indian financial technology sector.

## Literature Review

Monisha (2025) found that organizational culture plays a significant role in employee retention by influencing employee satisfaction, engagement, and loyalty. The study highlights that factors such as leadership style, shared values, recognition, work-life balance, and inclusivity strongly affect employees' decision to stay. Using Maruti Suzuki as a case example, it shows that a positive and supportive culture leads to higher retention and reduced turnover. The study concludes that building a strong organizational culture is essential for long-term employee commitment and organizational success.

Akriti Sharma (2025) found that organizational culture has a strong positive impact on employee retention, with factors like learning opportunities, leadership trust, inclusivity, and cultural fit playing a key role in improving commitment and reducing turnover. It also highlights that a culture supporting collaboration, innovation, and career development enhances both employee retention and performance. The study concludes that a strong and adaptive organizational culture is essential for improving employee loyalty and overall organizational success.

Agus Suherman (2025) found that organizational culture has a strong positive relationship with employee retention in the service sector, with factors like learning opportunities, leadership trust, inclusivity, and cultural fit significantly influencing employee commitment and satisfaction. It highlights that a development-oriented and inclusive culture reduces turnover and improves retention. The study concludes that organizations should adopt culture-driven strategies to enhance employee loyalty and retention.

Dita Desiani Hanifah (2021) found that organizational culture has a positive and significant impact on employee performance at PT. Urbane Indonesia. Using regression analysis, the study shows that a strong organizational culture improves employee performance levels. It concludes that enhancing organizational culture is essential for improving overall employee productivity and organizational outcomes.

## Research Gap

The study that gives many insights into the role of organizational culture in enhancing employee retention in the service sectors like the banking industry, Information Technology and hospitality sectors, among others, it only addresses issues concerning HR management and effects of culture on employee retention. This study does not provide any analysis through statistics concerning the relationship between particular organizational culture elements and employee retention. It does not give emphasis to the predictive model needed for predicting employee retention. On the other hand, this current study entitled "Impact of Organizational Culture on Employee Retention" attempts to fill this gap by statistically analysing the relationship between the two variables and predicting employee retention.

## Objectives of the Study

- To examine the statistical association between organizational work culture and employee retention.
- To analyses the relationship between specific work cultural factor and employee retention.

## Research Methodology

This study focuses on the Fintech sector in India, which has grown to become the third-largest startup ecosystem globally. The research utilizes a quantitative methodology, employing a five-point Likert-type scale to measure employee perceptions of organizational culture and retention. Data analysis includes statistical tools to evaluate the relationship between variables such as

work environment, fairness, expectations, and rewards. Tools used in this study includes Chi-square, Spearman Correlation and Multiple linear Regression. The study was conducted among the employees of Kreon Financial Services Limited, Chennai.

**Association Between Employee Achievement Recognition And Employee Retention**

**H0:** There is no strong association between employee achievement recognition and employee retention.

	Value	df	p
Pearson Chi-Square	99.00	4	.000
Likelihood Ratio	129.79	4	.000
Linear-by-Linear Association	12.75	1	.000
N of Valid Cases	99		

		V Value	p
Nominal by Nominal	PhiCramer's V	1.000	.000
N of Valid Cases		99	.000

**Source:** Primary Survey

**Inference**

The Chi-Square test results confirm a statistically strong association between the variables. The p-value (.000) is below the standard value of 0.05, so reject the null hypothesis and accept the alternative hypothesis. In Cramer’s V value of 1.000, the data shows a perfect association, meaning that recognition of employee achievements are directly linked to their intent to remain with the organization.

**Association between Friendly Work and Employee Retention**

**H0:** There is no strong association between friendly work environment and employee retention.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	94.795a	4	.000
Likelihood Ratio	120.591	4	.000
Linear-by-Linear Association	15.795	1	.000
N of Valid Cases	99		

		Value	Approx. Sig.
	PhiCramer's V	1.000	.000
Nominal by Nominal	PhiCramer's V	.979	.000
N of Valid Cases		99	.000

**Source:** Primary Survey

**Inference**

The Chi-Square test results confirm a statistically strong association between the variables. The p-value (.000) is below the standard value of 0.05, so reject the null hypothesis and accept the alternative hypothesis. With a Cramer’s V value of .979, the data shows a strong association,

that supportive work environment are directly linked to the employee's intent to remain with the organization.

### Association between Employee Reward System and Employee Retention

**H0:** There is strong no association between reward system and employee retention.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	90.812a	4	.000
Likelihood Ratio	114.115	4	.000
Linear-by-Linear Association	14.196	1	.000
N of Valid Cases	99		

		V Value	Approx. Sig.
	PhiCramer's V	1.000	.000
Nominal by Nominal	PhiCramer's V	.958	.000
N of Valid Cases		99	.000

**Source:** Primary Survey

#### Inference

The Chi-Square test results confirm a statistically strong association between the variables. The p-value (.000) is below the standard value of 0.05, so reject the null hypothesis and accept the alternative hypothesis. With a Cramer's V value of .958, the data shows a strong association, that recognition and reward system are directly linked to the employee's intent to remain with the organization

### Association between Employee Expectations and Employee Retention

**H0:** There is strong no association between employee expectations and employee retention.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	94.795a	4	.000
Likelihood Ratio	120.591	4	.000
Linear-by-Linear Association	20.703	1	.000
N of Valid Cases	99		

		Value	Approx. Sig.
	PhiCramer's V	1.000	.000
Nominal by Nominal	PhiCramer's V	.979	.000
N of Valid Cases		99	.000

**Source:** Primary Survey

#### Inference

The Chi-Square test results confirm a statistically strong association between the variables. The p-value (.000) is below the standard value of 0.05, so reject the null hypothesis and accept the alternative hypothesis. With a Cramer's V value of .979, the data shows a strong association, that organization's consistency to meet employee's expectation are directly linked to the employee's intent to remain with the organization.

### Association between Leadership and Employee Retention

**H0:** There is strong no association between leadership and employee retention.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	90.974a	4	.000
Likelihood Ratio	115.376	4	.000
Linear-by-Linear Association	4.352	1	.037
N of Valid Cases	99		

		Value	Approx. Sig.
Nominal by Nominal	PhiCramer's V	.959	.000
N of Valid Cases		99	.000
N of Valid Cases		99	.000

### Inference

The Chi-Square test results confirm a statistically strong association between the variables. The p-value (.000) is below the standard value of 0.05, so reject the null hypothesis and accept the alternative hypothesis. With a Cramer’s V value of .959, the data shows a strong association, that leadership are directly linked to the employee’s intent to remain with the organization.

### Relationship between Organizational Culture and Employee Retention

		The Employee is intending to continue working in the organization for the next few years
Leaders in the organization treat employees fairly.	Correlation Coefficient	.187
The organization meets the employee's expectations.	Correlation Coefficient	.441**
The workplace environment is friendly and supportive.	Correlation Coefficient	.384**
The employees are happy with the recognition and rewards system.	Correlation Coefficient	.343**
The organization recognizes employee achievements.	Correlation Coefficient	.343**
The Employee is intending to continue working in the organization for the next few years.	Correlation Coefficient	1.000

**Source:** Primary Survey

### Inference

Spearman Rank Correlation was conducted to analyse the relationship between specific work cultural factor and employee retention. The results indicate a positive correlation for all

variables measured. The data shows that “Meeting Employee Expectations” and a “Friendly Work Environment” are the strongest individual drivers of an employee’s intent to stay. The factors were statistically significant at the 0.01 level, so reject the null hypothesis and accept the alternative hypothesis. It concludes that there is a significant positive relationship between organizational culture and employee retention.

### Findings

- The result obtained from the Chi-square test suggests that there is a very strong association between organizational culture and retention of employees (Cramer’s  $V = 1.000$ ).
- The existence of a supportive workplace environment (Cramer’s  $V = 0.979$ ) has a significant effect on whether employees will remain in the organization.
- Reward programs (Cramer’s  $V = 0.958$ ) are significant in ensuring employee retention.
- Meeting the expectations of employees by the organization (Cramer’s  $V = 0.979$ ) has a strong effect on employee retention.
- Organizational leadership (Cramer’s  $V = 0.959$ ) is a vital element for influencing the retention intention of the employees.
- The Spearman rank correlation shows that organizational culture in general positively affects the retention of employees.

### Suggestions

- Since the association between culture and retention is strong, management can treat “Culture Building” as a core business strategy rather than just an HR initiative.
- Conduct annual cultural audits to ensure the company’s “personality” remains healthy and aligned with its mission.
- Given the very high impact of the work environment, focus on creating a supportive atmosphere. This includes offering ergonomic workspaces, fostering a “no-blame” culture, and encouraging social interaction through team-building activities to reduce workplace stress.
- Since meeting expectations is a top driver of retention, the organization shall implement a “Realistic Job Preview” during the hiring process. Additionally, use stay-interviews to understand evolving employee needs and ensure that promises made during recruitment regarding growth and work-life balance are consistently met.
- Since leadership is a vital element, invest in leadership development programs. Train managers in emotional intelligence and empathetic leadership to ensure they act as mentors rather than just supervisors, as their behavior directly dictates the employee’s intent to stay.
- While still highly significant, this factor ranks slightly below environment and expectations. Moving beyond just monetary bonuses to include peer-to-peer recognition platforms and personalized rewards that celebrate both small wins and long-term milestones.
- Since there is a clear positive trend, management should continue to reinforce positive cultural shifts. Any improvement in the “soft” aspects of the organization will yield a direct, measurable improvement in keeping talent within the firm.

### Conclusion

It can be concluded from the analysis that the organizational culture plays a crucial role in determining whether an employee decides to remain in the organization or leave it. Upon analyzing the results obtained from the data, it has been established that the two most important aspects are creating a comfortable working environment and rewarding employees for their efforts. Furthermore, it has become evident from the results obtained from the data that just offering recognition or

gratitude to employees is not enough if they are forced to work in a negative environment. In light of the significant influence exerted by these cultural variables, management can even predict potential turnover. To ensure the longevity of the team, it becomes essential to create an atmosphere of mutual trust and support in the organization.

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