To study reasons of employee turnover and develop employee retention strategies for retail industry

Jyoti Kumari, Dr. Sanjeev Saxena

Research Scholar, Research Guide

MBPG College, Haldiwani,, Uttrakhand

Abstract: A Great Workplace Culture is way for Success.

Intellectual employers always recognize the significance of retaining the best talent.

Retaining talent has not so significant within the Indian scenario; but, things have modified in recent years. In distinguished Indian metros, there is no dearth of opportunities for the best in the business, or even for the second or the third best. Retention of key staff has never been so vital to organisations.

Employee retention is an organisational issue such as training time and investment, costly candidate search, are involved. Hence, failing to retain a key worker becomes a costly proposition for any organization. Various estimates recommend that losing a middle manager in most organizations, interprets to a loss of up to five times its remuneration.

*Key words***: - Retention, Retail, Turnover, Attrition**

Objectives of Research

- To analyze reasons, which cause the turnover in the rapid growing Indian retail industry

- Recommending and suggesting strategies to retain the employees.

Literature Review: - *Review of literature is the study of already established knowledge pertaining to the area that enables us to perceive clearly what is already lighted up in that area and what still remains enveloped in darkness.*

- In today's world of globalization, demographic amendment and international migration, the personnel is changing into more and more numerous, that has resulted during a bigger sort of information, skills, experiences and attitudes – all of that contribute to the organisation's performance in what has become a extremely competitive world business market (Arnold & Randall, 2010).

- **De Villiers (2006)** further points that the importance of employee commitment and loyalty has never been more significant than in the modern world of work context, and skilled employees have a larger choices of employment, both nationally and globally.

- **Gochis, Chery (September 2012)** The article offers suggestions on the retention of talented people in a company. Ways to develop great people and let them stay are offered including approaching everything from the perspective that is impossible to increase the company's performance without first increasing individual performance. Treating people as though one needs them more than they need you said to be the best and easiest way to improve retention.

- **Chantal Olckers and Yvonne du Plessis** explore in the article entitled, The role of psychological ownership in retaining talent: A systematic literature review, the construct of psychological ownership by distinguishing it from alternative work-related attitudes, and clarifying the role that psychological ownership can play in talent retention. Psychological ownership is defined as a state in which individuals feel as though the target of ownership is 'theirs' – thus they refer to the organisation by saying, 'It is mine!'. Based on a comprehensive review of the research literature, the authors concluded that organisations could benefit from understanding psychological ownership as an attitudinal state that leads employees to feel responsible toward the organisation and show stewardship, which can play a role in the retention of talent.

- **Jeannette van Dyk and Melinde Coetzee** found in the article entitled, Retention factors in relation to organisational commitment in medical and information technology services, that employees' satisfaction with retention factors is significantly related to their organisational commitment, and that gender, age, race and tenure groups differed significantly in terms of the variables. Understanding the retention factors that will enhance the organisational commitment of medical and information technology services staff may benefit the organisation who wants to retain their valuable talent. The authors provided valuable pointers for the design of effective retention strategies.

- **Joy Mohlala, Geoff Goldman and Xenia Goosen** studied the challenges faced by a bank's Information Technology (IT) leadership team when retaining employees who have knowledge and skills that are considered core to the bank's purpose of existence and ongoing success within the article entitled, Employee retention within the Information Technology Division of a South African Bank.

What is retailing?

Retailing is a distribution channel function, wherever one organization buys goods from supply corporations or manufactures themselves, sell these to the end users
Retailers provide several advantages to suppliers and customers as resellers. Consumers, for example, are able to purchase little quantities of assortment of merchandise at a fairly cheap value. Similarly, suppliers get a chance to reach to their target market, build product demand through retail promotions, and give feedback to manufacturer directly or through wholesaler. The Indian Retail sector has felt major transformation over the last decade with a visible shift towards organized retailing.

Favourable demographics, increasing urbanization, nuclearisation of families, rising standards of customers, growing preference for branded merchandise and higher aspirations are alternative factors that are driving retail consumption in India," said DS Rawat, Assocham Secretary General.

Retail classification

Retail industry can be broadly classified into two categories namely:

❖ Organized retail - Organised traders/retailers, who are licensed for trading activities and registered to pay taxes to the government.
❖ Unorganized retail – It consists of unauthorized small shops - conventional Kirana shops, general stores, corner shops among various other small retail outlets .Slowly they are reducing their importance because of competitive organized retail sector.

But in this study we will be studying only organised retail sector.

What is Turnover?
Reduction in the number of people who work for an organisation during a specified period of time.

The Costs of Employee Turnover

The costs of employee turnover range from tangible to intangible. Consider the real "total cost" of losing an employee

• Cost of hiring a new person (advertising, interviewing, screening, hiring)
• Cost of on boarding a new person (training, management time)
• Lost productivity (a new person may take 1-2 years to reach the productivity of an existing person)
• Customer service and errors (new employees take longer and are often less adept at solving problems).
• Training cost (over 2-3 years you likely invest 10-20% of an employee's salary or more in training, that is gone)
• Cultural impact (whenever someone leaves others take time to adjust).

The Economic Value of Employees over Time
Initially most workers are "cost" to the organization, which over time, with the proper talent practices, they become more valuable. The job of HR is to attract the "right people" and move them up as rapidly and effectively as possible. Early days in new job employees feel somewhat unproductive and often search for ways to add more value. But in the right environment (on boarding, coaching, training, teamwork) they rapidly "find their place" and start to add more and more value

Why do Employees Leave?
For organizations to allow design and implement an effective retention strategy, it is important for senior management to understand the reasons that prompt high performers to leave and find different employment. When thinking about their job, employees feel one or more of the following: undervalued, underwhelmed, underpaid or overworked

1. Rude behavior.
Rudeness, assignment blame, back-biting, enjoying favorites and retaliations are among reasons that worsen turnover rate. Feeling aggrieved and neglected is not an inducement for a good work atmosphere.

2. Work-life imbalance.
Increasing with economic pressures, organizations continue to demand that one person do the work of two or more people. This is very true once a company downsizes or restructures, resulting in longer hours and weekend work. Employee's square measure forced to decide on between a private life and a piece life.

3. The job did not meet expectations.
When employees feel that what they were expecting from their job is not the same as given they feel cheated and this dissatisfaction result in turnover.

4. Employee mismatch with the job.
Organizations should not hire employees (internal or external) unless they're qualified for the task and in accordance with the culture and goals of the organization.

5. Feeling undervalued.
Everyone desires to be recognized and rewarded for job well done. It's part of our nature. Recognition does not have to be monetary. The most effective recognition is sincere appreciation. But when it does not happen it may result in turnover.

6. Coaching and feedback are lacking.
Effective manager's skills to assist staff improves their performance and systematically offer coaching and feedback to any or all staff. Ineffective managers postpone giving feedback to staff even if they instinctively understand that giving and obtaining honest feedback is important for growth and building of organizations.

7. Centralisation of power
Organizations would like staff to own possession and be empowered. Empowered staff has the liberty to create suggestions and choices. Employees, in turn, settle for that responsibility and embrace that trust with enthusiasm and pride of possession.

8. Raises and promotions frozen.
 Organizations may not have a goal to offer the best compensation in their area, but if they don't, they better pay competitive wages and benefits while making their employees feel valued! This is a critical combination.

9. Faith and confidence on employees is lacking
If a company desires staff putt out quality merchandise at a pace that meets client demand, they need to demonstrate appreciation through actions.

10. Growth opportunities not available.
A lot of fine talent may be lost if the workers feel at bay in inactive positions.
Often proficient people square measure forced to job-hop from one company to a different so as to grow in standing and compensation.

Suggestions
On the basis of the above stated problems. Following retention strategies can be suggested for the organization.
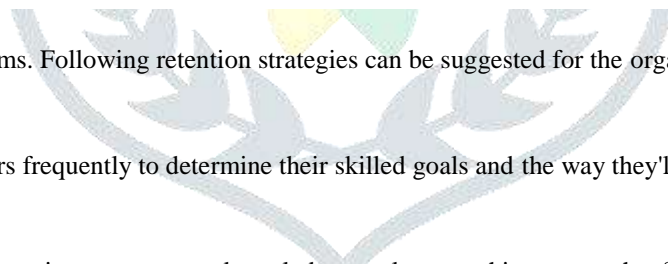
1. Provide a clear career path
Make sure you meet with team members frequently to determine their skilled goals and the way they'll deliver them at your organisation.

2. Employee appreciation
Having a rewards program is a superb retention strategy to acknowledge employees achievements that focus on fairness and consistent delivery. When individuals feel that leaders notice and really worth their contributions, their motivation and become more loyal to organizations.

3. Cultivating a culture of freedom
When revenues and profits increase in conjunction with employment, organizations ought to take another scrutinizes their overall compensation packages. Employees understand once a corporation is doing well, and they expect to be considered as critical enablers of that success. Organizations have to be compelled to stop talking regarding staff being their most significant quality whereas treating them as consumables or one thing but valuable.

4. Offer flexibility
In terms of worker engagement, versatile work arrangements are among the foremost important to retain your talent. These will vary from creating it simple to attend to family emergencies or get-together activities, to giving flexibility, job share and work-from-home arrangements

5. Cut throat remuneration
Salaries are another essential retention strategy which will either work for you or against you . By giving unique pay package, you'll be able to attract the cream of the organization – and vice versa

6. Clear lines of communication

People wish to feel they're a key part of the organization. So they should have all the communication beforehand doing any work.

7. Conducting exit interviews

This means when the employee leaves the organization the organisation can take the interview just to identify reason of leaving. Any suggestion from the concerned employee from the Present employee's expectations / demands from the employer. So that the employer can get to know the reason and work towards redressing the dissatisfaction.

Conclusion

Hence it has been concluded that organization are required to have best retention strategies so as to retain the workforce & enhances their motivation, morale & desire to work for the benefit of the organization. It also creates a sense of belongingness towards the organization.

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