

A Study on factors affecting employee retention adopted by retail sector in India

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Abstract:

In Indian retail sector, it is poised to grow at a compounded annual interest rate of 06% to reach USD 865 billion by 2023. The organized retail segment that actually occupies a market share of only 7% in 2011 and is expected to reach 10.2 % by 2017-19. Many domestic companies like Reliance, Tata, Adani enterprise and Bharti have also heavily invested into this sector with a plan for a long term to expand their business into various cities. The high consumer spending by young population and also it rises in a disposable income and are driving the retail industry growth over the span of years. Studies have also been found that the changes in consumer preferences and their lifestyles have resulted in the expansion of organized retail sector into tier 1 and tier 2 cities which is over the last decade. The entry of all these many international companies like Wal-mart has brought new trends in technology in the supply chain management systems which can improve the efficiency of the retail industry. Although, the retail industry in India is also experiencing a strong growth prospect, this sector is mired with the obstacles in its way as the industry is also matured in recent years. The rigid regulations, with high real estate costs, lack of basic infrastructure, high personnel costs and even presence of unorganized retail shops in the competitive markets are all a few aspects that actually hurt the growth of new entrants in the industry. It was observed that in recent years, Government initiatives have increased their foreign direct investment (FDI) in retail sector to 49 percent and 100 percent allowance for the wholesale and retail segment which is showed that this industry is as poised as for the growth over the next two decades. The supply chain management systems and the sophistication in the consumer preferences are now open for new avenues for retail companies to tap into and deliver a very high quality services for the customer delight.

Key-words: Indian Retail Sector, Supply Chain Management Systems, Foreign Direct Investment, Quality Services.

Introduction:

A study on various employee motivation and on various retention schemes were used in other industries which has been done to actually better understand what programs actually resonate well with the retail employees. This practice of rewarding the high performing employees with cash rewards is termed as a well-known method and is widely followed by many other companies. These

set of rewards are given to the employee in the form of the annual bonus that actually strengthen the commitment of the organization for the employee welfare through other monetary means. Offering monetary reward has also been considered as an extrinsic mode of monetary reward, which is covering the needs of survival in actual terms of paying bills and adding an extra edge to the lifestyle of the employees. This adds total consistency to the job and even further appreciation and recognition was made. Thus, this research also tends to consider that employees must be apt in actually developing as well as executing a specialized system of reward which is within the organization. The fall-back of this monetary reward policy is the group of skilled workforce which values more than just money and so there is actual need for the retail company to devise the retention policy appropriately.

An overall review of these various critical aspects that actually affect the employee's job satisfaction and also these factors influence the motivation to actually quit the job which has been done. This subject is also significant for this study as these employees are working in retail sector and are subjected to such dissatisfaction at work for various other reasons. As per Schneider (2003), it also suggested that majority of the employees actually feel dissatisfied due to the lack of job fulfillment in day-to-day work.

Various Retention strategies adopted:

As the study was conducted of various employee motivation and their retention schemes which are been used in other industries and has been done to understand everything in a better way where, which set of programs have been resonated well with the retail employees. The practice of actually being rewarded with high performing employees along with cash rewards is a well-known method and is widely followed by many big companies. These set of rewards are given to the employee in the actual form of annual bonus that also strengthens the commitment of an organization for all the employees, for their welfare by other monetary means. Offering them monetary reward has also been considered as an extrinsic mode of monetary reward, covering various needs of the survival in terms of paying bills and actually adding an extra edge to the lifestyle of the employee. This also adds the consistency to the job and even further appreciation and the recognition. Thus, even research also tends to actually consider that employees must be apt in actually developing as well as executing a specialized system of reward within the organization. Even it is been seen that, there is fall-back of this monetary reward policy which is the skilled workforce value which is more than just money and so there is actual need for the retail company to actually devise the retention policy appropriately. The employee job satisfaction is also very strongly correlated to the workplace ambience and various measures which should be taken to offer a stress free environment. The employee value proposition should also been included the job characteristics, work load, environment, work location, compensation, benefits and other services.

As per Saunders (2009), it concurred that high salaries are usually not that significant, yet standard salaries actually come up with the stronger modes of correlation which is between the employee and the organization and it also adds to the factor of retention. Thus, employers in general give competitive mode of compensation to its employees, and so is the actual practice made of offering financial rewards which is not a primary tool for retention in the retail sector in India.

These characteristics of the job are also critical aspect of the employee value proposition. According to Horwitz (2008) which argued that the status of skilled employees are the most integral and are satisfied with the respective jobs and are also committed within the organization which is against the non-high skilled kind of employees. The retail company is also generally has a ratio of 4:1 for the unskilled to skilled workforce. This also shows that the company should pay significant attention to the unskilled labor accordingly. Further, the unengaged employees also tend to leave the organization as they feel that their skills are been ignored and are under-utilized even. Thus, a company must also need to retain all its employees with a high-skill and thereby it must ensure the roles as they have actually pursued in their job and it also utilizes the same to the greatest limit as per the conditions of hiring made. It is been also opined from this study that the career development programs have another strong tool to actually retain employees at the organization. Heath field (2008) have also been stated that the context of development and is related to the mode of gaining newer skills which is as well as attaining advantage which is related to diversified learning approaches that employees' as well as organizational benefits. The benefit of these employees which is based on the experience of greater note of satisfaction and is related to the responsibility as bestowed as per their career and the ability. Such training programs, job rotation policies and even personality development workshops for the retail employees also help them to gain new skills to actually perform their work and also to attain customer delight. As per Farren (2008) it also supported this theory and has even proposed that employee recognition is also vital for building a loyalty bond with the organization. The employee should also be recognized for accomplishing a task in the best possible way and employees also get the sense of 'feel good' about themselves and are also to the respective organization. Thus, this gains more loyalty (Farren, 2008) and so is the organization which needs to prioritize the process of recognizing the employee and also create productive, positive and innovative working environment within the organization. The downfall of this exercise must often lead to high attrition in the retail industry and so the other companies such as More Retail Market have been employed as the "Star of the Month" awards to their employees which try to keep the employee motivation at high levels. Employees who actually attain proper appreciation turn up to be more productive and also contributes more to attain or try to maintain his reputation. The appreciation should actually come from a commitment management and from the respectful managers of the organization.

According to Griffeth and Hom (2009), it follows a research and derives that a factor that can affect the decision of the employee which tries to leave a company and it can be with a manager who

actually develops a trustworthy relationship. Further they also add that managers are showing value and respect to the competency of the employee which can assure accomplishment of challenging works, value work life quality and it also offers chances for grasping more learning and tries to concentrate in the aspirations of the employee for also engaged and loyal participations.

Human Resource Practices that reduce Turnover	
Staffing	<ul style="list-style-type: none">• Use realistic job previews• Provide growth and promotion opportunities• Select employees who fit with the organization
Training and development	<ul style="list-style-type: none">• Offer education programs such as MBA• Provide sabbaticals and other learning opportunities
Career planning	<ul style="list-style-type: none">• Specify clear career paths
Compensation	<ul style="list-style-type: none">• Maintain competitive pay• Develop fair pay practices• Pay for learning new skills
Labour relations	<ul style="list-style-type: none">• Establishing quick and fair grievance procedures• Facilitate conflict resolution among employees

Review Literature:

According to Masaiti and Naluyele (2011), there is a higher count of turnover which shows a low morale and is determined level of dissatisfaction in employees. This ideology is also led by Queensland Government (2012) that also declares it as the mark of problem for the same organization. As per Masaiti and Naluyele (2011) even labor turnover it also evolves as a situation whereby the respective employees also perceive themselves as unwanted. Therefore this research also considers that the employers should also critically handle employee's satisfaction for avoiding the unprecedented kind of turnover.

As per Forgacs (2009), this also leads to the emphasis made on the implicit mode of retention that is spontaneous in nature, with all the expressive feature and pleasurable count of behavior. These are the actual subject to get divided under three determined variables-

- Power,
- Achievement
- Affiliation.

Power is termed as a social dominance and control, whereas the achievement is also about excellent personal standards that might even get exceeded, and affiliation is made for all the social relationships that actually get intensified among employee and the employer. Within the explicit and implicit modes of retention, different persons which remain significant as per the behavioral drivers (Cline bell and Shad wick, 2008). In accordance to behavioral status, there are various aspects of retention as well as turnover which are illustrated as they get executed by the managers in displaying power and by relationship which is maintained with the subordinate staff. Thus, employee's personal interests should also get a well treated for formal retention.

Research Methodology:

Research is undertaken within most professions. More than a set of skills, it is a way of thinking, examining critically the various aspects of professional works. It is a habit of questioning what one do and also a systematic examination of the observed information to find answers with a view if appropriate changes can be brought for a more effective professional service. Research is a process of collecting, analysing and interpreting information to answer questions. But to quality as a research, the process should have certain characteristics that must be controlled, rigorous, systematic, valid and verifiable, empirical and critical.

Objectives.

1. To identify how retention strategy reduces the turnover.
2. To formulate strategies through which employees retention rate can be achieved.
3. To identify the factors that affect employee retention in the study area.
4. To know the satisfactory level of employees towards their job and working conditions.

Hypothesis

Null Hypothesis: Monetary rewards do not increase the rate of employee retention.

Alternative Hypothesis: Monetary rewards increase the rate of employee retention.

Data Analysis:

It is been used as per chi-square test and graphical representation to analyze the respondents' survey data. Each hypothesis was tested and the interpretation is studied in detail. Monetary rewards do not increase the rate of employee retention .Monetary rewards increase the rate of employee retention

From the t-test for Equality of Means, it can be observed that, the value of the t test statistic is 2.164, and the value of p is $0.032 < 0.05$. This indicates that, the alternate hypothesis can be accepted and the null hypothesis can be rejected. The hypothesis testing thus made evident that, the monetary rewards increase the rate of employee retention in the retail sector.

In order to analyze the monetary rewards which increases the rate of employee retention or not, the actual answers which is obtained from the respondents for the closed ended questionnaire which were analyzed. The questions which focused to know if the monetary rewards have drastically increased the rate of employee retention which were considered for analysis. From the hypothesis testing, it was also observed that, the mean rating for fair monetary rewards for the respondents who said that Monetary Rewards have also increased the rate of employee retention in their organization and is significantly high when it is compared to respondents who do not agree that Monetary Rewards have also increased the rate of employee retention in their organization. It is also derived by Kuria et al. (2012) that, the program of rewarding employee which can be a way to motivate employees in terms of changing their routines and regular behaviors for the benefit of the organization. On the other side, Zwillling (2012) it was discovered that many business experts which agree that monetary reward is not a long term solution for actually retaining employees with high-skill. From the t-test for Equality of Means, it can also be observed that, the value of the t test statistic is 2.164, and the value of p is $0.032 < 0.05$. This also indicates that, the alternate hypothesis can also be accepted and the null hypothesis can be termed as rejected. The hypothesis testing thus made evident that, the monetary rewards also increases the rate of employee retention in the retail sector.

Conclusion:

Employees actually leave the organizations for multiple reasons and these reasons often remain unknown to the employers. These needs of the employees are to be actually paid proper attention by the employers in actual order to make the employees feel engaged and also valued in the work place. Implementing effective employee retention strategies will also exhibit a positive and significant effect on the employees and thus will also reduce the employee turnover. Employee turnover can actually incur higher costs to the organization.

Hence, proper adopting significant and effective retention strategies is mostly followed by the organizations. Hence, it can be said that, the retail sectors were observed to offer monetary rewards and their benefits to the employees to actually increase their job retention. In addition to it, the organizations are also observing various practices and their follow them to enhance the various characteristics of their job; improving the environment of the workplace and also by proper maintaining good relationship with the other employees also to increase the rate of employee

retention in their organizations. Thus, it can also be concluded that, following effective employee retention strategies can also improve the retention of the employees and also reduce their turnover rate.

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