

Employee Retention Policies: An Experimental Analysis On Of Selected Organized Retailers with Special Reference to Chennai City, Tamilnadu

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Abstract: The Indian retail industry is one of the fastest growing in the world. Retail industry in India is expected to grow to US\$ 1,200 billion by 2021 from US\$ 672 billion in 2017. India is the fifth largest preferred retail destination globally. The country is among the highest in the world in terms of per capita retail store availability. India's retail sector is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in Tier-II and Tier-III cities. Healthy economic growth, changing demographic profile, increasing disposable incomes, urbanization, changing consumer tastes and preferences are the other factors driving growth in the organized retail market in India. India's population is taking to online retail in a big way. Online retail sale is forecasted to grow at the rate of 31 per cent to reach US\$ 32.70 billion in 2018 Revenue generated from online retail is projected to grow to US\$ 60 billion by 2020. Organized retail penetration is expected to increase to 18 per cent in 2021 from an estimated nine per cent in 2017. India is expected to become the world's third-largest consumer economy, reaching US\$ 400 billion in consumption by 2025. ^Increasing participation from foreign and private players has given a boost to Indian retail industry. This research paper help to identify the retention factors influencing the retention of employees in the Retail Industry in Chennai city and compare the employee and employer perspective towards retention of employees.

Keyword: Organization support, Work place, Retention policies and Subordinate Relationship

I. INTRODUCTION

The retail sector in India is fast emerging as one of the largest sectors in the economy, accounting for more than 10% of the country's GDP and around 8% of employment. With India occupying the first rank in the Global Retail Development Rankings this year, the sector is likely to boost growth further. The retail sector has been undergoing a fast paced revolution, fuelled by a growing consumer base and technological advancements. A remarkable development in the last decade has been the rapid evolution of the online retail sector. E-commerce industry is expected to be the number one sector boosting retail industry growth in India and online retail is estimated to reach US\$ 70 billion by 2020. The investment opportunities are numerous in the food, interiors, apparels, fast food, and consumer durables industries. In fact, many foreign companies are making ties with Indian firms to market their products here. Some examples of these collaborations are the Bharati group tying up with Wal-Mart. Or the many franchisees of fast food joints, such as McDonald's, Domino's, or Pizza Hut in the food section. In the apparel and sports section, Adidas, Reebok, Nike, Sony, and Levi's are making their presence felt. The government as of now allows 51% FDI for single-brand companies. Other than that, franchisees are available for foreign outlets to tap the Indian retail Industry. Multi-brand outlets are not permitted to invest in the

Indian markets yet. The objective of this paper is to find out the various reasons why employees leave the job and suggest recommendation for employees' retention in retail sector. With special reference to study of selected organized retailer in Chennai city.

II. REVIEW OF LITERATURE

Mathur, Atul and Agarwal, P. K. (2017), The study aimed to understand the impact of retention strategies on employee turnover in sugar industry in India. The focus of this study was on dysfunctional turnover. Other variables such as welfare benefits, personal satisfaction and organization culture, which are associated with the employee turnover, were also investigated as a part of this study. It was found that the main reason for leaving the organization by employees were compensation and working environment. Results of the study revealed that retention strategies have direct impact on employee turnover. Researcher suggested that by using different HR practices like effective compensation policy, performance appraisal, training and development programme, feedback and assigning competitive work the condition of employee retention can be increased.

Balakrishnan and Masthan, D. (2016), The study identified the drivers of the employee engagement and also examined the relationship between employee engagement and employee retention. It was observed that employee engagement leads to

commitment and psychological attachment and reflects in the form of high retention (low attrition) of employees. The study suggested that the level of engagement in employees can be enhanced by identifying its drivers (influential factors). Organizations can design good practices in the light of findings to retain their best talent (highly skilled and specialized human resources) without much financial burden. Statistical evidence in the study confirm that the employee retention can be improved by addressing non financial drivers of employee engagement like communication, recognition, manager/supervisor support (relationship), work engagement, team work and role clarity.

Kwenin, O. D. and Muathe S. et.al (2015), The study indicates influence of employee rewards, job satisfaction and human resource policies on employee retention in Vodafone Ghana Limited. The results showed that organizations' fair reward systems lead to equity and increase retention. The findings also revealed that job satisfaction and favourable human resource policies have positive link with retention. Moreover, the study also identified that employee Human resources policies were also identified to connect directly with retention, and was thus suggested that the company should take a second look at its policies to promote growth and opportunities for employees.

Appiah, A. F. and David A. (2013), The study determines on human resource management activities that were frequently used in the mining industry in Ghana and their effect on employee retention. The main findings of the study were that majority of turnover intentions within the organization were attributable to human resource management. Training and development, communication and information sharing, health, safety and welfare, incentives and compensation and job security factors were very significant in bringing about turnover intentions within the mining industry. The study provides insights into the effects of human resource management practices on employees' intension to leave and retention in the mining sector in Ghana. Job satisfaction as a strong signal for retention. Consequently, the study recommended that management of the organization should provide intrinsic values in the jobs to make them more satisfying for the employees to stay.

III. STATEMENT OF THE PROBLEM

Problem Statement In today's scenario organizations take a proactive measure to formulate the retention strategies. Retention Strategies help organizations to improve employee commitment and enhance workforce support for key corporate initiatives. Organizations are working towards the incorporating various ways which improve the loyalty and commitment of the employees and also towards their willingness to be highly productive but still the attrition rate is quite high. Every organization has almost similar retention policies and strategies but the influence of these retention factors differs from organization to organization. Thus, it is very crucial to understand and identify the most influencing

retention factors according to the expectations of the employees.

- What are the most important and crucial retention factors that the organization uses to encourage the employees to stay with the organization?
- What are the factors which the employees consider as a motivator or catalyst to stay with the organization?

IV. OBJECTIVE OF THE STUDY

- To identify impact on various factors that predicts employee retention in retail sector.
- To identify the satisfaction level of employees towards their job and work environment.
- To explore the relationship between various factors superior subordinate relationship and organization support.
- To evaluate employee retention with special reference to work related particulars.

V. NEED FOR THE STUDY

Research on retention strategies is of great importance to the organizations as it provides a new dimension in understanding and dealing attrition. The problem of attrition has widened the scope of Employee Retention and its implications on organizational effectiveness. It is very important to retain those employees who work hard for the organization and who is indispensable for the system. Since there has been increased amount of attrition taking place in both Manufacturing and firms, retaining such employees is a challenge to the Employer. The major problem in retaining the performing employees in their jobs and with the organizations for relatively longer period is a testing time for the employers. Hence it was found necessary to carry out this study entitled "Employee Retention Strategies on retail sector. The research on retention strategy finds great importance as it would be able to contribute significantly to understand how to hold and retain the experienced employees so that his expertise and knowledge, wisdom and learning is not migrated out of organization, to its competitors.

VI. SCOPE OF THE STUDY

A Study on employee retention describes the commitment of the selected retailers company in Chennai city to attracting and retaining the employees who are talented, innovative and dedicated to excellence with respect to the response from the executives. This survey helps us to know the satisfaction level of the employees for the retention policy offered by selected retailers. The project describes the level of standard in regards to the motivation which is being offered to the employees in the leading retailers in Chennai city.

VII. RESEARCH METHODOLOGY

RESEARCH DESIGN

Descriptive research design includes surveys and fact findings, enquires of different kinds. The major purpose of

Descriptive research is description of state of affairs, as it exists at present. In social business research we quiet often use the term Ex post facto research for descriptive studies.

VIII. SAMPLING METHODOLOGY

The sampling used in this study is convenience sampling. Convenience sampling procedure is a non-probability sampling and it involves purposive or deliberate selection of particular units of the universe for constituting a sample which represents the universe. Due to the lack of general public, convenience sampling is chosen and sample size restricted to 65.

IX. DATA COLLECTION METHOD

Collection of data includes both primary and secondary data. The researcher has collected both of the above data. The data collected constitutes both primary and secondary data.

X. DATA ANALYSIS AND RESULTS

FACTOR ANALYSIS

Aggregate data collected from all the 64 respondents of the retail industry by the employee relationship management questionnaire were factor analysed to know it internal structure and the grouping of item.

Communalities of Factor Analysis

Variables	Extraction
Employee Retention	0.95
Organizational Support	0.53
Work Related Problems	0.89
Superior Subordinate Relationship	0.96
Work Environment Particulars	0.96
Work Related Particulars	0.91

Source: Primary Data

Inference: Communalities were shown in the output and none goes less than .530 the average of communalities can be found by adding them up and dividing by number communalities.

Total Variance Explained

VARIABLES	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.09	68.24	68.24	4.09	68.24	68.24	4.09	68.22	68.22
2	1.13	18.89	87.13	1.13	18.89	87.13	1.13	18.90	87.13
3	0.64	10.67	97.81						
4	0.13	2.18	100.00						
5	8.05	1.34	100.00						
6	8.36	1.39	100.00						

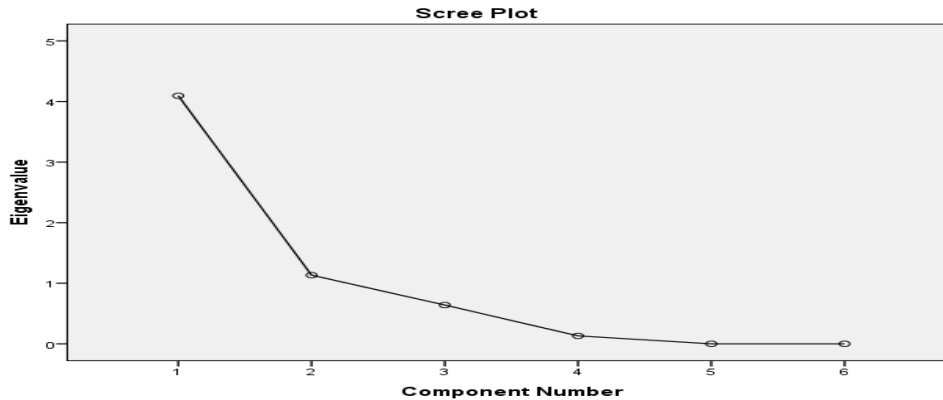
Source: Primary Data

Inference:

The table list the six values associated with each linear component (factor) before extraction, after extraction, and after rotation. 16 linear components were used. The six values

associated with each factor represent the variance explained by that particular linear component and SPSS also displays the six value in terms of the percentage of variance explained. It is clear that the 12 factors explain relatively large amount

of variance whereas subsequent factors explain only small number of factors.



screen plot for Eigen Values

Inference:

The output of the above screen plot shows that the curve is difficult to interpret because it begins to tail after 1 factor till 6 factors. Before stable plateau is reached the diagonal of the matrix contains the communalities after extraction from each variable.

NULL HYPOTHESIS (H₀): There is no significance association between no associate difference between department and good employee relation leads to increased performance in the firm.

ALTERNATIVE HYPOTHESIS (H₁): There is significance association between no associate difference between department and good employee relation leads to increased performance in the firm.

CHI SQUARE TEST

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.88 ^a	1	0.00
Continuity Correction ^b	26.17	1	0.00
Likelihood Ratio	37.84	1	0.00
Linear-by-Linear Association	28.44	1	0.00
N of Valid Cases	65		

Inference: The above table indicates that the Pearson Chi- square value 28.88^a, linear by linear association is 28.44, level of significance is 0.05 and the P value is 0.04 it is less than the level of significance so, accept the alternative hypothesis and reject null hypothesis. It shows that there is an associated difference between department and good employee relation leads to increased performance in the firm.

RELIABILITY TEST

Case Processing Summary

		N	%
Cases	Valid	7	100.0
	Excluded ^a	0	.0
	Total	7	100.0

a. List wise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items

Inference: The Cronbach's alpha coefficient for 38 items is 0.920 suggesting that the items have high level of internal consistency.

XI. FINDINGS OF THE STUDY

- The Cronbach's alpha coefficient for 38 items is 0.920 suggesting that the items have high level of internal consistency.
- Using Chi square it is found that there is an associated difference between department and good employee relation leads to increased performance in the firm.
- Using factor Analysis it is observed that The output of the above screen plot shows that the curve is difficult to interpret because it begins to tail after 1 factor till 6 factors. Before stable plateau is reached the diagonal of the matrix contains the communalities after extraction from each variable.

XII. SUGGESTION FOR THE STUDY

These are the few suggestions made by the researcher based on the opinions collected from the respondents, observations made by the researcher himself and from the literatures available.

- Job satisfaction can be improved by improving working condition through tools required by the employees like flexible time and training.
- Department wise feedback has to be taken on challenges and frustrations for employee retention.
- Supervisors have to communicate at regular intervals (weekly once) for solving employee complaints, problems and to manage stress.
- Work environment has to be improved by introducing music at work place.
- While there is no guaranteed set of practices that will work in all firms, there are "best practices" identified within the HR literature, and highly effective examples as described in our profiles.

XIII. CONCLUSION

The employee retention identifies a range of factors that have been shown to be consistently linked to employee turnover. These include compensation management, performance appraisal system, career development, employee engagement, training and development, motivation, morale, team building, job satisfaction, and employer-employee relationship. These factors can help the organization to understand the general nature of retention rate and the employees' willingness to stay in a company. The ever-increasing intensified competitions to attract talented workforce have posed new challenging dimensions for employee retention. This study attempts to bridge the gap in retention strategies by comparing the retention strategies in the firm. The employee turnover in both

the sectors can be drastically reduced by adopting the retention strategies in more proper and systematic way.

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