

An analysis of retail sector with reference to employee retention management**Dr.Priyanka Verma, Assistant Professor****Department Of Management Studies****Maulana Azad National Institute of technology,(NIT),Bhopal(M.P)****Ms. Poonam Likhitar, Research Scholar****Department Of Management Studies****Maulana Azad National Institute of technology,(NIT),Bhopal(M.P)****Abstract**

Employee retention is one of the key challenges faced by various organizations especially in the context of insurance & retail sector. It is the responsibility of the employer to have effective HR practices used by the HR department in order to retain key employees of the organization. *The relevant literature review has been done for compiling this research paper in order to find out the various factors affecting in retaining the employees in the retail sector.* After analyzing, it was found that Money is not only the sole factor which leads an employee to stay or leave the organization but there are some other factors like Work overload, job ambiguity, lack of career plan, pay not on the basis of performance also affects the employee retention in the retail sector. *The research is based on secondary data available on the internet & relevant literature review.*

Keywords: Attrition rate; Commitment; Employee Satisfaction; QWL; Retention.

Objective of the Study

1. To identify & analyze the various factors affecting employee retention in the retail sector.
2. To give shed light on the importance of Retention management.
3. Study suggested some strategies to retain key employees of the organization.

Introduction

Employee turnover leads to more cost to the retailers not only in terms of recruitment and training cost; but it also affects the operations of the retailer. The organized retailing has been attracting young talents. However, due to stress & lack of career growth, young professionals are leaving the industry. Employee turnover is the challenge that the organized retailers are facing tremendously. Though it is happening at all levels, the big retail brands are facing 40-60% overall turnover rate and 20-30% turnover rate at junior and middle levels. Frontline staff turnover in retail is around 20- 30 %. The retail managers are in the thought of that OJT i.e. on-job training are useful in building a company culture and hence help in better retention rates. (Shabnam,Paul 2008)

The retention management in the service sector especially in the context of retailing have found significant importance in the current scenario. The employees are valuable factor which lead to ups & downs of the company. Therefore, it is the responsibility of the HR manager to retain their competent staff by satisfying their needs by allocation of right job, providing healthy environment, to empower employee, transparency, Fair Salary etc.

Retention management is the process of retaining the existing competent & talented manpower & encouraging others to join the organization.

1. Types of people does the organization requires to attain its objectives?
2. How many people of each type/stream are needed?
3. What steps to be taken to recruit and select such people?
4. Can present employees well trained to fill the future needed positions?
5. Find out & analyze the attrition rate?

Literature Review

Hannay & Northan (2000) argued that future opportunities for the employees also help in retaining employees because these opportunities are associated with more pay, additional work responsibilities, superior work environment and different incentives plans. Money is not sole factor but it has significant effect while recruiting the employee. Hansen (2002) argued that pay more to the employees in order to achieve better financial position and retain those employees who lead from the front to attain business goals. Short and long term incentives should be given according to the goals of business that will help to have more organized and strong management team for long term results.

Firth et al (2003) found that job stressors (example work overload, job ambiguity) are the factors that trigger the chain of psychological states that lead to intention to quit. They suggested that supervisors support can reduce the impact of stressors on psychological states an intention to quit. Monitoring workloads & supervisor-subordinate relationships by management may not only reduce

stress but increase job satisfaction & commitment to the organization. Vos & Meganck (2009) indicated that career development plan for the employees play a vital role in the retention of employees. Providing these career development opportunities restrict employees from leaving the organization and increase in loyalty.

Dr. Sohail Nadeem , Muneer Ayasha & et al (2011) suggested that career path is most valuable factor that employees look for, to work in the organization. The leading reasons for quitting the job are - culture, recognition, environment, policies of the organization and the relationship with company and co-workers. Priya (2011) found that in retail sector the males are in large extent & males are having more responsibility as compared to females, they are very much not satisfied with their job are the most prominent reason for employee turnover, which creates problem in the execution of retention strategies. It was found that there is relationship between organization Policy / climate & retention. Furthermore, also argued that the organized retailers provides better working condition / quality of work life to their employees, hence there is no correlation between Retention & work condition/ Quality of work life. Lahoti H Jyoti (2014) suggested that in order to survive, executives must align employee performance with customer satisfaction & loyalty as a part of a successful retail strategy. From her study, it was found that the HR management practices in the retail outlets are still in the initial stages of development. The employee facilities & proper performance appraisal measures will always encourage the employees to achieve the best. Sultana Almas (2014) has made an attempt the HRM practices implemented in the organized retail sector in India where he found that Indian retailers need creative HR practices to manage & retain the talent of the organization. This research also suggested that attractive compensation packages should be provided both direct (salary & bonuses) as well as indirect payments (paid vacations, health & life insurance & retirement plans).

Importance of Retention Management

People are the tangible assets & valued customers of the organization. Different people belong to different region having different types of skills & competencies. Employer must respect the value of individual staff without any discrimination of levels of staff. It is necessary to identify the interest area of the employee so that they can perform well in their task. For achieving an organization goal, employer must be aligned with best strategies for retaining key employees of the organization.

Following are some features & benefits of retention management strategies:

1. Feeling of being valued by the employer.
2. Enhances motivation, morale & desire to work with dedication & with interest.

3. Reduces the problem of high attrition rate.
4. Increases the high productivity & / or production.
5. Highly satisfied employees will be present in the organization.
6. Enhances the Goodwill of the organization.

Why retention management?

Basis	Organization
Who will look after?	HR Manager & Top management of the company are accountable & responsible.
For Whom to be done?	For retaining the key employees for achieving the organizational goal.
Why it is important?	Mutual Success of the organization.
When should be done?	Regularly. It is a continuous process involved in each & every activity of the organization such Communication, Transparency, Involvement in decision making, Training & development

Source: Author's Own View – (Importance Of Retention Management)

Findings

It has been concluded from the above literature that:

1. Money is not only the sole factor responsible for stay or leave the organization; several future opportunities associated with more pay, additional work responsibilities, superior work environment and different incentives plans.
2. Organization must focus on retaining those employees who lead from the front to attain business goals.
3. Work overload, job ambiguity are the factors that trigger the chain of psychological states that lead to intention to quit. Therefore supervisors are required to support the employee in order to reduce the stress.
Monitoring workloads & supervisor-subordinate relationships by management may not only reduce stress but increase job satisfaction & commitment to the organization.
4. Career Path & development plan for the employees play a vital role & most valuable factor that employees look for, to work in the organization. It restricts employees from leaving the organization and increase in loyalty.
5. The leading reasons for quitting the job are - culture, recognition, environment, policies of the organization and the relationship with company and co-workers.

6. There is relationship between organization Policy / climate & retention.
7. The organized retailers provides better working condition / quality of work life to their employees, hence there is no correlation between Retention & work condition/ Quality of work life.
8. HR management practices in the retail outlets are still in the initial stages of development. The employee facilities & proper performance appraisal measures will always encourage the employees to achieve the best.
9. Attractive compensation packages should be provided both direct (salary & bonuses) as well as indirect payments (paid vacations, health & life insurance & retirement plans).

Suggestions

1. Proper utilization of available human resources optimally i.e neither under-utilized nor over-utilized.
2. Feeling of being valued by the employer.
3. Paying the employees for their work on the basis of their performance without any biasness.
 - Equality in compensation given to the employees.
 - Completed assignment done by the employees must be appreciated either monetary or non-monetary.
 - Identify whether employees having the feeling that are getting less than they work?
4. Encourages the employee to accept new & challenging task for their career growth.
5. Work done = payment/salary get leads to higher satisfaction.
6. Conducting an interview cum discussion between the employer & the employee (who are leaving the job) for the purpose of getting the reason for leaving & any suggestion for the betterment of the organization. The process called as Exit interview. The below steps:
 - Take the concerned employee as a representative of entire staff.
 - Identify Reason of leaving.
 - Identify the reason of dis-satisfaction.
 - Any suggestion from the concerned employee for future reference.
 - Present employees expectations / demands from the employer.
7. Harmonious Relationship involves healthy relationship between the employer & the employee.

Conclusion

Hence it has been concluded that organization are required to have best retention strategies which helps in retaining the workforce & enhances their motivation, morale & desire to work either monetary or non-monetary form & creates a sense of belongingness towards the organization. It also enhances the goodwill of the organization.

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