

Effectiveness of Strategies Adopted for Employee Retention in the organized Apparel Retail Sector

Trupti Sachin Gupte

HR, PTVA's Institute of Management

Swati Sabale

H & G. H. Mansukhani Institute of Management

Asawari Parsekar

PTVA's Institute of Management

Abstract: Employee Retention is basically the goal of every organization to keep their hard-working and talented employees thereby reducing employee turnover by providing a positive and healthy atmosphere. Employee Retention is extremely important in every sector. The reason is the cost and the time any organization invests in hiring employees is humongous and to spend it over and over again is not feasible therefore every organization needs to focus on retaining employees. When it comes to the Retail Sector the attrition rates are generally high. In order to solve this problem organizations resort to strategies such as Flexible Work Hours, Training and development of Employees, Appreciation and Recognition, Engaging processes, rotational shifts etc. This study explains how effective the strategies adopted by the organised apparel retail sector are to retain employees.

Keywords: Employee Retention, Strategies, Organisation, Human Resources

I. Introduction

The goal of every organization is to earn revenues. Human Resources is one of the key factors from the perspective of every organization. Better efficacy and productivity of Human Resources better the profits of an organization. However, the rapid pace of industrialization and the increasing competition have made it difficult for organizations to retain their employees. Employees leaving an organization over a certain period of time voluntarily or involuntarily is employee turnover which has an impact on the business performance. Therefore, to increase overall business performance Employee Retention is critical and important for many organizations today. Organizations need employees that portray higher efficiency and productivity for their business to grow and sustain, which is the major goal for retaining employees. Organizations devise strategies and processes to lower employee turnover to retain critical talent.

Advantages of Employee Retention

- **Cost Reduction:** Hiring activities are intensive on Finance as well as on time. If the organization succeeds at retaining employees the cost of Recruiting is reduced. Recruiting costs include costs that are paid to recruiters, the amount spend on setting up the interviews, the advertisement costs that are incurred for the awareness of vacancy, and so on.
- **Retention of Critical Talent:** Major advantage of retention is that efficient employees that are conducive to the organization's growth are preserved.
- **Greater Employee Satisfaction and Experience:** The employees are more engaged and focused when the organization makes an effort to develop strategies for the benefit of the employees which in turn contributes to the company's growth.
- **Increase in Revenue:** Retention does not just reduce the cost but also adds to the revenue. Employers that are performing well in terms of higher retention rates deliver a better experience to customers and their employees.

II. Sector Overview

India is one of the countries with vast cultural diversity. According to various reports and studies by the year 2027, India's readymade garments CAGR is to be at 12-13% and to surpass 30 billion dollars. The make-in-India initiative also is a likely factor to contribute to the sector of apparel in order to increase exports. However, the apparel sector is divided into organized and unorganized. When it is about the organised sector it refers to those retailers who are licensed, that is who pay sales tax, income tax, etc. The online business has contributed immensely to the organization of the retail apparel sector. The incoming of big players like Amazon, Flipkart, Myntra, etc has enabled the sellers to deliver products domestically and internationally without establishing a physical setup. It is also advantageous from the point of view of the consumers since they get a variety of choices.

III. Literature Review

1. Dr. Sajeevani & Wickramasinghe MDN (2018), The Impact of Rewards on Retention of Operational Level Employees in Three Apparel Sector Companies in Export Processing Zone in Biyagama, Sri Lanka. The study focuses on the retention intention of an employee in an organization.

The problem of the study was whether employee rewards have a significant impact on the retention intention of operative-level employees in three apparel sector companies in the Export Processing Zone in Biyagama, Sri Lanka.

The researcher concluded to facilitate various studies examined that employee compensation, rewards, and recognition affects employee turnover and retention. The study represents that employee retention is possible with the rewards having a positive effect. This is because Employee commitment is promoted by highly competitive wage systems and it results in the attraction and retention of a superior workforce.

2. Weerakoon W.M.T.N.K., Dilanthi M.G.S., (2019), the impact of talent management practices on employee retention in the Sri Lankan apparel industry.

The study concluded that talent management is one major strategy for every organization tempting to implement. Talent management can be suggested to be a strategy to measure employee retention within an organization, but this investigation showed that talent management practices would help to retain talented employees within the organization.

3. Yurchisin & Park (2010), Effects of Retail Store Image Attractiveness and Self-Evaluated Job Performance on Employee Retention.

The main aim of the study was to understand internal job satisfaction and organizational commitment and when retail store image attractiveness is concerned how impactful it is along with self-evaluated job performance in retention of employees.

The study reaches the conclusion that it contributes to the body of existing literature on employee retention. Store image attractiveness and self-evaluated job performance were important indicators for predicting internal job satisfaction and organizational commitment. It has been observed that the employees exhibit a high level of both internal job satisfaction and organizational commitment. When they find the store's image attractive and/or positively evaluate their job performance.

4. Bodjrenou, Ming & Bomboma, (2016), Study on Determining Factors of Employee Retention. Employees are the most valuable assets of an organization. Their significance to organizations calls for not only the need to attract the best talents but also the necessity to retain them for the long term.

The study reached the conclusion that further investigations need to be conducted regarding employee retention to better comprehend this complex field of human resource management.

IV. Research Methodology

1. Objectives of the Study

- To study the effectiveness of the Training and Development adopted by the organization and identify whether it results in enhanced coordination among employees, leading to retention.
- To study if Performance-Based Rewards and Recognition influence employee retention.

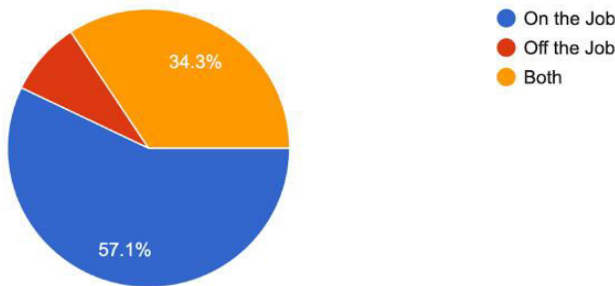
- To study and analyse whether Cross Functional Job Rotation leads to employee retention.
- To study and analyse if the Flexi Working Hours Policy enhances the overall job satisfaction among employees in the organization leading to employee retention.
- To study the impact of Higher Education in retaining employees.

2. Sample Size

In this study, 70 organized apparel retail sector employees have been interviewed. These employees are a crucial part of the daily operations and sales of the Organisation. The employees filled out a Google form and their responses were recorded. The questions in the survey form were a mix of open-ended, rating-based, and option-based questions. The secondary data was collected through various websites.

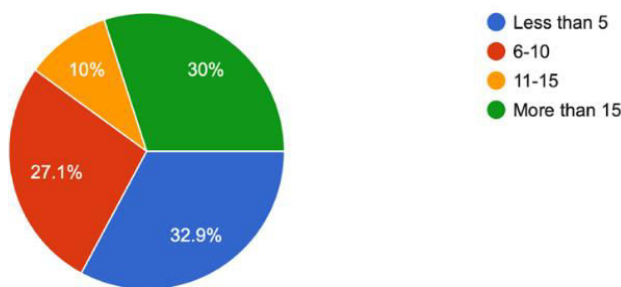
V. Data Analysis and Interpretation:

1. Type of Training:



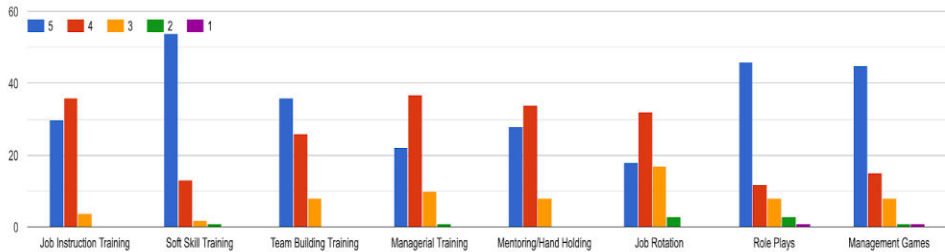
57.1 % of employees received on-the-job training and 34.3% received both on the job and off the job training. 8.6% of the employees have received off the job training.

2. Number of Training programs attended since joining:



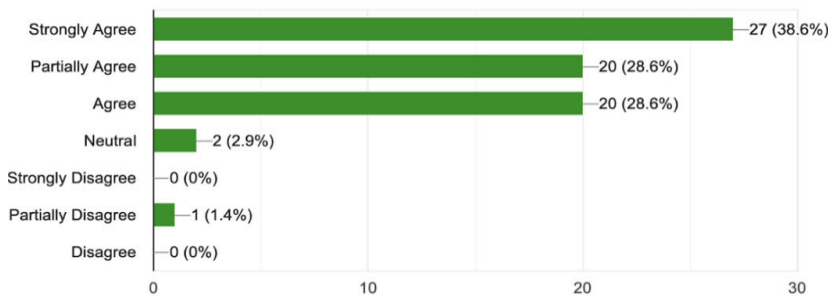
The above graph shows the analysis for the number of training received. 32.9% of employees have received less than 5 trainings. 27.1% have received training whose number lay between the range of 6-10. Only 10% of employees have received training between the range of 11-15 whereas 30% of employees have attended more than 15 training.

3. Training Methods



The above analysis shows training methods that have increased the co-ordination of employees amongst their colleagues. The job Instruction Training method has got the highest rating of ‘4’. Soft Skill Training has got a maximum rating of ‘5’. Most of the employees have rated Team Building Training ‘5’. The managerial Training method has received the highest rating of ‘4’ on a scale of 1-5 also Mentoring/Hand Holding training method has received the highest rating of ‘4’ from most of the employees on a scale of 1-5 along with the Job rotation training method which has also received a rating of ‘4’. Role plays and management games both training methods have received a rating of 5 from most of the employees.

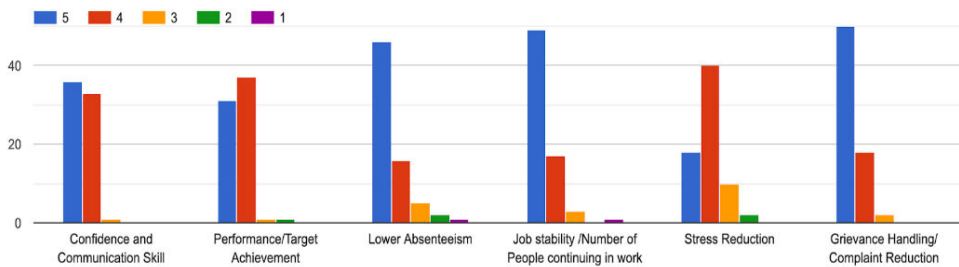
4. Improvement in coordination after attending Training



38.6% of employees strongly agree that their coordination has improved after attending the training sessions whereas only 1.4% partially disagree that they have not felt improvement after attending the training session. 28.6% of employees partially agree that

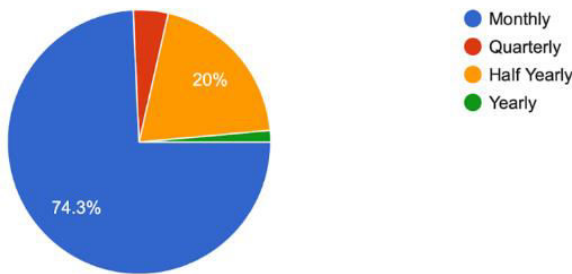
there is improvement in coordination after attending the training also 28.6% of employees ‘agree’ that improvement is observed after training sessions. 2.9 % of employees have a neutral opinion and 0 % of employees disagreed and strongly disagreed.

5. Overall Improvement after attending the training



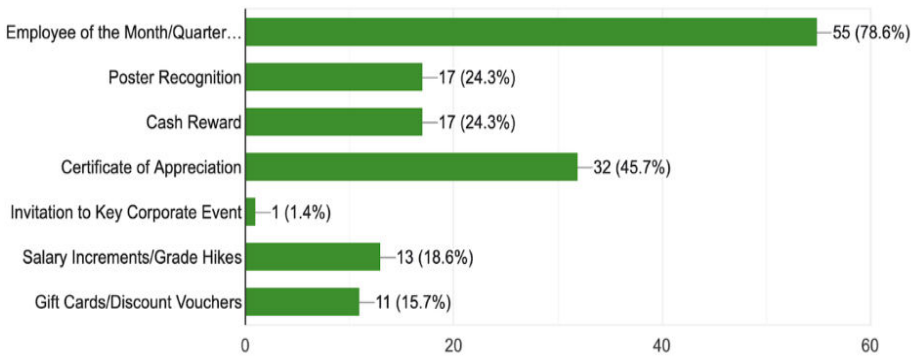
The above analysis showcases the factors that have gained improvement from the employee’s perspective after attending the training. The factors were rated on a scale of 5-1 where 5 depicts the most improvement and 1 is the least improvement. Confidence and communication skills have been rated 5 by most of the employees also Lower absenteeism rates, Job Stability, and Grievance Handling is the factors that have been rated 5 by most of the employees. Target Achievement and Stress Reduction have been rated 4 by the majority of employees.

6. Frequency of Reward



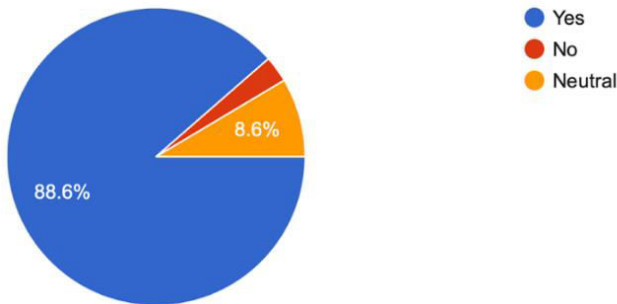
From the above group, it can be stated that 74.3% of organizations conduct monthly recognition programs and 20% of organizations have half-yearly recognition programs. 4.3% of employees have recognition programs that are conducted quarterly and 1.4% of employees have recognition programs that are conducted on a yearly basis.

7. Types of Performance-Based Recognition



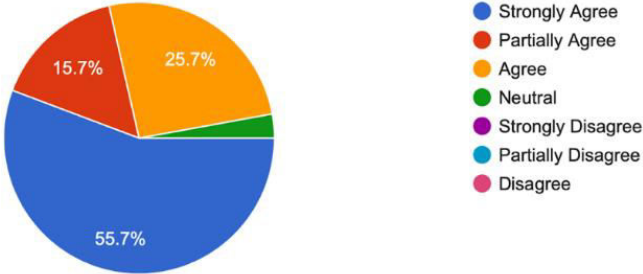
78.6% of organizations have rewards such as ‘employee of the month’ and the next popular form of recognition is a ‘certificate of appreciation’ which is 45.7%. Rewards in terms of ‘poster recognition’ and ‘cash rewards’ have been received by 24.3% of the employees. 18.6 % of employees have ‘salary increments’ as a recognition method and 15.7% of employees receive ‘gift cards / discount vouchers’ as Recognition. Only 1.4% of employees have ‘invitation to key corporate events’ as a recognition.

8. Employee satisfaction with the Performance-based Reward System



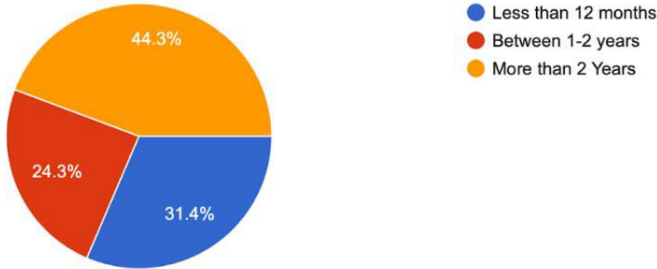
88.6 % of employees are satisfied with the performance-based reward system whereas 8.6% of employees have a neutral feeling. 2.9% of employees are not happy with the reward system.

9. Employee Motivation



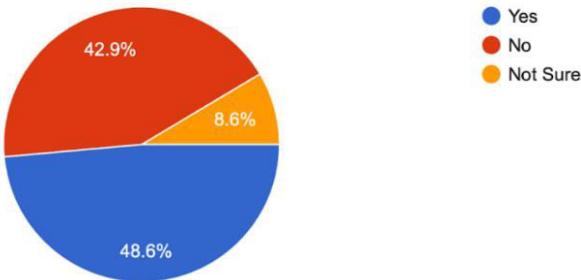
55.7% of employees ‘strongly agree’ to be motivated to work due to the reward system whereas 25.7% ‘agree’ to be motivated due to the reward system 15.7 % of employees partially agree and 2.9% employees feel neutral.

10. Current Duration in Job Role



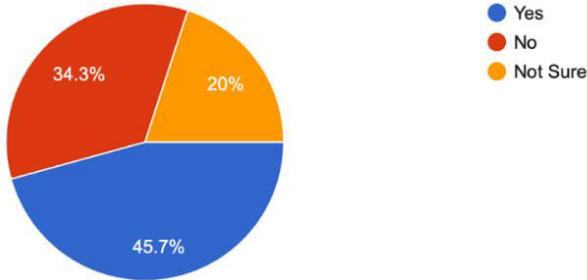
44.3% of employees have been working in the same organization for more than 2 years whereas 24.3% of employees are part of the same organization for 1-2 years and 31.4% of employees have been a part of the particular organization for less than a year.

11. Work Monotony or Repetitiveness



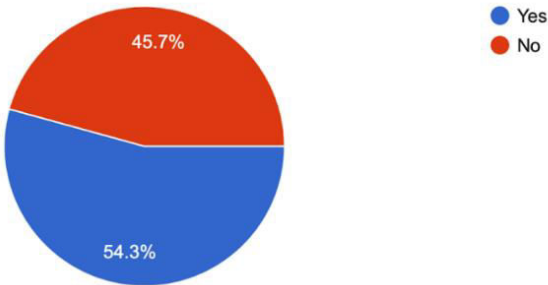
The graphs below show whether employees feel work monotony or repetitiveness in their current jobs.48.6% of employees experience work monotony whereas 42.9% of employees do not feel work monotony and 8.6% of employees are not sure if they experience work monotony or not.

12. Reduction in Work Monotony



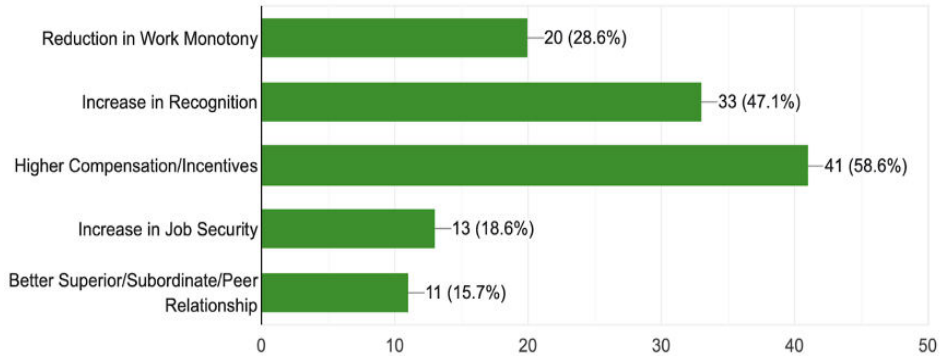
The analysis in the above graph helps to understand the employee’s view on whether task rotation can help in the reduction of work monotony.45.7% of employees feel task rotation can help to reduce work monotony and 34.3% of employees feel task rotation will not reduce work monotony and 20% employees feel not sure of if task rotation can reduce work monotony or not.

13. Job Rotation



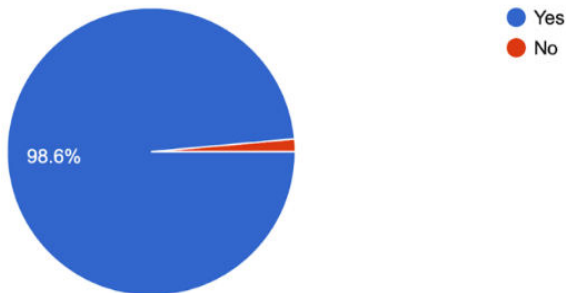
54.3% of the employees have undertaken job rotation whereas 45.7% employees have not undergone job rotation.

14. Positive Impacts after Job Rotation:



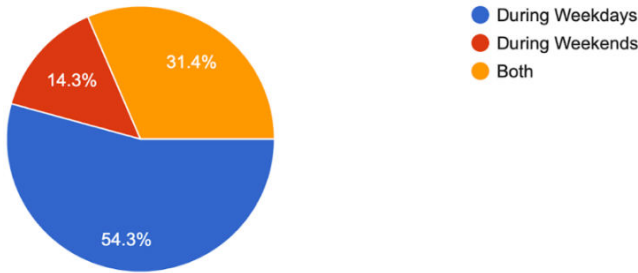
The above graph lists various reasons that the employees have observed after job rotation. 28.6% of employees have felt a reduction in work monotony after job rotation. 47.1% of employees feel there has been increase in recognition after job rotation. Job Rotation has led to higher compensation or Incentives for 58.6% of employees. An increase in job security is the reason that has been impacted by job rotation for 18.6% of employees. After Job rotation 15.7% of employees felt better superior or subordinate peer relationships.

15. Overall Employee satisfaction Post Job Rotation:



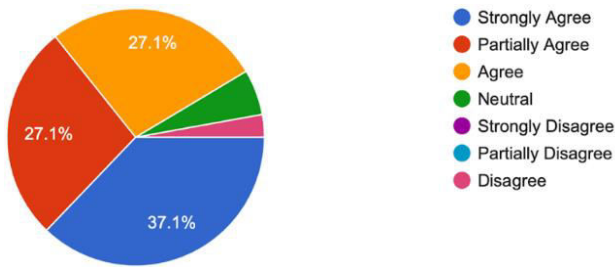
98.6% of employees are satisfied after the job rotation and 1.4 % of employees do not feel overall satisfaction after Job Rotation.

16. Availing of Flexible Work Hours



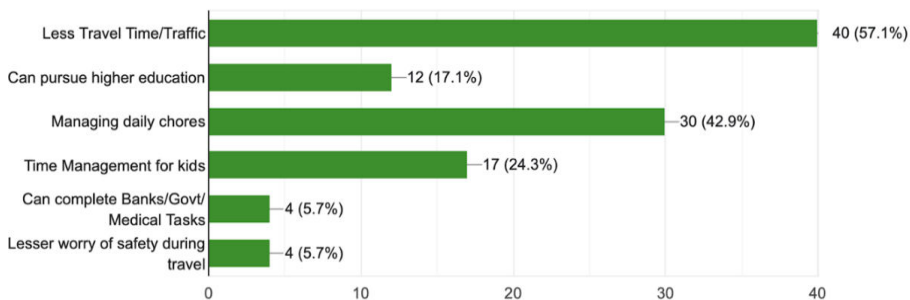
54.3 % of employees can avail of flexible work hours during weekdays whereas 14.3% of employees can avail of flexible work hours during weekends.31.4 % of employees can avail flexible work hours at both times i.e. on weekends as well as weekdays.

17. Impact of Flexible Work Hours on Job Satisfaction



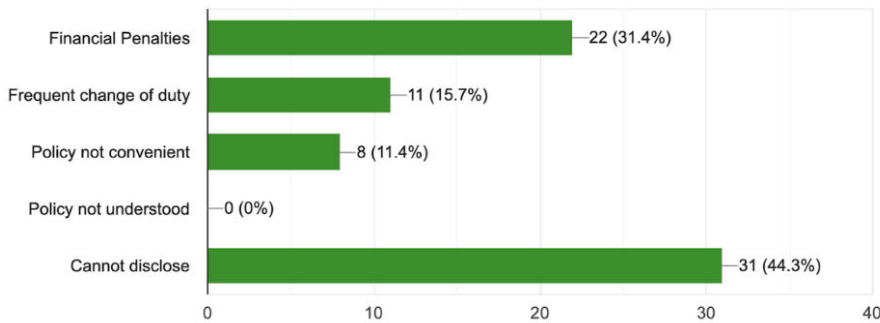
The above graph shows the employee’s point of view as to how the availability of flexible work hours has improved the Job satisfaction of Employees.37.1% of employees strongly agree that flexible hours are a factor that improves job satisfaction similarly 27.1% of employees partially agree and agrees to this.5.7% of employees are of a neutral opinion and 2.9 % of employees disagree that flexible work hours improve job satisfaction.

18. Reasons that Enhance Job Satisfaction:



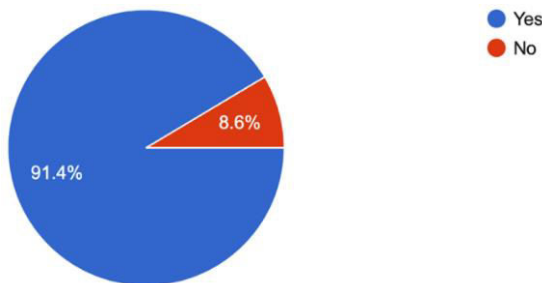
57.1 % of employees feel ‘Less travel time’ is a factor that enhances job satisfaction whereas the ease of ‘manage daily chores’ is a factor that enhances job satisfaction felt by 42.9% of employees. ‘Time management for kids’ is a factor that enhances job satisfaction felt by 24.3 % of employees.5.7% of employees feel at ‘ease to complete tasks like Bank work or medical tasks’ and ‘lesser worry about safety during travel’ are the factor that enhances job satisfaction. 17.1% employees feel pursuing higher education enhances job satisfaction.

19. Reasons because of which there is no enhancement in Job Satisfaction:



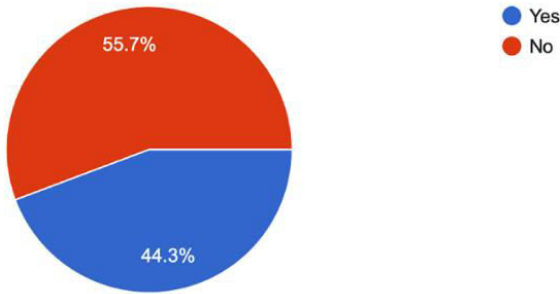
44.3 % employees could not disclose the reason for no enhancement in job satisfaction. Financial penalty is a factor that leads to no enhancement in job satisfaction felt by 31.4% of employees. Frequent change of duty is a factor that leads to no job enhancement in the view of 15.7% of employees.11.4 % of employees have a view that the policy of the organisation not being convenient is a factor that leads to no enhancement in job satisfaction.

20. Impact of Higher Education on Growth of Current Work Profile:



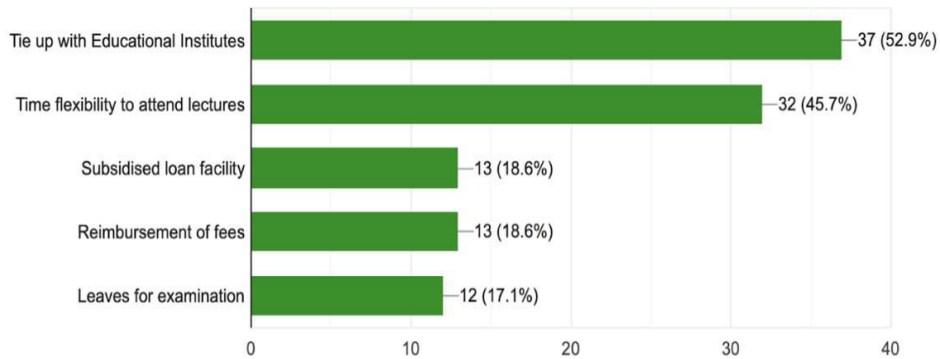
91.4 % of employees feel that Higher education or a certificate is beneficial for growth in their current work profile and 8.6% of employees feel that higher education is not conducive to growth in current profile of work.

21. Organisational support in the Pursuit of Higher Education:



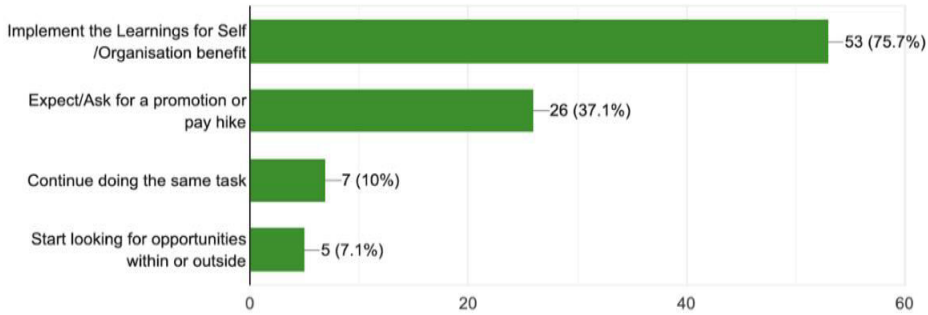
55.7 % of employees voted that organizations do not provide support for higher education and 44.3% of employees voted that organizations do support the pursuit of higher education.

22. Facilities for Higher Education that are important from an Employee’s Perspective



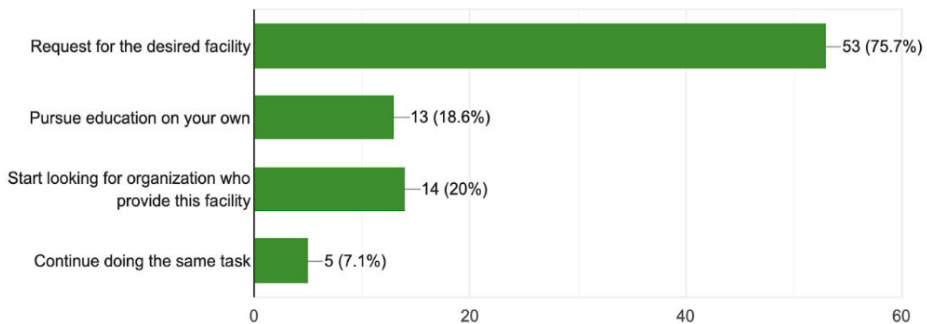
52.9 % of employees voted that tie with an educational institution is important in the pursuit of Higher education. Time flexibility to attend lectures is a factor that employees would desire to receive 45.7 % votes. Reimbursement of fees and subsidised loan facility is a facility that 18.6% of employees desire. 17.1% of employees feel leaves for examination is a facility that should be provided in pursuit of higher education.

23. Further course of Action after availing of Facility for Higher Education:



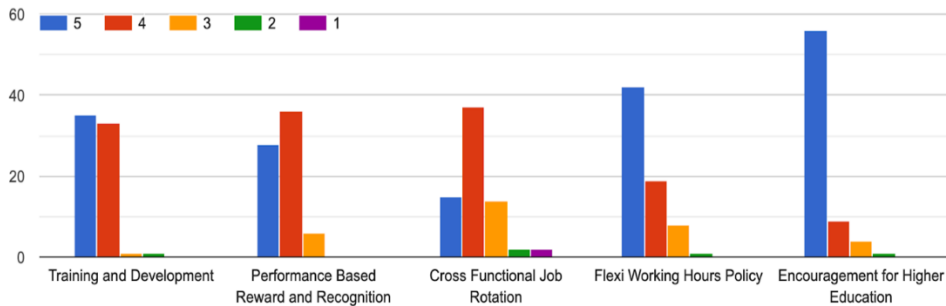
75.7 % of employees would ‘implement the learnings of higher education for self-benefit or the Organisation’s benefit’. 37.1 % of employees would expect a ‘hike or promotion’ after pursuing higher education. 10% of employees would ‘continue doing the same task’. 7.1 % of employees would ‘start looking for opportunities within the organization or outside the organization’ after pursuing higher education.

24. Further Course of Action if Organisations do not support Higher Education:



The above graph represents the course of action of employees in the event of organisations not supporting higher education. 75.7% of employees will ‘request the desired facility’ in such event whereas 18.6 % employees will ‘pursue education on own expenses’. 20% of employees would look for ‘organizations supporting higher education facilities’ and 7.1% of employees would ‘continue doing the same task’.

25. Factors Motivating Employees to Work in Current Organisation



The above graph represents factors that motivate employees to work in current organization and the factors have been rated on a scale of 1 to 5 where 5 is the highest rating and 1 is the lowest rating. Training and Development is a factor that has got a rating of 5 by maximum employees and Performance-Based Rewards and Recognition have been rated 4 by most employees. Many employees have rated Cross Functional Job Rotation 4 and Flexi Working Hours Policy and Encouragement for Higher education both have been rated 5 by majority of the employees.

VI. Limitations

- **Sample Size:** The sample size of the survey is 70. It was difficult to interview more employees because of factors such as time constraints, restrictions in accessibility to cell phones during work hours of the employees, stringent policies of the organizations, and so on.
- **Geographical Region:** This employee has been conducted mainly in the Western Region of Mumbai and some amount of the responses account for the Central Region. The samples do not consist of responses from the Navi Mumbai Region.

VII. Conclusion

A Positive Work Environment plays a very crucial role for lower attrition rates. In order to retain employees that are assets to every organization, every organization should focus on designing policies that are conducive to the growth of Employees as well impactful for the overall success of the Organization. Factors such as Training and Development, Flexi Work Hours policy, Rewards, and Recognition, Encouragement to update skills and knowledge induce not only belongingness towards the organization among employees but also is a motivational factor that in turn enhances employee performance thereby maximizing Organisation Profits.

Webliography

<https://blog.yoobic.com/retail-employee-retention-strategies>

<https://www.hourwork.com/blog/how-to-reduce-retail-employee-turnover/>

<https://www.netsuite.com/portal/resource/articles/human-resources/employee-retention.shtml>

<https://www.investindia.gov.in/sector/textiles-apparel>

https://www.researchgate.net/publication/330619769_The_Impact_of_Rewards_on_Retention_of_Operational_level_Employees_in_three_Apparel_Sector_Companies_in_Export_processing_Zone_in_Biyagama

<http://www.ijern.com/journal/2019/May-2019/15.pdf>

<https://www.readcube.com/articles/10.1007/s10869-010-9161-x&>

<http://www.scirp.org/journal/jsshttp://dx.doi.org/10.4236/jss.2016.45029>

<https://pdfs.semanticscholar.org/1d6e/719e080e19d47301b6303a5fc1a4849ac7ea.pdf>